

CITY OF CORAL GABLES

- MEMORANDUM -

TO: CATHY SWANSON-RIVENBARK
CITY MANAGER

DATE: DECEMBER 8, 2015

FROM: LEONARD ROBERTS
ASSISTANT DIR., ECONOMIC DEV.

SUBJECT:
PUBLIC SAFETY BUILDING

Background:

On June 16, 2015, the City Commission authorized staff pursuant to Resolution No. 2015-102 to study the options for addressing the Public Safety Building at 2801 Salzedo Street. On that date, staff presented an executive summary of an engineering study submitted by Stantec/FGSS (Stantec) on November 11, 2014, a copy of which is attached. The study offered an assessment and programming of the public safety building at 2801 Salzedo Street.

As of January 20, 2015, the land value of the 2801 Salzedo property was \$19 million according to an appraisal prepared by Waronker & Rosen, Inc.

The four-story, 275,275-square-foot Public Safety Building uses 86,755 square feet ("SF") to house the administrative staff for the City's Police and Fire Departments (47,199 SF), Fire Station No. 1 (18,040 SF), the Emergency and Operations Centers (11,219 SF), the Information Technologies, Human Resources and Parking Departments and the Gables Television Studio. The remaining 188,520 SF consist of 175,000 SF that accommodates 191 City parking spaces and 103 public parking spaces; and 12,244 SF of common area according to the Stantec report.

Built in 1973, the facility was determined by Stantec to need significant repairs, and the assessment identified a number of structural issues. These include multiple cracks throughout the building, multiple leaks due to lack of waterproofing and major problems with the floor structures in the apparatus truck areas, including "slabs and joists (that) are likely inadequate for present needs, and several beams (that) are overstressed in shear." The report recommends that the use of the Apparatus Bays for multiple heavy vehicles "be discontinued immediately." In addition, the report questions if the structure can withstand a major hurricane without sustaining extensive damage. The report found that the windows and exterior coiling doors are not hurricane tested and graded and that the building's "deterioration is progressive, and structural systems may weaken over time." While the building is "outside of the areas of the 100 year flood plan," its basement, which covers nearly the entire footprint, is below flood elevation levels, making it susceptible to flooding.

Stantec provided the following three alternatives for renovation or rebuilding on site based on cost estimates provided by Stonehenge Construction on November 10, 2014:

1. Option A – Renovation/Retrofit with an estimated cost of \$17,278,800. This option provides the lowest short-term cost and is limited to basic renovations to remedy waterproofing and life safety issues within the basic footprint. The garage area would remain at 176,276 SF with 294 parking spaces.
2. Option B – Mediterranean Renovation/Retrofit with an estimated cost of \$25,067,460. This option includes the addition of 25,200 SF of office space and 45,503 SF of parking, bringing the total parking spaces to 394.
3. Option C – Demolition and New Construction, with an estimated cost of \$26,460,000. As in Option B, this option includes the addition of 25,200 SF of office space but adds a 250,000 mixed-use garage area with 500 parking spaces.

November 11, 2014 Stantec Report			
Options			
	A	B	C
Construction Time (Months)	32	38	29
Cost	\$17,278,800	\$25,067,460	\$26,460,000
Cost PSF	\$171.43	\$198.96	\$210.02
Increase in SF	-	25,200	25,200
Increase in Parking	-	100	206
Increase in Floors	-	2	4

After the studies were presented to the City Commission on June 16, 2015 a Public Safety Building Exploratory Committee (Committee) composed of the City’s public safety director and representatives from the Departments of Public Works, Police, Fire and Economic Development and AECOM staff was established to explore the options, which included the following:

1. Renovating/retrofitting the existing Public Safety Building,
2. Demolishing the property and rebuilding it on site,
3. Selling the property and purchasing another property to construct a new facility, and
4. Temporary solutions for shoring up the building or relocating vehicles that are too heavy to park in the fire bay.

Findings:

The Committee tasked AECOM to interview representatives from key departments, AECOM determined that the total square footage needed is approximately 110,000 SF of office/fire station and 52,800 for parking 160 cars, or a total of 162,800 SF.

The Committee explored City and non-city owned sites, including vacant land, taking into consideration the following criteria:

1. Economic impact/cost, e.g. construction and relocation costs;
2. Building efficiencies, e.g. internal circulation, floor plates;
3. Urban impact, e.g. compatibility with surrounding area;
4. Project duration, e.g. variances, construction phasing;
5. Civic presence, e.g. visibility, green space;
6. Location/Response Time, e.g. fire and emergency response.

Based on the City Commission's direction at the June 16, 2015 meeting and the above criteria, the Committee is recommending the three following sites for further exploration:

1. Parking Lot 6 at Salzedo St and Alcazar Ave;
2. Existing site at Salzedo St and Sevilla Ave;
3. Fire Station 2 Site at US1 and Riviera Dr.

The Committee recommends that the City Commission review the following five scenarios that range from \$17 million to stabilize the building to approximately \$33.5 million to rebuild the structure at its current or alternate location and replace obsolete equipment. The building of a new facility regardless of location would be energy efficient, meet ADA requirements, replace obsolete equipment and meet the program and operational requirements of a modern public safety and government operations facility for today and the future.

1. Scenario 1 - Construction of a new facility on the site of City-owned parking Lot 6 at Alcazar Avenue and Salzedo Street. The rebuilt facility would cost an estimated \$30,250,000. This amount does not include the cost of acquiring land to replace the existing surface lot and/or loss parking revenue. The City would then explore redevelopment opportunities that would maximize the equity of 2801 Salzedo St. The new multi-level L-shaped facility would take up the entire 39,387-square-foot lot, would create circulation challenges and the 160-space parking structure layout would be limited to angle parking, requiring more floors. Additional land would be required to relocate the existing 104 public parking spaces on the site. No phasing would be required, limiting the time from design and permitting through construction to 30 months. This site would reduce fire rescues response time by two minutes and fill the gap for the fire concentric response circle in the northwest Gables area.
2. Scenario 2 - Construction of a new facility on the site of City-owned parking Lot 6 and an adjacent 35,000-square-foot vacant lot owned by a private party. The City would then explore redevelopment opportunities that would maximize the equity of 2801 Salzedo St that may include an exchange of the privately owned property adjacent to Lot 6 and construction of a new Public Safety building for an estimated cost of approximately \$30,000,000. The value of the private party's land would have to be appraised; previous estimates of the entire private parcel suggest a value of approximately \$8 million. Combining the two properties would increase the lot size to a total of 77,885 SF. The "bar/rectangle" building on the site would include 160 parking spaces in a standard parking structure layout and offers great building efficiency, although it would be limited to two access points. The building size and use would be appropriate for the neighborhood, and the lot size would allow for a public plaza and public parking lot of 84 spaces. Design and permitting through construction would take approximately 30 months. This site would reduce fire rescues response time by two minutes and fill the gap for the fire concentric response circle in the northwest Gables area.

3. Scenario 3 - Demolition of the property and reconstruction of a new facility at the Fire Station 2 site, located at 525 S. Dixie Hwy is estimated to cost \$33.4 million. The City would then explore redevelopment opportunities that would maximize the equity of 2801 Salzedo St. The estimated cost includes the demolition of the existing building on the 86,200 SF site and the environmental impact mitigation for underground tanks. Fire Station 2, as well as the existing fuel station, would need to be replaced and land would also have to be acquired for the Trolley Maintenance Facility and the replacement of the fire station. This option would also take approximately four years to complete and poses several challenges. The “narrow long bar” shape of the building limits department adjacencies, requires less efficient angled parking and limits frontages. Although the facility would be in a central and highly-visible location, its proximity to Metro Rail and US-1 poses challenges to access and loading. The public safety use on this site would require height and setback variances occupying the entire footprint. Phasing of construction would not be necessary, but would require rebuilding a new Fire Station I on its existing site.
4. Scenario 4 - Demolition of the existing Public Safety Building and reconstruction of a new facility with a 160-space parking garage on the existing site. This scenario would need to include plans for continuing operations during construction either in alternate locations or by phasing construction. The cost is estimated to be \$35.2 million, which includes estimates for temporary relocation and rental during multiple phases of construction. The phased demolition and reconstruction would take approximately 44 months, from design and permitting to completion of construction. The facility would eliminate public parking, and the garage would have angled parking, which requires more floors.
5. Scenario 5 - Stabilization of the existing building, including plans for continuing operations during renovations at an estimated cost of \$17 million. This amount, however, does not include replacement of obsolete equipment or the cost associated with the phasing of construction as in Option 4. The phasing would require the temporary relocation of Fire Station 1 and parking before the demolition of that portion of the building takes place. Demolition of the portion that houses the Police Department also would require the relocation of all personnel and equipment to a temporary facility. In addition, the existing building does not have the adequate amount of space to house all the departments currently located there, and it cannot sustain the future growth and expansion of the Police and Fire Departments. This scenario would retain the 103 public parking spaces and associated revenue. Additional office space will have to be leased in order to meet the existing and growing needs of public safety. Total time to stabilize the building would take 32 months.

A summary of the scenarios are noted below and include estimated cost and values:

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5 ²
	Lot 6	Lot 6-Assembled	FS II Site	Existing Site	Existing Site
	Build	Build	Build	Rebuild	Stabilized
Land SF (<i>may include alley</i>)	39,387	77,885	86,200	63,000	63,000
Allowed Buildable SF (<i>assumes Med Bonus</i>)	137,855	272,598	301,700	126,000	220,500
Remaining FAR	27,855	162,598	191,700	16,000	133,745
Construction Cost	\$27,500,000	\$27,500,000	\$30,920,000	\$29,150,000	\$17,278,800
Parking Cost	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$0
<i>Subtotal of Construction Cost</i>	<i>\$30,000,000</i>	<i>\$30,000,000</i>	<i>\$33,420,000</i>	<i>\$31,650,000</i>	<i>\$17,278,800</i>
Relocation Cost (e.g. rental office, equipment, etc.)	\$0	\$0	\$0	\$3,500,000 ¹	\$2,600,000 ³
Temporary Shoring of 2801 Salzedo	\$250,000	\$250,000	\$250,000	\$0	\$0
Cost of Paving New Parking Lot	\$0	\$100,000	\$0	\$0	\$0
<i>Subtotal of Indirect Cost</i>	<i>\$250,000</i>	<i>\$350,000</i>	<i>\$250,000</i>	<i>\$3,500,000</i>	<i>\$2,600,000</i>
Total Cost before Potential Considerations	\$30,250,000	\$30,350,000	\$33,670,000	\$35,150,000	\$19,878,800
Other Potential Considerations					
2801 Salzedo Equity as of Jan-2015	(\$19,000,000)	(\$19,000,000)	(\$13,500,000)	\$0	\$0
Land Acquisition Cost/Swap	\$0	\$8,225,000	\$0	\$0	\$0
NPV for lost revenue from Lot 6/Garage ⁴	\$3,200,000	\$1,700,000	\$1,300,000	\$1,300,000	\$0
<i>Subtotal of Other Potential Considerations</i>	<i>(\$15,800,000)</i>	<i>(\$9,075,000)</i>	<i>(\$12,200,000)</i>	<i>\$1,300,000</i>	<i>\$0</i>
Net Cost to City	\$14,450,000	\$21,275,000	\$21,470,000	\$36,450,000	\$19,878,800
Construction Duration (<i>months</i>)	30	30	48	44	32
# of Floors	5	7	5	6	4

¹ Cost is based on \$30 PSF for leasing office space over the term of the construction and \$7 PSF for relocation for Fire Department.

² Only addresses water proofing and life safety improvements.

³ Excludes cost for leasing the additional 23,000 SF to meet public safety current needs.

⁴ NPV calculated based on a 20 year period at a 7% discount rate.