



City of Palo Alto

City Council Staff Report

(ID # 5483)

Report Type: Study Session

Meeting Date: 5/6/2015

Summary Title: Public Safety Building Study Session

Title: Study Session on Public Safety Building and Site Selection Process

From: City Manager

Lead Department: Public Works

Recommendation

This Study Session provides an opportunity for City Council discussion regarding potential sites for a new Public Safety Building and the process for selecting a site. As this report offers limited options, staff wanted Council to have the opportunity to discuss any additional alternatives that could be identified before proceeding with staff's recommendation to further analyze three sites. No Council action is recommended.

Executive Summary

The June 2014 Council Infrastructure Plan identified \$57 million in funding for the construction of a new Public Safety Building (PSB), which was designated as the City's top infrastructure priority. This report identifies three City-owned sites that are proposed to be further studied in the site selection and evaluation process.

The new PSB will address the space and program needs of the Police Department, 911 Emergency Dispatch Center, the Emergency Operations Center (EOC), the Office of Emergency Services (OES) and the administration needs of the Fire Department. The new PSB is expected to provide for the City's public safety needs over the next 50 years, as well as address and resolve compliance issues with seismic, accessibility, code and regulatory requirements.

Background

The existing police building at 275 Forest Avenue was opened in 1970. This facility is approximately 25,000 square feet (sf). Due to changes in code and

regulatory requirements, the existing police building does not meet current seismic, accessibility or regulatory code requirements that are applicable to an essential services facility.

Numerous assessments have been conducted over the past 30 years, and each has concluded that the size of the existing police building is inadequate; space needs for an adequate PSB in prior recommendations have reached as high as 70,000 square feet. Differences in these assessments were due to assumptions made during each study on cost, available sites, demographics, population growth, technological and regulatory trends, inclusion of other city department functions, potential environmental impacts, parking and emergency operations. **(Please see addendum at the end of this report for chronology of earlier assessment studies).**

Between 2010 and 2011, the Infrastructure Blue Ribbon Commission (IBRC), consisting of 17 Council-appointed residents, met to review and make recommendations on the overall infrastructure needs of the City. The final report, dated December 22, 2011, indicated that the PSB was still a critical priority and should be pursued expeditiously. IBRC recommendation #3-1 states: “Build a new Public Safety Building (PSB) as soon as possible on a new site, incorporating the Police Department, the Fire Department administration, the Communications Center, the Emergency Operations Center, and the Office of Emergency Services.”

In July 2012, the Council held another study session to discuss the IBRC’s recommendations. The Council reviewed the previous space programming work done to determine the size and cost estimate for the Public Safety Building. With input from the Public Safety departments and RossDrulisCusenbery Architecture, Inc. (RDC), Council selected a new PSB program square footage of 44,848 and a project cost estimate of \$57 million. The \$57 million project cost estimate included \$10 million for land acquisition. This square footage was based on 1) Council direction to cut the total space by 10% and 2) a generic space-constrained site.

In 2013, the Jay Paul Company offered to construct the PSB at 3045 Park Boulevard as a public benefit in connection with the permitting of a large office development project within and adjacent to the California Avenue business district. The offer and the proposed office project were withdrawn by the

developer in late 2013.

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Discussion

In 2013 and 2014, the Council's Infrastructure Committee met a number of times to determine a strategy for funding the City's most pressing infrastructure needs in response to the recommendations of the IBRC Final Report. In 2014 after receiving the Infrastructure Committee's recommendations, Council identified a new Public Safety Building as the top infrastructure priority and outlined a funding mechanism using existing city funds and leveraging the Transient Occupancy Tax (TOT) revenue stream from planned new hotels to obtain Certificates of Participation (COPs). COPs are lease-revenue bonds that permit the investor to participate in a stream of lease, installment or loan payments relating to the acquisition or construction of specific equipment, land or facilities. Although the Council's Infrastructure Funding Plan included an increase of two percentage points to the existing TOT tax rate (passed by the voters in the November 2014 election), funding for the PSB was not dependent on passage of the increase.

Site Selection

Following the 2014 prioritization by Council of the PSB, staff from Public Works, Police, Fire, Administrative Services, and Office of Emergency Services convened a working group to identify and evaluate sites for the new facility. Over 20 potential sites were considered (see Attachment A). Many of the potential sites, such as the previous top candidate (2747-2785 Park Blvd), have recently started development projects and are no longer available. A real estate broker was also retained to help with the process, but no suitable properties were being offered for sale at the time.

Staff also considered a potential location within the Stanford Research Park. During recent conversations with City staff, Stanford's real estate office staff indicated that Stanford would be supportive of combining the PSB needs with Fire Station #2 on Hanover Street, if this could be accomplished within the existing leased parcel. The Fire Station #2 site is leased by Stanford to the City. However,

the existing fire station site is only 0.98 acres and has an irregular shape. Stanford's representative also stated that Stanford would be less inclined to enter into a lease agreement, and that Stanford does not currently have available any developed sites that are not already committed. Stanford is willing to include the City's request in strategic planning for sites that could become available during the next 5 years.

After many meetings and review sessions, staff at this point in time has narrowed the potential sites for discussion to three with the highest potential for relatively rapid development:

1. 3120 W. Bayshore Avenue (PG&E Switching Station) – Attachment B
2. 1237 San Antonio Road (Area C of the Former LATP Site) – Attachment C
3. 250 Sherman Avenue (City Parking Lot C-6) – Attachment D

The cost of land per acre in Palo Alto has now exceeded the 2012 budget estimate of \$10 million for property acquisition. Therefore, the list of sites above focuses on City-owned properties that do not require acquisition.

The three City-owned sites under consideration are designated in the Comprehensive Plan for Major Institutional Special Facilities (MISF), which is appropriate for a PSB. Furthermore, these three sites are zoned Public Facility (PF), also appropriate.

3120 W. Bayshore Road (PG&E Switching Station):

The PG&E Switching Station, at 3120 W. Bayshore Road, is a part of a larger City-owned parcel that includes the Colorado Electric Substation. To make this site available, PG&E switching equipment would need to be relocated to the Colorado Electric Substation. PG&E personnel have indicated that PG&E would be willing to consider studying this relocation. Staff estimates the total cost of relocating the switching equipment and reconfiguring the Colorado Electric Substation at approximately \$7.5 million. This consolidation would reduce the annual rent paid by the Electric Fund to the General Fund. The Electric Fund currently pays rent of approximately \$875,000 per year on the area used by PG&E. The PG&E Switching Station site is 3.5 acres. Funding for the relocation could be covered by a combination of the property acquisition budget and/or Electric Fund contributions that would be repaid by the long-term land rent savings. Staff

estimates that the relocation of the PG&E switching station would take between 3 to 4 years. To obtain detailed costs and schedule, the City will have to execute a payment agreement with PG&E to prepare a feasibility study.

1237 San Antonio Road (Area C of the Former LAMP Site)

Area C of the former Los Altos Treatment Plant (LAMP) site is 2.6 acres. It is currently undeveloped, but is rented to contractors on a month-to-month basis for staging and equipment storage. Palo Alto bought the remaining half-interest in the LAMP site from the City of Los Altos in 2008. The LAMP Site ownership is shared equally by the City's General Fund and Refuse Fund. The most recent proposed use of this property was as a relocation site for the Animal Services Center, but this proposal is no longer under consideration.

250 Sherman Avenue (City Parking Lot C-6)

Parking Lot C-6 at 250 Sherman Avenue is 1.2 acres, but could potentially be increased to 1.5 acres if the Sherman Avenue right-of-way between Lot C-6 and the County Courthouse is included. The loss of surface parking could be mitigated by building a new parking structure on the adjacent Parking Lot C-7, or potentially on a different surface parking lot. Additionally, under this scenario the \$10 million land acquisition budget could potentially provide funding to construct secure underground parking for police vehicles beneath the PSB, maximizing the number of parking spaces available for public use in the new parking structure. Construction of a PSB on Lot C-6 was considered in 2006, but was not pursued due to opposition at that time from California Avenue merchants, who were concerned about the change from surface parking to structure parking. A new parking structure in the California Avenue area is a part of the Council's Infrastructure Plan, but this would likely not be initiated until 2018. Siting the PSB on Lot C-6 could free up the PSB property acquisition funds to help expedite a new parking garage for this area. A new garage might also include ground-floor retail that could be designated as below-market-rate for preservation of locally-owned shops.

Many of the 24 sites evaluated by the 2006 BRTF have been redeveloped or are otherwise no longer viable options. The site at 3120 West Bayshore Road was eliminated by the BRTF due to its location in the Special Hazard Flood Zone and the high potential for soil liquefaction during an earthquake. These concerns would arise with the 1237 San Antonio Road property as well. The successful use

of either of these sites would also be dependent on future efforts to address sea level rise, which is related to the Flood Zone concerns. However, such risks may be mitigated. For example, Redwood City built their new Public Safety Building at 1301 Maple Street, Redwood City, CA on similar land (Baylands). The Redwood City facility is located on the east (Bay) side of Highway 101 like the LAMP Site. Staff has held meetings with Redwood City to inquire about “lessons learned” and the mitigations that were made necessary. At the same time, the building would be far removed from the center of the City and isolated.

Next Steps

Staff is considering that the City enter into a preliminary design services contract with RossDrulisCusenbery Architecture, Inc. (RDC) in order to review/reconfirm program needs and conduct a site selection and evaluation study of [up to four] identified sites. RDC would prepare draft and final building test-fit diagrams for each site, a matrix of the site evaluations and a final technical report. The results will be presented to the Council for site selection.

A contract with RDC is expected to cost between \$60,000 and \$80,000. RDC is most familiar with the needs of the new facility due to its work on the previous site and its work with the City to refine the 2013 Jay Paul Company proposal. Staff can complete site selection faster by leveraging RDC’s existing knowledge of the proposed PSB project. The contract amount is expected to be within the contracting authority of the City Manager. The proposed site evaluation study would include a public outreach process to obtain comments and concerns from those living or doing business near the sites as well as the general public.

Resource Impact

The New Public Safety Building will be funded in the Capital Improvement Fund. As mentioned previously, the cost of the project was accounted for in the City Council-approved Infrastructure Plan, and was prioritized ahead of the other projects included in the plan and will require the issuance of Certificates of Participation (COPs) with future Transient Occupancy Tax revenue pledged for the repayment of the debt. The Council Infrastructure Plan adopted in June 2014 contained a draft outline of how existing and future funding sources that are included in the Plan could be used to provide the necessary funding at the appropriate points in time. Staff is evaluating the timeline of projects and funding sources and will return to Council for discussion of the overall Council

Infrastructure Plan.

Policy Implications

The staff recommendation is consistent with prior Council direction. Pursuit of a new PSB is consistent with Comprehensive Plan Policy C-24 and Programs C-19 and C-20.

Policy C-24

*Reinvest in aging facilities to improve their usefulness and appearance.
Avoid deferred maintenance of City infrastructure.*

Program C-19

Develop improvement plans for the maintenance, restoration and enhancement of community facilities, and keep these facilities viable community assets by investing the necessary resources.

Program C-20

Conduct comprehensive analyses of long-term infrastructure replacement requirements and costs.

Environmental Review

Complete CEQA documentation for any new selected site will be completed as part of the schematic design phase after final site selection. A previously certified Environmental Impact Report (EIR) for 2747 and 2785 Park Boulevard contains similar expected impacts. The EIR report for that site is available at <http://www.cityofpaloalto.org/gov/topics/projects/facilities/safety.asp>

Chronology of Earlier Assessments

In 1997, Council directed staff to initiate the process for site selection and the construction of a new PSB. A capital improvement project was initiated in Fiscal Year 1998 to select a site and prepare a conceptual design.

From 1999 to 2000, extensive site assessment studies were performed for sites at Park Boulevard, California Avenue, Page Mill/El Camino, the Downtown Library, and the existing Forest Avenue Civic Center location.

The costs for either renovating and expanding the existing facility or demolishing

and reconstructing a new facility in the same location while relocating the Police Department for up to two years were found to be higher than other sites. However, public opposition to other sites and potential environmental impacts kept the focus on the Civic Center site as a top candidate.

In 2001, Council directed staff to proceed with the conceptual design for expansion and modernization of the Civic Center site (CMR:291:01). In December 2004, Council directed staff to begin conceptual design to expand and renovate the existing police facility, using the space needs analyses and site assessment studies that identified a building size of approximately 50,000 sf with an additional 5,000 sf of off-site warehouse space for property and evidence storage (CMR:498:04).

In February and May 2005, two colleagues' memos presented to City Council suggested that as much as \$5-6 million could be saved by considering a "turn-key" police building project, allowing the Police Department to remain operational by moving into a new facility rather than incurring additional costs associated with reconstruction of the existing police building. Because of the additional costs and disruption associated with the renovation and expansion of the existing facility, as well as the concerns raised by the need to exceed the downtown 50' height limit, Council directed staff to temporarily discontinue design of the renovation and expansion of the existing police building and proceed with a preliminary evaluation of a downtown site that included a partially city-owned parking lot behind the post office.

On August 8, 2005, the Council directed staff to issue a Request for Statements of Interest (SOI) for a "turn-key" police building and return with a comparison of the "turn-key" proposal to the previously approved plan to renovate and expand the existing police building (CMR:349:05). On November 21, 2005, Council evaluated three SOI proposals and determined that there may be another option for a new police facility that would involve a Santa Clara County-owned parcel of land near the Palo Alto Courthouse in the California Avenue area. Because of this additional option Council decided not to pursue any of the SOI proposals submitted and directed staff to assess the potential of siting the new police building on the County-owned parcel. The Council also directed the mayor to appoint a community-based Blue Ribbon Task Force (BRTF) to evaluate the need, size, cost and site for a public safety building (CMR:428:05).

The Council requested the BRTF to evaluate overall programmatic space needs and to study feasible sites within Palo Alto. The BRTF met 13 times and considered 28 different Palo Alto sites, including an expansion of the existing site. To ensure the building size was carefully assessed, the BRTF convened a space subcommittee to evaluate the space and functional need of each program area, room-by-room. The subcommittee also compared the existing space with the proposed space needs. This reexamination of the building size resulted in a 15% space reduction of a new PSB from 58,076 sf to 49,600 sf. It should be noted that the BRTF did not include certain elements now required to be in the PSB, including the Fire Department and Office of Emergency Services. The Office of Emergency Services was created in 2011.

On June 26, 2006, the BRTF issued a report, concluding: (1) the most cost-effective means of upgrading and modernizing the facility was to construct a new building, rather than retrofit and expand the existing facility; (2) a minimum site size of 49,600 sf building would be required to accommodate all required programming needs; and (3) the Park Boulevard site was the most feasible location for a new PSB at that time.

On September 25, 2006, the Council approved a consultant services contract with RossDrulisCusenbery Architecture, Inc. (RDC) to prepare an environmental impact report (EIR), preliminary engineering and architectural design drawings and cost estimates to a 25% level of effort for a new, approximately 50,000 sf PSB proposed for two parcels on Park Boulevard (CMR:374:06).

On November 19, 2007, the Council certified the Environmental Impact Report analyzing various site and building configurations located at 2747 and 2785 Park Boulevard and approved a purchase option agreement with Essex Park Boulevard, LLC to acquire the 2785 Park Boulevard property (CMR:420:07).

On June 1, 2009, the Council terminated purchase option agreements for two properties located at 2747 and 2785 Park Boulevard, originally identified for a new PSB, due to the City's financial position and the overall state of the national economy resulting from the Great Recession. Design of the new PSB was suspended at the 35% stage. Approximately \$3.2 million had been expended on the project up to that date (CIP PE-98020). Of the total expended, \$1.9 million

was directly related to the 2747 and 2785 Park Boulevard site.

In early January 2013, the properties at 2747 and 2785 Park Boulevard were sold to the Jay Paul Company for \$2,390,000 and \$9,087,000, respectively. In October 2014, the Jay Paul Company submitted a planning application for a new three-story 33,000 sf office building on these two properties. The planning application is still in review.

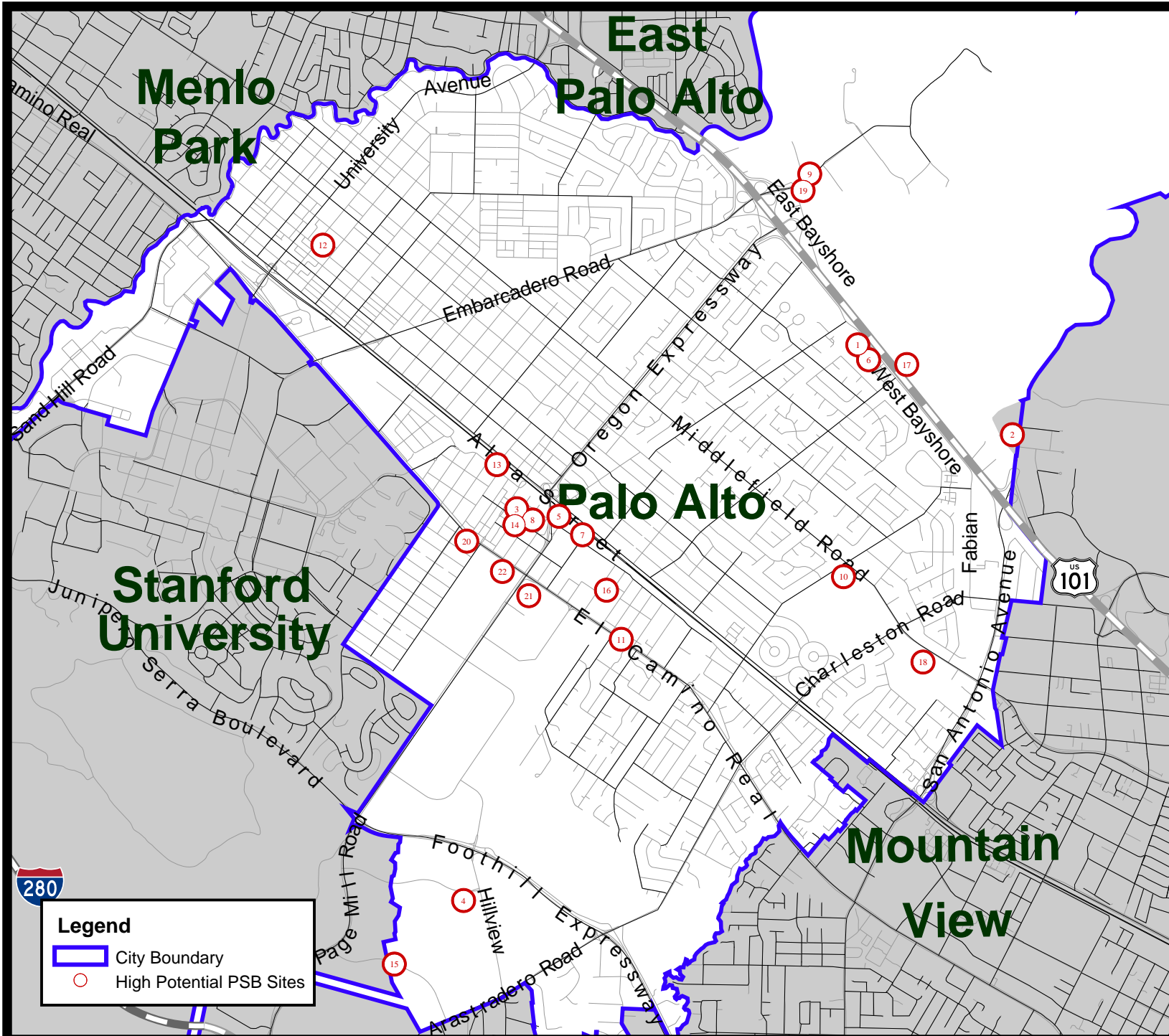
Attachments:

- A - Palo Alto Potential Site Matrix and Map (PDF)
- B - PGE Switching Station (PDF)
- C - Former LATP Site (PDF)
- D - City Parking Lot C-6 (PDF)

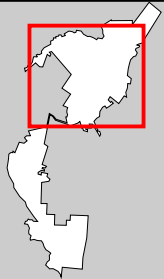
Public Safety Building Project - Staff Evaluated Sites

Attachment A

Site	Property Name	RANK for Cost to Develop	Rank for Time to Develop	Property Address	Owner Name	APN	Zoning	Estimated Value/Price	Land Size (acres)	Comprehensive Plan Land Use Designation	Comments and/or Reason for Elimination
1	PG&E Substation	B or C	B or C	3120 W Bayshore	City of Palo Alto	127-36-039	PF	City Owned	3.5	MISF - Major Institutional/Special Facility	Subject to substation decommissioning. Requires negotiation and working with PG&E to remove their equipment and co-locate it on the adjacent City of Palo Alto Colorado Substation.
2	Former Los Altos Treatment Plant (LATP)	A	B	1237 San Antonio	City of Palo Alto	116-01-013	PF(d)	City Owned	2.6	MISF - Major Institutional/Special Facility	Total site is 13+ acres. Approximately 4.6 Acres are designated for development and suitable PSB land use. Only 2.62 acres has full environmental clearance for immediate development.
3	City Parking Lot C-6	C	C	250 Sherman Ave	City of Palo Alto	124-29-016	PF	City Owned	1.2	MISF - Major Institutional/Special Facility	Area is 1.5 acres with Sherman Avenue Right-of-Way. Combine with new garage on Lot C-7. Program compromises may be necessary to fit PSB on this site.
4	GENERIC - Stanford Research Park Site	C	C	examples: 3406 Hillview 2625 Hanover St ECR & Page Mill Rd	Stanford Real Estate Office	various	Reseach Park	Negotiate Lease	various	Research / Office Park	This site option is a holding place for a potential leased site from Stanford Lands Management. Other examples includes site adjacent to FS #2 and the parking lot of Palo Alto Square.
5	Original Planned PSB Site	D	B	2785 Park Blvd	Jay Paul	132-31-042	GMB	\$11,000,000	1.1	Light Industrial	Site previously under option by City. EIR previously completed. Eliminated due to high cost and proposed office development in progress. Not for sale.
				2747 Park Blvd	Jay Paul	132-31-071	GMB	\$3,000,000	0.3		
				Total				\$14,000,000	1.4		
6	Former DataSafe property			3160 W Bayshore	Almona Properties, LLC	127-36-030	ROLM	\$ 29,140,800	3.2	Research / Office Park	High rank site. Carmel Stone is a tenant on a large warehouse. Eliminated due to high cost and proximity of City-owned PG&E switching station site option.
7	"2013 Jay Paul Proposal"			3045 Park Blyd	Jay Paul	132-32-053	GMB	\$14,000,000	1.4	Light Industrial	Too small with a poor location. The 2013 private development offer involved a compromised program to make it work. Eliminated due to high cost and proposed office development in progress. Not for sale.
8	County Mental Health Facility across from Court House			231 Grant Ave	Santa Clara County	132-31-074	PF		1.4	MISF - Major Institutional/Special Facility	Eliminated due to long and uncertain property acquisition process. County Land would need to be declared surplus property and sold in a manner similar to the Post Office property.
9	1755 Embarcadero			1755 Embarcadero	Richard Peery	008-02-033	ROLM (E)(D)(AD)	\$30,643,200	3.7	Research / Office Park	Eliminated due to location, excessive cost, and displacement of current site occupants. Not for sale.
10	Fire Station #4 & Substation			3600 Middlefield	City of Palo Alto	132-06-012	PF	City Owned	1.8	MISF - Major Institutional/Special Facility	Eliminated due to long and uncertain process to vacate the site. Existing electrical substation and Fire Station 4 would require relocation.
11	El Camino & Matadero			3600 El Camino Real	Giovannotto	137-08-079	CS	\$2,300,000	0.23	Service Commercial	Eliminated due to small size of site and poor economic use of prime El Camino Real frontage. Not for sale.
				3606 El Camino Real	Giovannotto	137-08-080	CN	\$6,500,000	0.65		
					Giovannotto	137-08-016	CS	\$1,200,000	0.12		
				3508 El Camino Real	Mary Blaine	137-08-088	CS	\$2,500,000	0.25		
Total								\$12,500,000	1.3		
12	Previous Chop Keenan proposal (Gilman St)			300 Hamilton Ave	Hamilton Associates 300	120-16-096	CD-C (P); PF			Regional / Community Commerical	Eliminated due to cost, small size and complicated configuration required. Not for sale.
13	Park Blvd Law Offices			2211 Park Blvd	Burnside	124-28-043	RM-30	\$3,800,000	0.35	Regional / Community Commerical	Eliminated due to small size of the site and displacement of current site occupants. Not for sale.
				2151 Park Blvd	Skinner & MacDonald	124-27-039	RM-30	\$2,800,000	0.26		
				2181 Park Blvd	Skinner & MacDonald	124-27-038	RM-30	\$2,800,000	0.26		
				Total				\$9,400,000	0.9		
14	385 Sherman			385 Sherman	Minkoff Group	124-33-055	CC (2)	\$75,000,000	0.6	Regional / Community Commerical	Eliminated due to small size of site and current redevelopment project in progress. Not for sale.
15	Deer Creek			3420 Deer Creek Rd	Stanford Real Estate Office	142-16-064	AC (D)	Negotiate Lease	5.0	Open Space	Eliminated due to land use designation.
16	Pac Bell Property			3350 Birch St	Pacific Bell	132-33-050	PF	Joint Use/Lease?	1.6	MISF - Major Institutional/Special Facility	Eliminated due to size restrictions of a split and shared site with Pac Bell's facility.
17	Animal Services			3281 East Bayshore Road	City of Palo Alto			City Owned	1.4	MISF - Major Institutional/Special Facility	Eliminated due to need to relocate Animal Services.
18	Cubberley Community Center			4000 Middlefield Road	City of Palo Alto			City Owned	8.0	MISF - Major Institutional/Special Facility	Eliminated due to recent lease renewal terms.
19	Ming's Restaurant			1700 Embarcadero	HC Investment As	008-03-084	CS (D)	\$ 26,000,000	2.5		Eliminated due to cost and the proposed hotel on the site is a source of transient occupancy tax that is to fund the new PSB.
20	Site on El Camino & Cambridge & California			2390 El Camino Real	Menlo Land and C	137-01-129	CN		0.8		Eliminated due to small size of the site and displacement of current site occupants. Not for sale.
21	Palo Alto Square			Palo Alto Square	Equity Office (99 yr lease from Stanford)	142-20-072	PC-4637	Negotiate Lease	15.0	Research / Office Park	PSB would not replace existing development. It would be placed on existing parking lot with a garage to offset displaced parking. Eliminated due to overly complicated nature of the proposal.
22	Existing Six-story Office Building			2600 El Camino Real	Stanford Real Estate Office	142-20-048	CS	Negotiate Lease	1.7		



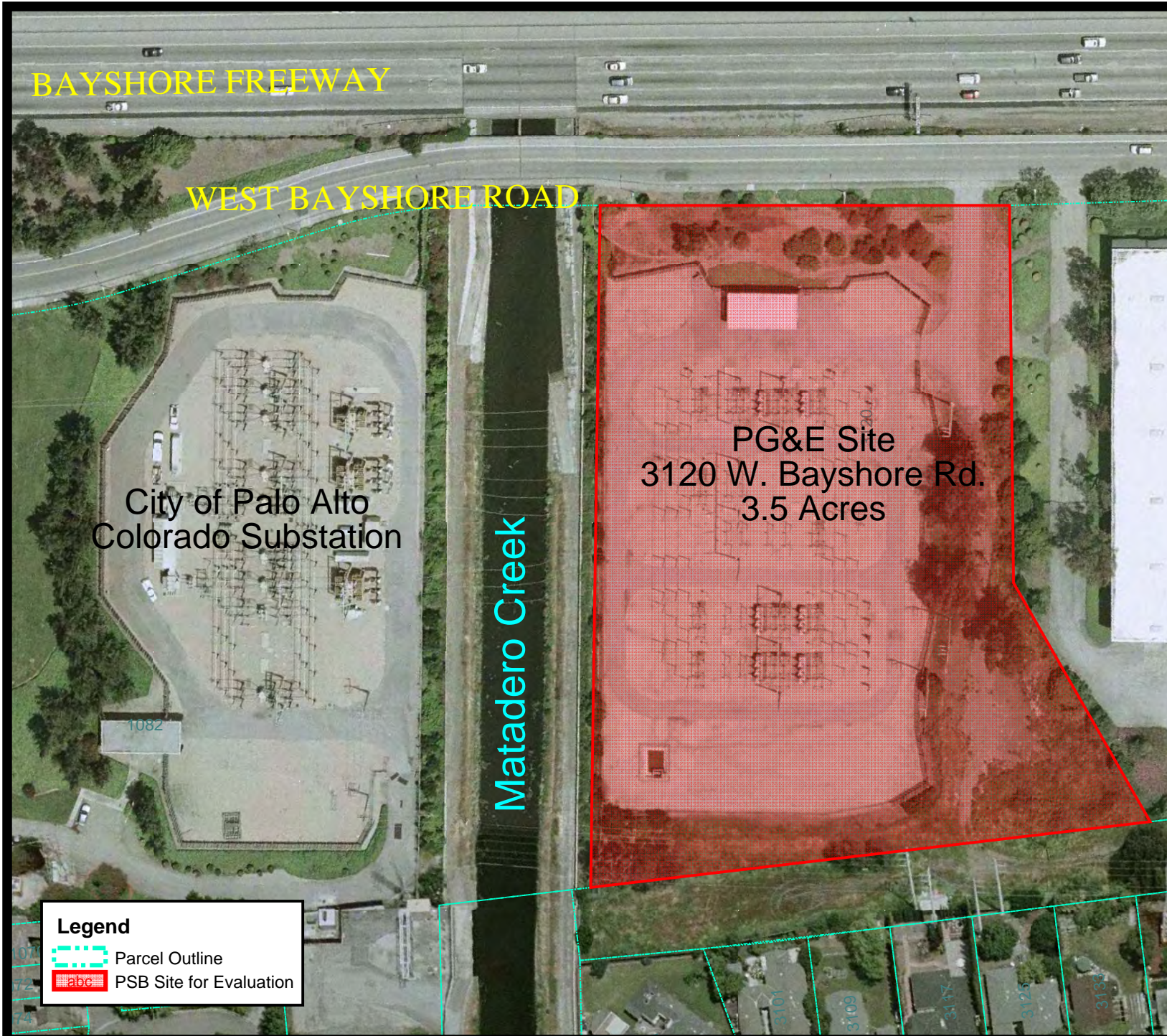
The City of Palo Alto



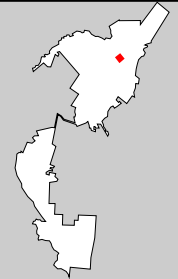
Staff Evaluated PSB Sites

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The City of
Palo Alto



PG&E Switching Station
3120 W. Bayshore Road

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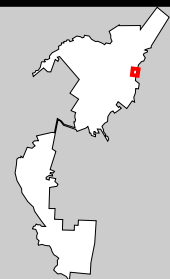


Legend

- Parcel Outline
- PSB Site for Evaluation



The City of Palo Alto



Former Los Altos Treatment Plant (LATP) Site

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LATP Site Area C
2.6 Acres
1237 San Antonio

LATP Site Area B
6.6 Acres

LATP Site Area A
4.0 Acres

Legend

- Parcel Outline
- PSB Site for Evaluation

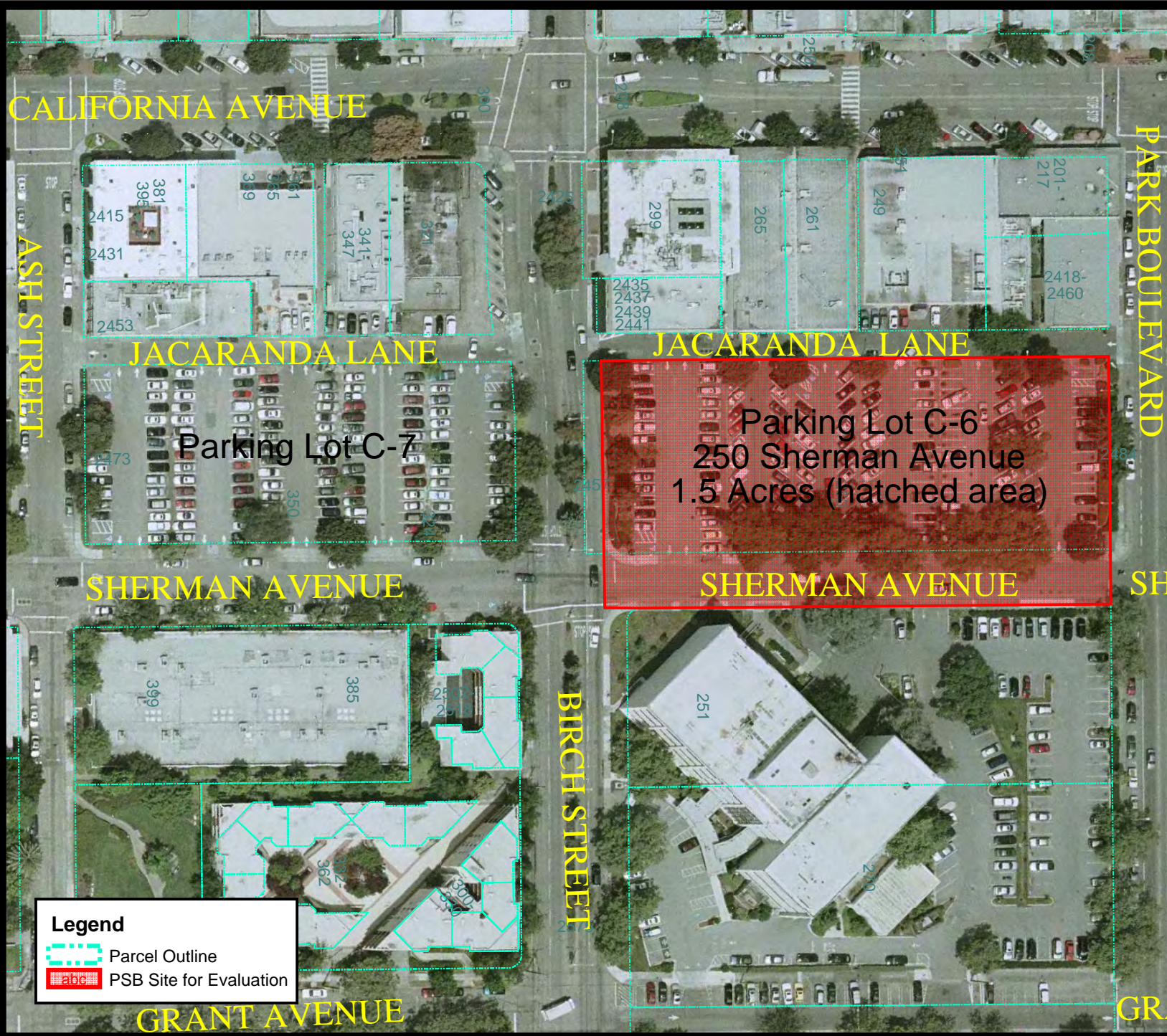


The City of Palo Alto



City Parking Lot C-6
250 Sherman Ave

This map is a product of the City of Palo Alto GIS



Parking Lot C-6
250 Sherman Avenue
1.5 Acres (hatched area)

Legend

- Parcel Outline
- PSB Site for Evaluation