



## Item No. 1 Town of Atherton

### **CITY COUNCIL STAFF REPORT – ACTION ITEM**

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
GEORGE RODERICKS, CITY MANAGER

**THROUGH:** MICHAEL KASHIWAGI  
COMMUNITY SERVICES DIRECTOR

**FROM:** GORDON SIEBERT, CITY ENGINEER

**DATE:** OCTOBER 7, 2015

**SUBJECT:** CIVIC CENTER CONCEPTUAL DESIGN – ACCEPTANCE OF  
CONCEPTUAL DESIGN AND COST ESTIMATE

### **RECOMMENDATION**

Accept the Conceptual Design prepared by WRNS Studio and the accompanying cost estimate; authorize staff to proceed to Schematic Design; provide direction with respect to design changes as recommended by the Civic Center Advisory Committee (CCAC); and provide direction to the Committee with respect to next steps.

### **BACKGROUND**

#### The Master Plan

The CCAC reviewed WRNS conceptual designs, taking into consideration input from residents solicited in a number of Town-wide and neighborhood meetings. This process mirrored the effort of reviewing the Master Plan developed by HMC several years ago, which resulted in development of the initial program of 35,000 square feet, a site plan with a central Town Green and a cost estimate of \$67 million, including an underground garage estimated at \$17 million. The initial cost estimate included significant allowances for cost escalation and contingencies given that at the time there were numerous “unknowns” associated with the project’s development.

At the conclusion of the Master Plan process, the CCAC recommended a number of changes to the initial Master Plan, including recommending reduced figures for gross-to-net allowances for each building, removal of major project components, reduction in contractor costs, cost escalation factors and contingency amounts. The resulting cost estimate prepared for the HMC Master Plan reflected a total project cost of about \$32 million, without the cost of many desired components. These additional project features, such as renovation of historic Town Hall, underground parking garage, and photovoltaics were included as “add-alternates” to the

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proposed project and cost estimate. This resulting cost estimate was seen as more manageable, a more attainable fund raising target (between \$20 and \$25 million), and with the add-alternates as separate, the Committee felt there was more control over the budget and scope. The cost estimate was based on an assumed start date of July 2015 for construction with cost escalation factors included through the mid-point of construction. The fundraising target resultant from the cost estimate was \$19.8 million. In March 2014 as part of the staff presentation, the CCAC advised that a fundraising target of \$20 to \$25 million would be an acceptable target.

### Development of the Master Plan into the Conceptual Plan

Starting with HMC's Master Plan and program, WRNS, together with a number of specialized sub-consultants, prepared a program to meet the Town's existing program needs. Due the size and complexity of the police department requirements, most of the effort by staff, the CCAC and WRNS was focused on the program needs of the police department. The final program recommendations are based on recommendations of WRNS, staff, and the CCAC together with program design experts for the Library and Police. These two components, particularly the police, have a higher level of programmatic design need. Over the course of numerous meetings, staff and the CCAC reduced the programming requirements while ensuring that the Town's basic facility needs were met. While there remain program efficiencies that can be achieved through schematic design, the basic program needs (i.e. square footage) are recommended as the minimum requirements for all Town departments.

Through numerous public meetings and work with the CCAC, WRNS developed a number of Conceptual Plans that reflected the anticipated program, considering resident input and preferences. These iterations and the draft Final Conceptual Plan were confirmed through CCAC consensus. One of these conceptual plans was selected by the CCAC to form the basis for Mack5 to prepare an independent cost estimate.

The Conceptual Plan (Attachment A) presents a site plan and footprints of the three new buildings and two existing buildings constituting the Atherton Civic Center, along with site layout of built elements including roads and parking. The three new buildings are a two-story Administration/Police Department (separate wings joined by a common lobby), a single story library and a Police Ancillary building (garage). The existing buildings are the Town Hall, which is proposed to be renovated and programmatically connected to the library, and the Corporation Yard building, which remains as is.

A comparison of the square footage building sizes between the Conceptual and Master Plans is shown below in Table 1. Much of the increase in square footage is due to the difference between the very low gross-up factor (including circulation and mechanical/electrical spaces) in the rectangular block shown in the Master Plan versus the layout prepared to validate the Conceptual Plan, which recognizes the site constraints of a long, narrow site and preservation of numerous heritage trees.

<b>TABLE 1- Comparison of Building Sizes – Square Footage</b>			
<b>Building</b>	<b>Master Plan</b>	<b>Conceptual Plan</b>	<b>Difference</b>
Admin/PD	25,974	27,742	1,768
Library	9,143	8,947	(196)
Town Hall (Add Alt.)	1,839	1,839	-
<b>Total</b>	<b>36,956</b>	<b>38,528</b>	<b>1,572</b>

**FINDINGS/ANALYSIS**

Following the testing of a number of concepts in draft Conceptual Plans, the CCAC selected a draft Final Conceptual Plan at a Special Meeting on September 21 to recommend to the City Council, with one notable design modification identified later in this Report. Mack5 prepared the Cost Estimate (Attachment B) based on the recommended conceptual plan, to include construction and soft costs. A summary of the costs is presented in Table 2. These cost include two add alternates – the renovation of historic Town Hall and the photovoltaic systems throughout the Civic Center.

<b>TABLE 2 – Building Cost Comparison – in rounded millions</b>			
<b>Building</b>	<b>Conceptual Plan</b>	<b>Master Plan</b>	<b>Difference</b>
Admin/PD	\$29.5	\$21.9	\$8.4
Library	\$11.2	\$9.8	\$1.4
Town Hall (Add Alt.)	\$2.2	\$1.8	\$0.4
<b>Total</b>	<b>\$42.9</b>	<b>\$33.5</b>	<b>\$10.2</b>

These cost comparisons are further explored on Attachment C showing the removal of the photovoltaic and restoration of historic Town Hall add alternates in an effort to identify the funding differential. It should be noted that the inclusion of the Town Hall renovation as part of the Library program increases the use of this funding source by \$2.2 million and also increases the allocation of site and other ancillary costs to the Library.

In order to allow the CCAC to compare the current cost estimate to that presented in March 2014 from the Master Plan, Mack5 provided adjustments and costs for add alternates that WRNS has included in the Conceptual Plan, which are photovoltaic systems on the two main buildings, upgraded roofing for both aesthetic (clay tile) and sustainable (green and garden terrace) elements, and for the increased amount of gross floor area. There is also a reduction to reflect only one versus two elevators in the prior design. These elements were part of the draft Conceptual Plan recommended by the CCAC, but may be modified at a later date through Schematic Design. The table below identifies other specific differences between the prior and current estimates to assist the Council with understanding the cost comparisons.

Increased size of new Admin/PD Buildings (1,768 sf)	\$1.6 m
Renovation/Repurposing of historic Town Hall and dedication to the Library program	\$2.2 m
Photovoltaic systems throughout the Civic Center	\$1.5 m (Town Admin/PD) \$0.5 m (Library)

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Cost Escalation Adjustment based on project timing	\$1.9 m
Increase in the contingency allowance from 10% to 12%	\$0.4 m
Other Miscellaneous Upgrades (roofing, sustainable features, terrace areas, etc.)	\$0.8 m
<b>Total Adjustments</b>	<b>\$8.9 m</b>

The comparative removing the photovoltaic and renovation of historic Town Hall is shown on Attachment C. The purpose of the comparison of these two major add alternates is to show the differential for fund raising requirement.

Conceptual Design Development – CCAC Discussion

When the City Council selected WRNS, the Council did so with an appreciation for the efforts of WRNS to “build-in” green sustainability features to their designs. The draft Conceptual Plan for the Civic Center follows that expectation. However, due to concerns with budget implications of the draft Final Conceptual Plan, the CCAC has discussed several specific areas of the project to develop a better understanding of the underlying elements.

Administrative/Police/PW/CDD Building – Square Footage Changes

The first area the CCAC sought to examine was the square footage changes in the Administration/Police/PW/CDD Building. There are five service components in the new building: Council Chambers, Administration & Finance, Police, Public Works, and Planning & Building. Presently, these services are distributed amongst four buildings.

<b>Program Area</b>	<b>Current Approx. SF</b>	<b>Conceptual SF (net)</b>
Council Chambers	1,839 (Town Hall)	2,250 (includes EOC)
Admin/Finance	3,000	868
Police	9,165	10,105
Public Works	1,250 (includes EOC)	640
Planning & Building	3,360	616
Shared/Support Spaces (public counters, restrooms, copy areas, storage, PO, lobby)	(included)	4,212
<b>Total</b>	<b>18,614</b>	<b>19,351</b>

As the Council is aware, there are numerous inefficiencies as well as program shortfalls in the existing facilities. These are largely identified in the areas of Police, EOC, Planning & Building and overall shared public and support spaces. The transition from the Master Plan to the draft Conceptual Plan included a number of programmatic adjustments as well as developing a facility that worked within the site constraints (preservation of heritage trees and linear, narrow nature of the site). The CCAC drilled down on the increase in square footage from the Master Plan to the draft conceptual plan and determined the differences were largely related to gross-up factors

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(corridors, stairs, mechanical rooms, etc.) based on site constraints, and a very defined program. Although differently distributed, the programming spaces are not significantly different than what exists today. The CCAC concluded that the difference between the Master Plan and draft conceptual plan was largely related to layout that could be improved in the schematic design phase to enhance the building efficiencies.

### Identification of Contingencies

Another factor that led to an increase in Mack5's cost estimate was their recognition that the contingency amount used in earlier cost estimates is lower than industry standards. As the design progresses through Schematic Design and Design Development, decisions made by the Town can reduce this contingency. In addition to design decisions, the contingency also accounts for factors beyond the Town's control such as construction labor, materials and equipment costs. Within the cost estimate, there are contingencies for design as well as construction. The current contingency amount is \$4.4 million. As shown on Attachment C, these are broken down into Library at \$1.3 million and Admin/PD/PW/CDD \$3.1 million.

### Cost Escalation Factor

Cost escalation is separate from design and construction contingency. Cost escalation accounts for the expected inflationary increase in construction costs over time. In the Master Plan, the Civic Center's construction was to have started in July 2015. However, that start date assumed the immediate hiring of an architectural firm. Decisions on the architectural firm did not occur until later in 2014 in an effort to have a full public process and a Request for Qualifications process in advance of the Request for Proposal process. The Bay Area is experiencing significant commercial construction activity, so as demand for construction increases, so do prices. Construction is now forecast to begin in Winter 2016 and further slippage may occur if the pace of decision-making remains similar to prior experiences. The public engagement process, while highly beneficial can often add unanticipated time delay to a project. Cost escalation represents \$2.8 million. This is broken down into Library at \$800k and Admin/PD/PW/CDD at \$2 m.

## **POLICY IMPLICATIONS**

Although the CCAC focused their analysis on the architectural program, especially the size of buildings, they requested that an independent cost estimate be prepared by Mack5 to provide cost information to validate their selection. The recommendation coming from the CCAC to the City Council is to accept the draft conceptual plan and cost estimate with a potential "cost neutral" design change and authorize moving to the schematic design phase. The CCAC respectfully requests Council direction on the following:

- 1) Design Change – the CCAC would like the Council's feedback on separating the Council Chambers/EOC from the existing Administration side of the facility and relocating it to the Police Department side. This was depicted on an earlier architectural concept plan by WRNS.

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Separation of the Council Chambers from its position on the draft Conceptual Plan and relocating it adjacent to the Police Department will open up the central courtyard/green area and allow visitors to move through the main entry off of Fair Oaks and open up into a larger open space courtyard that flows across to the historic Town Hall and Library. The Council Chambers space would have a secure access to and through the Police Department for use as an Emergency Operations Center and training room but will have public access off the courtyard space.

The CCAC continues to focus on the Civic Center Project as a budget-driven project. Through the next phases of the project, the CCAC will focus on reducing the square footage costs of the facility by addressing building and operational efficiencies as part of schematic design. If there are specific areas of concern identified by the Council, the CCAC can be tasked to focus on these areas as well.

Staff has attached the charter of the CCAC. The City Council also may wish to provide the CCAC with clear and explicit direction and/or expectations consistent with their charter as the committee moves into the next phase of the project. The CCAC was originally designed as a staff-led, community driven committee whose mission was to solicit input from the community on the project and provide feedback on its design. Budget oversight and project management rests with staff. As the project moves into the schematic design phase, community input will be very important as the external facing components of the facilities are designed. Staff believes it is important for the CCAC to remain focused on this aspect of the project. If the Council is desirous of expanding or reducing the charter of the CCAC, staff can return the item for Council discussion at a future meeting. It would, however, be appropriate to provide direction and expectation to the CCAC as part of the acceptance of the draft Final Conceptual Plan.

### **FINANCIAL IMPACTS**

The adjusted project cost, excluding non-construction costs to be paid by the Town, is \$42.9 million. This includes the renovation of the historic Town Hall renovation (added to the Library program) and the inclusion of photovoltaics. If the historic Town Hall were to be renovated and repurposed for Library use, the allocation of ancillary and site costs shifts slightly more to the Library allowing the use of Library Funds (increases the Library cost to \$13.4 million).

In addition to the use of Library Funds, the Town is authorized to use development/building fees collected specifically for construction of new facilities. This amounts to approximately \$2.2 million. However, this amount is less than the allocated cost of building and planning program needs by approximately \$2 million.

Taking into account the above existing funding sources totaling \$15.6 million and the amount of non-construction costs, the net amount required for donations is approximately \$27.3 million. Included in this total is \$4.4 million in contingencies and \$2.8 million in cost escalation. Without the added contingencies, the donation requirement is \$22.9 million. As shown in Attachment C, if the photovoltaics and historic renovation were removed, the same calculation above yields a required donation requirement of \$22.1 million. There is an economic benefit in making these improvements now as opposed to later noting the cost impact on donations of \$4.2 million in improvements is approximately \$800,000.

Further, it is anticipated that photovoltaics will have a return on investment in operational costs for both the Library and Town Hall. The Town's electricity costs for the Civic Center are approximately \$40,000 per year. This is broken down into the Library at \$10,000 and the remainder (Admin, PD, PW, CDD) at \$30,000. There are another \$67,000 in costs associated with street lights, parks, sprinklers, and other Town-owned facilities – not central to the Civic Center. The return on investment is based on a number of system design factors as well as the Town's ability to integrate off-site energy needs.

### **PUBLIC NOTICE**

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials. In addition, the project's information is updated frequently on the Town's Website, and an open forum is noticed and offered prior to the beginning of each CCAC Regular meeting.

### **ATTACHMENTS**

- Attachment A – Civic Center Conceptual Plan
- Attachment B – Civic Center Cost Estimate
- Attachment C – Cost Comparison Summary
- Attachment D – Civic Center Advisory Committee Charter