



CITY OF LARKSPUR
Staff Report

November 16, 2022, City Council Meeting

DATE: November 10, 2022
TO: Honorable Mayor Hillmer and the Larkspur City Council
FROM: Julian Skinner, Public Works Director
SUBJECT: FEASIBILITY MATRIX FOR CITY OFFICES OPTIONS

ACTION REQUESTED

Receive feasibility matrix for city offices options and provide direction.

SUMMARY AND BACKGROUND

At its October 10, 2022, and October 26, 2022, special meetings, the City Council received updates on the new library project and options for the city offices currently housed at 400 Magnolia Avenue.

Council directed staff to return with more information in the format of a high-level feasibility analysis of the city offices options. Staff tasked library project consultant Kitchell with providing the high-level feasibility matrix for the city offices options discussed. The matrix is attached and includes the cost, value, timeline, and risk summaries for the options.

The options include:

1. Perform only needed renovations at 400 Magnolia Avenue (do not perform the comprehensive rebuild.)
2. Perform the comprehensive renovation of 400 Magnolia Avenue.

City offices remain at 400 Magnolia Avenue under options 1 and 2 (although a temporary accommodate is needed during construction work.) Option 1 may result in future renovation needs, whereas Option 2 would be considered a long-term fix.

3. Move city offices out of 400 Magnolia Avenue and rent/lease another building for city offices after making tenant improvements.
4. Build new city offices at The Commons concurrent with the library project.
5. Build new city offices at an alternate location or at The Commons at a future date not coincident with the library project.
6. Option 6 is an overlay option with options 3, 4 or 5 that contemplates not renovating 400 Magnolia Avenue.

STAFF RECOMMENDATIONS

Receive feasibility information and provide direction

Respectfully submitted,
Julian Skinner, Public Works Director

Attachments:

1. Feasibility Matrix



CITY OF LARKSPUR 400 MAGNOLIA FACILITY OPTIONS						
OPTION	1	2	3	4	5	6
Implications	400 Magnolia Facility (Renew Priority 1 Safety & Operational Items)	400 Magnolia Renovate & Stay	Move City Hall to an existing owned or leased facility (Renovate) (Use 400 Magnolia)	Build City Offices adjacent/ simultaneous with Library Alternative City use of 400 Magnolia	Build City Offices as a stand alone Project seperately from the Library	Donate to or allow use by a Non-Profit in Support of City Services Must coincide with options 3, 4 or 5.
Cost	\$9 Million ¹	\$18-20 Million ²	\$15 Million to renovate 400 Mag + \$300,000/Yr Lease cost ³	\$15 Million to renovate 400 Mag + \$7.5 Million to build new City Offices ⁴	Same as Option 4 plus: \$1 Million in sitework, \$1 Million in soft costs.	\$0 ⁵
	Ongoing costs due to limited upgrades required: -End of life components -ADA compliance	-Cost exceeds post renovation value -Add cost of temp move and swing space	-Relatively low comparatively, but must add cost of property purch /lease/ renovation -Identify use for existing space which will include renovations for new tenant	-Lowest cost option -Competitive building costs	-Lost efficiency by having multiple projects/ procurements/ design teams, etc.	-Insignificant
Value	-Historic -Community familiarity	-Historic -Community familiarity	-Space(s) can be programmed to fit needs within framework of existing structural limitations. -No need for swing space	-New building and amenities -No temp displacement of staff	-Maximum flexibility -Spread financial commitment over time	-Social and politcal value
Timeline	Least impact	Long timeline	Shortest timeframe required	Competitive schedule	Flexible	Insignificant
Risks	-Highest financial, legal & social risk -ADA compliance, or city is open to costly civil rights lawsuits -Cost to fix worn /broken components will continue. -Increased difficulty finding replacement parts for aging components. Risk of failure.	-Risk of unforeseen conditions and related cost overruns -Must move out to renovate, need swing space -May not accommodate space needs	-Is new site best location for services? -New location required site improvements unknown -Risk of unknown required improvements -Temporary community disconnect -Potential loss of historic legacy -Location unknown	-Lowest risk -Requires programming, design and construction, extending timeline	-Does not address renovation, disposition or use of 400 Magnolia -Construction escalation	-Eliminates the risk of lawsuit or social embarrassment -Non profit may not be well enough funded to afford the facility.

Footnotes:

- 1 - Amount of Priority 1 (immediate) operational and safety items identified in Facility Condition Assessment dated March 18, 2022 plus allowance for unforeseen conditions.
- 2 - Amount of estimated total renovation costs (Priorities 1 through 5) in Facility Condition Assessment dated March 18, 2022 plus allowance for swing space and unforeseen conditions.
- 3 - \$15 Million to renovate 400 Magnolia + Average lease price for available properties \$60/SF/YR.
- 4 - 5000 SF (need) x \$1500/SF New Construction Cost (includes soft costs).
- 5 - Would eliminate \$15 Million renovation of 400 Magnolia from Option 3, 4 or 5.