

CITY OF NAPA CITY COUNCIL
AGENDA REPORT

ADMIN CALENDAR
AGENDA ITEM 14.B.
Date: August 18, 2015

To: Honorable Mayor and Members of City Council

From: Jacques R. LaRochelle, Public Works Director

Prepared by: Julie Lucido, Senior Civil Engineer

Subject: Review Draft Request for Qualifications for the City Buildings Consolidation Project and Approve Issuance

ISSUE STATEMENT:

Review the draft Request for Qualifications (RFQ) for the City Buildings Consolidation Project, provide input and direction to staff for incorporation into the final RFQ document, and approve the issuance of RFQ.

DISCUSSION:

In an effort to replace failing buildings, reduce the City's footprint, better utilize existing real estate, and make City departments more efficient, a project is being pursued to develop a practical plan to consolidate buildings and meet the City's operational requirements into the future. In April a work plan was approved to prepare an RFQ to identify development teams that are best qualified to participate in the City Building Consolidation Project.

The City Building Consolidation Project has two significant components. The first is construction of a new civic building of approximately 100,000 square feet to consolidate the City's administrative, executive, public safety, and essential services functions. The second is the development of a private mixed-use project on the existing City Hall and Police and Fire Administration property that will offset costs of the new civic building. A market analysis has determined a mixed-use development with a hotel and retail component is well suited for the property and would generate sale proceeds and an on-going revenue stream through Transient Occupancy Tax (TOT) to offset costs. However, the City would be open to other development opportunities that would generate the same level of revenue to support the construction of the new civic building. The development of the properties would include the construction of a shared parking structure.

The City-owned buildings are all over 50 years old. Significant repairs, renovations, and maintenance would be required to keep the existing buildings functional into the future and leases would need to be extended at a current cost of approximately \$300,000 per year. Previous evaluations have analyzed other alternatives to address the deficiencies with the City's buildings and the current plan was selected as the most practical option.

The next step to pursue the development of the new civic building and redevelopment of the existing City Hall and Police and Fire Administration property is to issue an RFQ to identify highly qualified and experienced teams to partner with the City on the project. Attached are sections of the Draft RFQ excluding certain elements detailing the specific instructions for Statement of Qualifications submittals (i.e. specific formatting, how to present experience, reference requirements, etc.) so that perspective teams do not have access to the submittal package requirements prior to the formal issuance of the RFQ. This is to ensure all teams have the same amount of time for development of the submittal packages. The four major sections of the RFQ will consist of:

1. Introduction and Overview – This section is intended to provide an introduction of the City of Napa, a brief description of the purpose of the RFQ, outline the selection schedule and submission process, and most importantly outline the City's objectives.
2. Private Development Opportunity – This section is intended to provide an overview of the opportunity to develop the site vacated by the current City buildings, including overview of the Napa market, expectation of the development team, and the minimum requirements of the development team and key personnel.
3. Public Development Opportunity – This section is intended to provide an overview of the opportunity to develop the new City Hall and Police and Fire Administration building, including an overview of the current city facilities, anticipated new City Building, and the minimum requirements of the development team and key personnel.
4. RFQ Submittal Requirements, Evaluations Criteria and Disclosure – This section will specify the required format for the response, any required forms, response evaluation both in terms of process and criteria, as well as any disclosure or reservation of right the City wishes to convey to the development community.

If approved, the RFQ will be issued in September. The responses will be evaluated based on the criteria listed in the RFQ to generate a proposed short list of the three most qualified teams by January 2016 for consideration by Council. If the short list of qualified teams is approved by Council, the next task is to complete the Draft Request for Proposals (RFP).

The Draft RFP will be presented to Council by early 2016 for comments and Council approval to issue to the teams pre-qualified during the RFQ stage. Project performance specifications will be developed as part of the RFP to clearly communicate required standards, quality, and performance of the civic building and detail the requirements for the redevelopment of the existing City Hall and Police and Fire Administration property.

The RFP will articulate the City's overall project goals while allowing some flexibility to foster creativity from the teams in order to give the City options to select from. Two public meetings are part of the work plan during the RFP phase. The proposals will be required to include plan concepts for the civic building and for the redevelopment of the existing City Hall and Police and Fire Administration property and will also include final costs and financing plans. The proposals will be evaluated on team qualifications,

designs, costs, and financing plans to identify the best value for the City. The final project selection is scheduled for late 2016.

FINANCIAL IMPACTS:

Expenditures to prepare and issue the RFQ are budgeted within the City Hall Consolidation Project (JL FC15PW02). A preliminary project financing model for the City Buildings Consolidation Project was presented during the April 7, 2015 Council Meeting. The civic building preliminary cost estimate used for budget development is \$54,500,000. The City's cost share of structured parking is estimated to be \$6,250,000. The market value of the City Hall and Police and Fire Administration property was estimated to be \$15,750,000. TOT, property tax, and retail sales tax for the private development are expected to generate more than \$2,100,000 per year with annual growth. The project costs are expected to be offset with these new revenues and with efficiencies to be gained through eliminating leases, reduced maintenance costs, and reduced future staff growth. Final costs and financing plans will be submitted by development teams during the RFP process which is the second phase of this section process.

CEQA:

The Public Works Director has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

DOCUMENTS ATTACHED:

1. Attachment 1: Draft Request for Qualifications

NOTIFICATION:

None.

RECOMMENDED ACTION:

Staff recommends that the City Council move, second and approve each of the actions set forth below, in the form of the following motion. Move to:

Provide comments and direction to be incorporated into the final document, and approve issuance of the RFQ.