

Agenda Report

November 13, 2000

TO: City Council

FROM: City Hall Restoration Finance Committee

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH ROBERT LEVY AND ASSOCIATES AND NOEL HANSON AND ASSOCIATES TO OBTAIN SEISMIC RETROFIT FUNDING

RECOMMENDATION

It is recommended that the City Council:

1. authorize the City Manager to enter into a contract with Robert Levy and Associates in an amount not to exceed \$35,000 to obtain State seismic retrofit funding;
2. authorize the City Manager to enter into a contract with Noel Hanson and Associates in an amount not to exceed \$47,500 to obtain local, foundation seismic retrofit funding; and
3. grant each of the proposed contracts an exemption from the Competitive Selection process of the Affirmative Action in Contracting Ordinance pursuant to section 4.09.060[C], contracts for which the City's best interests are served. Both of the proposed contracts are exempt from Competitive Bidding pursuant to City Charter Section 1002(F) contracts for professional or unique services.

BACKGROUND

Analysis performed after the Northridge earthquake, in January 1994, indicated that Pasadena City Hall is at significant risk in the event of future earthquakes. Given the serious deficiencies and potential life safety hazards of the structure, it was determined that some level of upgrade is required to attain a reasonable level of performance in a major earthquake.

The current budget estimate for seismic retrofit and rehabilitation of City Hall is \$96.6 million. Given the magnitude of this cost, the City Council established the City Hall Restoration Finance Committee. The Committee, consisting of prominent members of the community, is exploring various means of funding the project. Identifying sources of funding at the local, state and/or federal level, either through existing grants or the annual budget process has been judged by the Committee as an important key element to the overall strategy.

In February 2000, the City Council approved an agreement with Cerrell Associates Inc. to explore funding options at the State and Federal level. The City Council also authorized the expenditure of up to \$140,000 for this effort. Although much effort was put forth at the Federal level, Cerrell Associates was not successful in obtaining any additional federal funding for this

project. While staff is not recommending terminating this agreement, Cerrell Associates has been instructed not to put forth any additional effort at the Federal level at this time. To date, the City has paid Cerrell Associates approximately \$17,500.

DISCUSSION

Concurrent with the efforts of Cerrell Associates, a subcommittee of the City Hall Restoration Finance Committee (Committee) has been working on other fundraising ideas.

Raising \$96 million is an enormous Task. Many methods, ideas and concepts have been explored, including looking at a variety of local taxes. Since this is uncharted territory in many respects, the progress at the beginning of this project has been characterized by learning which directions and methods are not productive. Before the Committee is prepared to develop some final recommendations, it strongly believes that enough time and effort have not been devoted to exploring other State and local (including foundations) funding. This is why the Committee is now recommending that the City Council approve two additional contracts, one that will focus on government funds and one that will focus on local donations and foundation grants.

At the present time a variety of sources for the acquisition of funds for City Hall are being explored:

1. **FEMA.** FEMA has allocated \$6.7 million for use on the seismic portion of the City Hall work and \$1 million is available from the State as matching funds, bringing the current total from this source to \$7.7 million. Continuing effort is underway to obtain more funds from FEMA.
2. **Individuals.** It is thought that high net worth individuals would be willing to give substantial gifts toward the beautification and stabilization of City Hall. Since there are varying views upon that likelihood, it is wise to conduct a feasibility study. The Development Opportunity Survey will determine the likelihood that significant financial support and additional volunteer leadership can be developed in an appropriate length of time and cost to reach the goals of the City. Concurrent with this investigation, community leaders participating in personal interviews for this study will gain information about the nature and goals of the project. In turn this should increase their understanding and appreciation of the need to undertake this specific project in a timely manner.

Through a Development Opportunity Survey community members will seek personal interviews with approximately 30 individuals representing leading citizens, friends, foundation directors, corporate executives and community leaders.

It will be extremely important for Committee members, City Council members and community leaders to help in securing appointments for interviews with key individuals with whom they are acquainted within the community. The answers to the questions that will be posed to these individuals will aid in determining the best way for the project to proceed toward establishing a good plan for fund raising success.

3. **Foundations and Corporations.** From exploration that has been completed to date, there is information that funds may be available for the City Hall and they are being included in the scope of responsibility in the contract with Noel Hanson and Associates.

4. **Community Organizations.** It is thought that organizations such as Pasadena Beautiful might be interested in raising the funds to beautify the interior courtyard. Also Pasadena Heritage may be interested in raising funds for preservation.
5. **State of California Funds.** The Committee is currently exploring the availability of funds from the State. The recommended contract with Robert Levy and Associates is intended to ascertain what funds are available and to develop the most appropriate approach.
6. **City Funds and City surplus real estate.** While not specifically under consideration, the Committee has asked City staff to identify possible existing local dollars that might be utilized to close any funding gap between local, foundation, state and federal funding and any proposed tax increase.

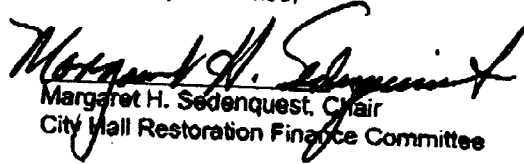
The expected timetable to complete many of the above tasks is laid out below:

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| February 1, 2001 | Completion of the Development Opportunity Survey. |
| September 1, 2001 | The ability to secure government funding should be understood. |
| October 1, 2001 | If the Survey is favorable, securing of financial commitments is expected to be completed by this date. |

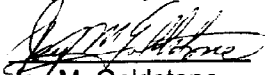
FISCAL IMPACT

The projected cost of the two recommended contracts is \$82,500. If approved, funding for this cost will come from unspent funding for the Cerrell Associates contract. At this point in time there is approximately \$122,500 unspent.

Respectfully submitted,


Margaret H. Sedenquest, Chair
City Hall Restoration Finance Committee

Prepared by:


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