

## CITY COUNCIL AGENDA ITEM NO. 18

**Meeting Date:** November 18, 2008

**Subject/Title:** Provide Direction to the Civic Center Financing Subcommittee and Staff regarding Phased Construction of the Civic Center

**Prepared by:** Gail Leech, Management Analyst

**Submitted by:** Donna Landeros, City Manager

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### RECOMMENDATION

Direct staff to implement a phased approach for the Civic Center consisting of building the City Hall and Community Center as Phase 1; and the Parking Structure as Phase 2.

### PREVIOUS ACTION

On April 10, 2007, City Council endorsed the Brentwood Civic Center Five Year Financing and Phasing Plan in concept and authorized staff to bring the Plan components to the City Council for formal consideration as part of the 2007/08 – 2011/12 CIP budget.

On June 12, 2007, by Resolution No. 2007-126, City Council adopted the Negative Declaration and adopted the 2007/08 – 2001/12 Capital Improvement Program.

On November 13, 2007, by Resolution No. 2007-269, City Council 1) endorsed the Civic Center Conceptual Plans; 2) endorsed the City Hall and Community Center Building Plans; 3) endorsed the History Walk concept as one of the Required Art Components of the Civic Center; and 4) directed staff to proceed with this project to design development.

On February 26, 2008, LPA, Inc. gave a presentation to City Council on milestones and critical decision points for the Civic Center project. The purpose was to inform City Council of when they would be required to make decisions that will affect the progress of the project.

On May 13, 2008, by Resolution No. 2008-115, City Council approved the Swinerton Management and Consulting contract for Construction Management services for the Civic Center Project.

On May 13, 2008, by Resolution No. 2008-116, City Council approved Staff's recommendation for the type of fountain and the trees for the Civic Center Plaza.

On May 13 2008, by Resolution No. 2008-117, City Council endorsed the City Park Master Site Plan.

On May 13, 2008, City Council continued the issue of consideration of a Resolution directing staff to Prepare Temporary Space for the Interim Library and Council Chambers at the Brentwood Education and Technology Center and directed staff to bring back a budget analysis for the costs associated with moving the library.

On May 27, 2008, by Resolution No. 2008-136, the City Council adopted the 2008/09-2012/13 Capital Improvement Program.

On June 10, 2008, City Council directed staff to pursue the temporary space for the interim library at the annex building on Oak Street.

On August 26, 2008, by Resolution No. 2008-219, City Council authorized the City Manager to execute an agreement with Devcon Construction Incorporated for construction management services related to the construction of the interim library at the Oak Street Annex.

On August 26, 2008, by Resolution No. 2008-220, City Council approved the Mitigated Negative Declaration for the Brentwood Civic Center project; by Resolution No. 2008-221, approved the General Plan amendment (GPA 07-02) to change the land use designation on a portion of the Civic Center site from Park to Downtown (mixed use); by Resolution No. 2008-222, approved a Downtown Specific Plan amendment to add the Brentwood Civic Center District Zone, create site development standards and permitted uses for the new district zone, and re-designate City Park, the adjacent Maple Street and Third Street and two City-owned parcels to the new district zone; and by Resolution No. 2008-223, approved a summary vacation for portions of Maple Street and Third Street.

On October 14, 2008, by Resolution No. 2008-249, City Council approved the contract documents, awarded the bid and authorized the City Manager to execute a construction contract and necessary documents with Enterprise Roofing Service, Inc. for Bid Package #1, Re-roofing work associated with the Library Relocation project, CIP No. 337-37194, and adopted Resolution 2008-251 amending the CIP Budget Sheet for the Library Relocation project.

## **BACKGROUND**

On August 26, 2008, City Council appointed the Civic Center Financing Ad Hoc Subcommittee, consisting of Councilmembers Becnel and Stonebarger. The subcommittee has met with staff and considered additional phasing and financing alternatives. The Subcommittee and staff desire to review phasing options with the full Council.

Due to the economy, staff believes that the Civic Center should be phased with the City Hall and Community Center being built in Phase 1; and the Parking Structure delayed until Phase 2.

Preliminary direction is needed at this time because if the Council decides to defer the Parking Structure until Phase 2, the Parking Structure plans will be completed, but not included in the bid documents. Construction documents will be changed to accommodate surface parking instead.

If the parking structure is delayed, the parking that is required for the City Hall and the Community Center could be accommodated during the interim, with surface parking at 3 locations:

- the site of the proposed parking structure
- leaving the existing parking lot in front of City Hall in place until Phase 2
- continued use of the leased lot at 2<sup>nd</sup> and Oak. The City recently finalized a 4 year agreement with the owner of that site.

The major downside to this option is that City Park would not be fully renovated until the existing City Hall surface lot is removed. However, staff believes that it is more important for the community to have the benefit of the new Community Center, and to wait for the full park renovation until the economy recovers.

Next steps:

The Civic Center project is at 100% completion for design of these facilities; and the 50% construction documents have been issued. We expect to be at 95% completion on the construction documents by November 30, 2008 for constructability review and estimate preparation.

Council has several critical decisions to make in the few months. The first decision is whether or not to go out for bid in Jan 2009. If bids are solicited, the second decision will be whether to proceed with construction based on the bids, the ability to bond for the project, and the overall economic climate. If the project is bid, the Council retains the option to reject the bids and re-bid the project at a future date.

Once the bids are received, the pricing is good for sixty (60) days. Council would need to approve the bond documents in February 2009 in order to secure our financing package prior to awarding the contracts; unless, however, the contracts are awarded contingent upon bond closing. The bonding process is currently underway and Council will be advised of the progress going forward.

One of the Council's decision factors will be the cost of construction next year versus waiting for 6 to 12 months. There are two separate factors that could increase the cost of the project if construction is delayed: normal escalation and the current extraordinary bidding climate:

- Escalation

Any significant delay to the start of construction would ultimately result in an increase to the overall budget. The average escalation is currently a 5 – 6% construction cost increase per year, due to adjustments to labor, material and other costs. A project team delay and restart costs will also result in increases to the overall budget.

- Bidding Climate

Staff anticipates being ready to go to bid in January 2009. Bid conditions at this time are predicted to be very favorable. Current construction costs, per square foot, based on Engineer's estimates, are expected to be \$423 for City Hall; and \$455 for the Community Center if we go to bid in January 2009.

According to Swinerton Construction Management, Inc., the Construction Manager for the Civic Center project, the current bidding climate is extremely favorable. The following chart shows some of the bids compared to the engineer's estimate for other projects in our region.

## Recent Bid Results

Project Description	Bid Date	Low Bid	Engineer's Estimate	Variance (\$)	Variance (%)
Solano County - New Public Health Clinic / Lab	April 25, 2008	\$11,454,000	\$13,597,552	-\$2,143,552	-15.8%
Sausalito - Public Safety Facilities	September 18, 2008	\$9,266,000	\$11,750,000	-\$2,484,000	-21.1%
Walnut Creek Library & Parking Garage	April 15, 2008	\$42,000,000	\$46,000,000	-\$4,000,000	-8.7%
College of Marin - PE Complex Moderization	February 26, 2008	\$10,400,000	\$15,000,000	-\$4,600,000	-30.7%
College of Marin - New Main Building	May 13, 2008	\$13,288,000	\$16,000,000	-\$2,712,000	-17.0%
Chabot College - Community & Student Center	March 25, 2008	\$27,518,000	\$33,000,000	-\$5,482,000	-16.6%
WVC - Technology Center (New Building)	June 24, 2008	\$12,900,000	\$17,000,000	-\$4,100,000	-24.1%

If Council provides direction to implementing the phasing of the project, staff and the Subcommittee will continue to refine this approach, and return to Council with recommendations regarding alternative site plans with appropriate environmental analysis, when to go to bid, construction timeframes and options, financing alternatives, and an assessment of the impact of the economy.

## FISCAL IMPACT

The budget, by phase and project, for this scenario is as follows:

<b><u>Phase I</u></b>	
City Hall / Council Chambers	\$39,000,000
Interim Civic Center Facilities	500,000
Civic Plaza	1,200,000
Civic Center Parking Facility *	1,500,000
Library Relocation (1/3 Annex)	1,700,000
City Park	2,000,000
Community Center	<u>20,000,000</u>
 Total for Phase I	 <u>\$65,900,000</u>

\* Additional expense will be incurred for building the faux arcade but that dollar amount is unknown at this time.

Attachment:

Exhibit A – Proposed Site Plan

# EXHIBIT A – PROPOSED SITE PLAN

