



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** APRIL 18, 2017

**DEPARTMENT:** PUBLIC WORKS

**FROM:** GARY PETERSEN, DIRECTOR OF PUBLIC WORKS

**BY:** DON REYNOLDS, ASSISTANT PUBLIC WORKS DIRECTOR

**TITLE:** PUBLIC SAFETY CENTER: SELECTION OF A TECHNICAL ADVISOR AND A DEVELOPMENT TEAM AND APPROVAL OF THE PRE-DEVELOPMENT AGREEMENT

### **RECOMMENDED MOTION:**

A motion to approve two Resolutions: (1) selecting a technical advisor and (2) selecting a development team, and approving a pre-development agreement for the proposed new Public Safety Center.

### **RECOMMENDATION:**

It is recommended that the City Council approve two Resolutions for the design, build, and delivery of a new Public Safety Center for the City of Salinas:

- 1) Authorize the City Manager to execute a Professional Services Agreement with McClaren Wilson and Lawrie Inc. (MWL, Inc.) to act on the City's behalf as the technical advisor to guide the design and development of the Public Safety Center, and
- 2) Select Griffin/Swinerton as the development team and authorize the City Manager to execute a pre-development agreement with this team.

### **BACKGROUND:**

Since 2007, 2008 the City has considered the idea of building a new public safety facility as a catalyst for the Alisal Market Place project. In 2009, the City considered a developer-driven 110,000 square-foot, four-story police station to be located at the County's old public works yard formerly located at 312 East Alisal Street. Due to adverse changes to the economy and other factors, the Alisal Market Place project did not move forward. However, the City moved forward and acquired title to the 312 East Alisal Street property through a transaction with the County of Monterey whereby the City exchanged the Church of the Nazarene property located on North Sanborn Road for the property located at 312 East Alisal Street. The County of Monterey has indicated their intent to develop a health center on the North Sanborn Road property while the City continues to move forward with development of a public safety facility on the East Alisal Street property.

In 2013, an RFQ was issued for a space needs assessment for the City's Police Department, and the firm McClaren Wilson and Lawrie Inc. (MWL) was identified as the best-qualified firm to conduct this study. Completed in September 2014, this study identified the Police Department's needs and projected the Department's growth through 2035. At that time, the number of sworn officers was projected to grow (based on need) from 136 to 305. To accommodate that number of personnel and the associated equipment and space needs, the study identified a police facility of 94,000 square feet. In July 2016, the City requested MWL to review their 2013 estimates to determine if they remained appropriate. In October 2016, working closely with Police Department staff, several efficiencies were identified that reduced the required square footage of the building to 74,000 square feet.

With up-to-date information, on December 6, 2016, the City Council approved Resolution No. 20195 through which the City released a Request for Proposals (RFP) in an effort to identify the best and most qualified development team to design, build, and deliver a new Public Safety Center. MWL, who worked with the architecture firm LPA Inc., provided the needs and space study that was used in the RFP to identify the City's needs and intentions. After the close of bids, MWL was part of the bid evaluation team that reviewed the proposals, interviewed the three finalists, and checked references.

The bid process included the publication of the notice inviting bids in The California, and posting of the RFP on the City's Planet Bid portal. When posted on Planet Bid, an alert was sent to more than 100 prospective bidders, building exchanges and plan rooms. City staff assisted interested bidders gain entry to Planet Bid when they reported that they had not received this notice. Staff also attended a meeting of representatives from the Salinas Valley Chamber of Commerce to demonstrate how vendors register on the City's portal for Planet Bid.

On December 16, the City held a pre-bid conference at the job site, and thirty interested parties attended. In January 2017 a second "open-house" was provided at the job-site and three interested parties attended. During the bid process, the City received thirty-one questions from four different interested parties. The last day to submit questions was January 27, 2017, and the last written answers to the questions were posted on Planet Bid January 30, 2017. On February 10, 2017, the bid solicitation closed and the City received five responsive, qualified proposals.

In total, 177 vendors registered on the City's portal, 76 of these identified themselves as prospective bidders, and 69 of those that downloaded the documents referred to themselves as local vendors. Two of the five proposals received are from local developers (Monterey and Santa Cruz). Two others included local subcontractors as part of their team.

The Bid Evaluation Team included John Finke from Public Facilities Group, Jim McClaren, from MWL and representatives from the Police Department, Community Development and Public Works. After a review of the five proposals, a short list of three candidates was identified, all of which were invited to interview. Following the interview, the Team identified two candidates to review further and called references for those two bidders. Unfortunately, none of the local candidates made it to this level. In the end, the Griffin/Swinerton team, together with LPA

Architects, consistently demonstrated throughout the process that they are best-qualified to complete the project.

Griffin expressed an interest in this project and the El Gablian Library project last fall. They met with staff before the RFP was completed. Griffin was already partnered with Swinerton and was able to recruit LPA to join them. They attended both pre-bid opportunities and their project manager lives just outside of Salinas. They submitted a 14-question email before the deadline, and submitted one of the only bid proposals that met the 30-page minimum. They were the only bidder to submit a signed addendum. Their team arrived 45-minutes before their interview. Their interview team included key players who are all identified in the Proposal. Before the end of the interview, Managing Partner Roger Torriero presented the attached letter offering to defer the \$1 million dollar developer fee until the project is 100% completed, to be paid in full only if the developer performed at an “A” grade level.

The Griffin/Swinerton Team includes a strong community engagement element led by MIG. MIG is currently working with Community Development on three different projects including the lead role in the Chinatown Plan update.

The reference check is what really tilted the scale toward the Griffin/Swinerton team. They are the only team that has worked together on several recent projects, and many of these are delivered through the same “P3” process. This includes the Buena Park Police Station, Hesperia Police Headquarters, Westminster Police Headquarters, and Quartz Hill Library. Griffin and LPA worked together on the Watsonville Civic Plaza. The most recent and interesting reference is the Orange County “Building 16” project (110,000 square foot office building) that is in progress. All three team members are engaged in this work. The design just received its guaranteed maximum price and the site is being prepared for construction now. There are 23-buildings at this campus, and the Real Estate Officer reported that this team was retained by Orange County for Building 16 because of successful work completed on the other buildings.

When the RFP came to the Council in December, staff was optimistic that soft-costs would range between \$12 and \$15 million. Griffin/Swinerton estimates their soft costs to be \$12.9 million. The Griffin Team agreed to reduce their fees by \$300,000. The project appears to be within budget with a total buildout estimated to be under \$49 million. That will be confirmed when design gets to the Guaranteed Maximum Price in January 2018.

The RFP presented both the Pre-Development Agreement and Development Agreement to be used for this process. Griffin clearly accepted both agreements as presented. In less than a week the City Attorney and Griffin agreed to the attached pre-development agreement. Exhibit C provides a schedule indicating the pre-development phase to end in early January 2018, and the target of November 2019 to complete construction. Other proposals indicated a December 2020 completion date.

In summary, staff is recommending that the City retain MWL as its technical advisor on this project as presented in the first Resolution through the pre-development phase, and they will contract with the not-for-profit during construction. The second Resolution recommends that the City Council select Griffin/Swinerton as the Development Team and approve their pre-development agreement.

### CEQA CONSIDERATION:

**Pre-development work is not by itself a “Project.”** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project.

**Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.**

### STRATEGIC PLAN INITIATIVE:

The development of the New Public Safety Center initiates the Council’s strategy to develop the Alisal Market Place, and supports the Council’s Goal moving toward Economic Diversity and Prosperity. Although not referenced in the key strategies for Council’s goal to have a “Safe Livable Community,” building the new Public Safety Center is a key component of this objective. Although not referenced as a key strategy, replacing the 1958 Police Station with a state-of-the-art facility is consistent with the Council’s goal toward Effective, Sustainable Government. This project is exemplary of Council’s goal to have a “Well Planned City and Excellent Infrastructure.”

### FISCAL AND SUSTAINABILITY IMPACT:

Designing, building and delivering the Public Safety Center to the City of Salinas is currently estimated to cost \$49 million dollars, plus 10% for the cost of financing the project. The pre-development work outlined in the attached agreement by Griffin/Swinerton and LPA will cost \$1.6 million and is currently budgeted in CIP 9904 from Measure G funds. The technical advisory fees for MWL Inc. of \$170,000 are also funded by Measure G in CIP 9904. The balance of the technical advisory fees (\$100,000) will be paid by the not-for-profit from Bond proceeds once the financing has been completed (January 2018). The debt service on the Bonds will be paid by Measure G funds as lease payments to the not-for-profit.

### ATTACHMENTS:

Letter from Griffin/Swinerton  
Resolution- Professional Services Agreement with MWL  
Resolution- Selection of Griffin/Swinerton as the Public safety Development Team and  
Pre-Development Agreement  
Griffin/Swinerton Proposal