



Item No. 18 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

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

**FROM: MICHAEL KASHIWAGI
COMMUNITY SERVICES DIRECTOR**

DATE: APRIL 15, 2015

**SUBJECT: ATHERTON PERMIT CENTER – CONDITION ASSESSMENT
AND REPLACEMENT ALTERNATIVES**

RECOMMENDATION

Provide direction to staff regarding the repair and possible replacement and relocation of the Atherton Permit Center.

BACKGROUND

The Atherton Permit Center currently consists of three combined trailers and one slightly separated add-on trailer. This facility provides office space, public counter activities, and storage for building and safety, planning, public works engineering, code enforcement, and town arborist functions. The current facilities are not adequately sized to efficiently and effectively conduct Town business for permit center customers and staff. The facilities are in need of replacement.



ANALYSIS

A condition assessment was recently performed and numerous deficiencies were identified. These include:

1. Inefficient insulation, windows, HVAC, and lighting
2. Inadequate space for staff and necessary onsite storage
3. Floor loads likely greater than original allowable floor design
4. Non-compliant ADA restrooms

5. Deteriorating roofing and siding at the add-on trailer resulting in dry rot and possible mold conditions
6. No fire sprinkler

The nature of these deficiencies along with the age of the existing trailers suggests that it is important to address these issues and accomplish the necessary repairs/replacement of this facility prior to the next winter season. An important consideration in identifying the most appropriate repair/replacement option is the timing of design and construction of the new Atherton Civic Center.

Since the current Permit Center will be removed with construction of the new Civic Center, interim facilities should be established to allow continuous and uninterrupted permit center services until the new Civic Center facility is completed and fully operational. This includes convenient and accessible visitor parking to accommodate the daily business needs of Permit Center customers.

Accordingly, 4 Alternatives have been developed for City Council consideration. The following considerations were utilized in the development of these alternatives:

- Facility cost of repair/replacement/relocation
- Continuous/uninterrupted public access for issuance of permits
- Minimize moves and potential disruption of services
- Coordination/consideration of Civic Center design and construction activities

ALTERNATIVE 1 – Remove the add-on Trailer and put all Storage off site

The add-on trailer restricts the use of outside parking, is leaking, rotting and may be growing mold. It provides for document and assorted storage and at least 3 workstations for staff that regularly provides customer service to the permit counter. Removing the trailer and patching the hole is reasonably inexpensive, but mandates that items stored in the trailer and permit center be shipped to an accessible off-site location (either rental or unused City space). Clearing storage from the permit center to squeeze in the workstations (and personnel) will be a challenge, if possible at all.

Pros

- Stored drawings are protected from potential water/mold damage
- A health concern is removed
- Parking along the tracks can be made available

Cons

- Finding 3 workstation/office spaces near the permit counter would require doubling up on offices, and/or elimination of a conference area and/or elimination of break room.
- Off-site storage of plans and materials will create additional inefficiency that does not currently exist.

Consolidating more personnel into the permit center without the add-on trailer will create a less efficient work environment that could result in a downgrade of services.

This option leaves the existing permit center in place and could result in a double-move depending on the ultimate design and construction plan for the Civic Center Project.

ALTERNATIVE 2 – Demolish add-on Trailer and add Double-wide Rental Trailer

To replace and reorganize work flow, this alternative involves renting a double-wide (24'X40') trailer and placing it between the permit center and maintenance building. This modification would only slightly impact services.

Pros

The location would be relatively unobtrusive and fairly easy to install.

By specifying the Rental trailer with a heavy-duty floor, most of the Permit Center storage could be relocated.

Relocating storage would free up most office and counter areas to be more efficient and provide for more drawing and discussion areas between staff and customers.

Rental will keep the initial costs low

An internal connection could be constructed since public access to storage and a few workstations would be unnecessary

Cons

May not be a good fix as a short term solution

This option again leaves the existing permit center in place and adds an additional trailer; doing so could result in a double-move depending on the ultimate design and construction plan for the Civic Center Project.

ALTERNATIVE 3 – Move out of Permit Center into Rental Trailers

Without specifically identifying where to locate rental trailers, this may be a positive short term or long-term solution to the interaction of the Permit Center with the Civic Center Master Plan. In its current location, the Permit Center needs to be moved to accommodate construction of the new Civic Center. In looking at the Master Plan site layout, it may be possible to locate trailers close to Maple Avenue and stay away from most of the building and site construction. It may also be possible to locate a temporary permit center at the periphery of Holbrook Palmer Park, perhaps near the Gilmore House.

New trailers would have combined installation and take down expense in the range of \$20,000 to \$25,000 depending on specific site conditions. Additional costs could also be incurred based upon the availability of required utility connections. The rental expense for a 48X60 unit with self-contained toilets for two years would total approximately \$36,000 to \$43,200. The estimated total cost to move trailers on-site, use them for two (2) years and remove after use is approximately **\$60,000 to \$70,000** (excluding unknown utility costs).

Based on the assumption that the initial contract will be for a lease use, the trailer suppliers have indicated that a negotiated price would be possible at the end of the lease to purchase the trailers for another Town use if so desired.

Pros

- Would address all deficiencies of the current Permit Center
- Lease could be negotiated to amortize any improvements over a lease period.
- Some furniture could be re-used.
- Very little Civic Center impediment to construction depending on location
- Could be a longer term solution without disruption of services, if Civic Center construction is delayed

Cons

- Monthly rental expense will be market rate plus any costs of move-in improvements
- Removing the existing trailers is a threshold decision – no going back.
- Monthly rental expenses will likely increase if the lease is extended due to lack of action of Civic Center

ALTERNATIVE 4 – Move out of Permit Center to an Office Rental Space

There is no available office rental space within the Town, however after reviewing the market around the vicinity of El Camino Real and Watkins, there are a few options. The options and possible rental rates are listed below.

Address	Square Feet	Rent Sq. Ft. Yearly Rate	Parking Ratio	Notes
1460 El Camino Real	13,500	\$66.00	1.11 spaces per 1,000 square feet	New Construction
1906 El Camino Real	2,607	\$75.00	5 spaces per 1,000 square feet	Move In Ready, Great Option

These are triple net leases. The Town would be responsible for their share of common area maintenance and taxes that are estimated to be in the range of \$6.50 to \$10.00. Given the current competitive market the estimated commercial lease rate would be in the \$65.00 to \$75.00 range. Therefore, the annual triple net lease rates would be in the range of \$71.50 to \$85.00 per square foot. Since the permit center needs approximately 2600 square feet (no restrooms and if that size is available) then a two-year lease would be in the range of **\$371,800 to \$442,000**.

This alternative has all of the benefits of Alternative 3 and facilitates organized storage, office, and service facility to be located away from the Civic Center construction site and thereby eliminate possible issues of phased construction.

Pros

All of the benefits of alternative 3

Would address all deficiencies of the current Permit Center

Lease could be negotiated to amortize any improvements over a lease period.

Some furniture could be re-used.

No Civic Center impediment to construction

Could be a longer term solution if the Civic Center construction is delayed

Cons

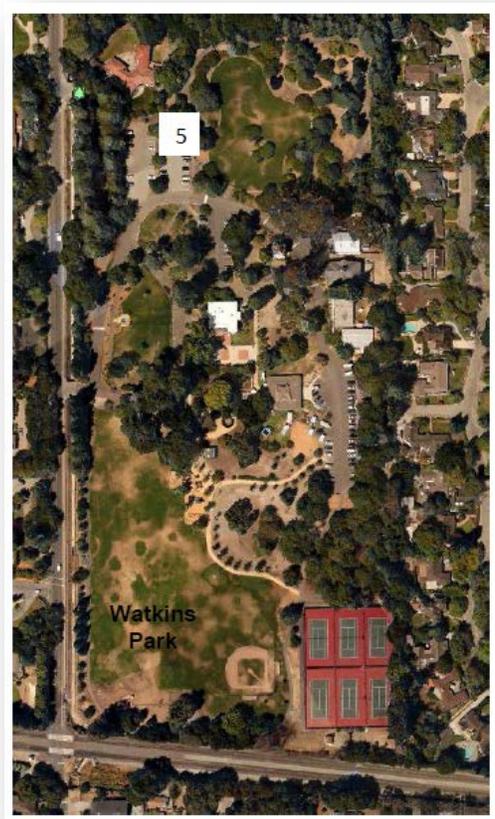
Monthly rental expense will be approximately 6 times the cost of Alternative 3

Removing the existing trailers is a threshold decision – no going back.

STAFF RECOMMENDATION

Alternative 3 is recommended since it addresses all of the identified deficiencies of the current Permit Center in the most cost effective manner. In addition, this alternative provides the opportunity to expand the current workspace allowing for adequate space for staff, required onsite storage for working files and building plans submittals, and improved public counter space. This alternative also has the flexibility of functioning as both a short-term and longer-term solution should the Civic Center Project experience unanticipated delays.

As identified on the following site plans, 5 potential locations have been identified for placement of the Interim Permit Center. Four locations at the current Civic Center site and one location at Holbrook Palmer Park. The four Civic Center locations were chosen since they are near the perimeter of the Civic Center plan area that provides good public accessibility and would be outside of the anticipated construction zone. Locations #1 and #2 currently do not have immediate access to necessary utilities; and, based on the moving concepts of the Civic Center Project could interfere with potential design options. Locations #3 and #4 have existing utilities nearby. Location #4 could also impact design and could result in adjacent neighbor concerns.



The Holbrook Palmer Park location would be completely off-site from the Civic Center construction and would have available parking and utilities nearby. For these reasons, the Holbrook Palmer Park site is preferred.

Once staff receives City Council direction, design plans will need to be prepared for necessary site work and utility connections. A more refined description of work, budget, and schedule will also be determined for City Council review and approval.



POLICY FOCUS

It is expected that the Civic Center Project will move forward and the Town's Permit Center will need to be removed. The physical condition of the Permit Center is unacceptable for continued use. Replacement of the Permit Center should be done with an understanding and appreciation for the future needs of the Civic Center Project – i.e. moving it one time as part of the staging and construction.

Finding a temporary location for the permit center could also dovetail with the planned improvements in the Park in connection with the Playschool. The City Council has yet to adopt the Park Master Plan, but initial review highlighted moving the Playschool from its current location to a location near the Gilmore House to improve park circulation.

If the Park Master Plan were to be adopted, the temporary permit center could be initially located in the same area (#5) and utility improvements could be done in advance of a potential future move of the Playschool. Further, since only one of the Playschool temporary buildings is viable enough to be relocated, the Town could devise a purchase option that would allow the Playschool to purchase one of the temporary permit center facilities once the Town no longer needs the facility.

The policy issues related to the Playschool in the Park and the Park Master are not on the agenda for discussion this evening and placement of the permit center near the Gilmore House in the Park does not prevent the Town from removing it and restoring the park use upon completion. However, it is important to recognize these issues on the horizon.

FISCAL IMPACT

The estimated cost to implement Alternative 3 is \$60K - \$70K. A more refined cost estimate will be provided based upon City Council direction. The current Capital Improvement Program includes funding for Town Center Facilities Plan and Repairs in the amount of \$60,000 for the current fiscal year with an additional \$25,000 proposed for FY 2015/16. Funding would come from the Building Facilities Fund.

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.