



Agenda Report

TO: CITY COUNCIL **DATE:** AUGUST 13, 2001
FROM: CITY MANAGER
SUBJECT: STATUS REPORT ON CITY HALL SEISMIC RETROFIT

Recommendation

This report is for information only.

Background

A Seismic upgrade has been recommended for City Hall in order to better protect the building and its inhabitants in the event of a major earthquake. Two committees, the City Hall Restoration Oversight Committee and the City Hall Finance Committee, each consisting of prominent members of the community, were formed by the City to analyze the City's options.

I. City Hall Restoration Oversight Committee

In 1999, after reviewing a series of alternative plans for the seismic retrofit and historical renovation of City Hall, the City Hall Restoration Oversight Committee determined that the option designated as "Alternative D" was optimal. This approach requires the installation of base isolators, which act as shock-absorbers, to minimize structural damage and safeguard employees and members of the public who may be in the building at time of a seismic event. The use of base isolation, to be located in the basement, should allow the building to reopen either immediately or within a few weeks following a major earthquake.

In addition to providing necessary seismic strengthening "Alternate D" also provides for interior, exterior building and site restoration, as well as the construction of an east office wing. The addition of a wing would more than offset the loss of space in the basement devoted to the base isolators.

On January 31, 2000, after a series of community meetings, the City Council approved "Alternative D" as the plan for seismic retrofit. At that time, the estimated cost to complete the project was \$96.6 million. The City's outside

construction management team of Daniel, Mann, Johnson and Mendenhall (DMJM) has recently updated this estimate to \$101,277,000.

Because of concerns regarding the cost, coupled with the absence of readily identifiable funding sources, the project architects, Architectural Resources Group, and the seismic engineers, Forell/Elsesser, Inc., were directed to prepare revisions to "Alternative D" which would reduce the project cost through the adoption of a less stringent standard for an acceptable level of damage in the event of a major earthquake. Where as previously the standard was one that would allow the building to be utilized immediately or almost immediately after a serious seismic event, this less stringent standard while providing for the life-safety of people in the building would not be expected to prevent potentially serious structural damage. Also, as part of the revised plan, designated as "Alternative E", the addition of an east-wing was removed from consideration in order to further reduce cost.

The revised plan, "Alternative E" was presented to the City Hall Restoration Oversight Committee on June 12, 2001. Utilizing base isolation, "Alternative E" includes reinforcement of the arcade and the construction of a full basement that will connect the north and south wings of the building and off-set losses in space as a result of the base isolation. The estimated cost of "Alternative E" is \$73.5 million as compared to an estimated \$101,277,000 for "Alternative D".

The City Hall Restoration Oversight Committee, while preferring "Alternative D" recognized the difficulty in funding and voted to accept "Alternative E" with some additions such as full exterior restoration, full site restoration, and additional interior restoration, the inclusion of which bring the estimated cost of "Alternative E" to \$79,146,000. The Committee's position was detailed in a letter to the Mayor and Council and is attached as Exhibit 1.

The attached Exhibit 2 provides a breakdown of total project cost by major category. Exhibit 3 is a further breakout of construction costs, setting forth the interior, exterior and site renovation aspects of the project. The cost variances between alternates D, E, and E" (the modified "Alternative E" approved by the Committee) are primarily restricted to those line items.

II. City Hall Finance Committee

In 1999 the City Council also established the City Hall Finance Committee to explore various means to fund the project. At that time the City had received commitments from the Federal Emergency Management Agency (FEMA) in the amount of \$7.3 million, of which approximately \$663,000 has been received. Operational savings of at least \$300,000 per year through replacement of mechanical systems was also identified. However, without additional funding, these sources alone would not be sufficient to support the project.

Subsequently, the City engaged the services of outside consultants in an effort to identify potential federal/state funding and to seek donor contributions. The effort to secure state or additional federal funding has been unsuccessful. The effort aimed at private donations has yet to yield results and has focused the need to connect private donations with defined aspect of the project such as historical plans or upgrades. Moreover, potential private donors want to see a financial commitment on the part of the City before committing to the project.

Recently, at the request of the City Hall Finance Committee staff has developed a series of funding options ranging from possible voter-approved measures to the imposition of fees and charges. These options are generally outlined in Exhibit 4.

Fiscal Impact

The estimated cost for the modified "Alternative E" is \$79,146,000.

Respectfully submitted,

For Cynthia J. Kurtz
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CITY MANAGER

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