



# **Sunnyvale Civic Center Modernization**

## **Phase B.5 – Land Use Scenarios**

### **Council Meeting**

**December 15, 2015**



# Context, Purpose, & Intended Results

## Context :

We have gathered information on financing alternatives and completed cost models of the prototypes.

## The Purpose of this Meeting is to:

- Discuss Financing Options & Cost Models
- Discuss Next Steps

## The Intended Results for this Meeting Are:

- Shared Understanding of Financing Options & Cost Models
- Council Decisions on Next Steps

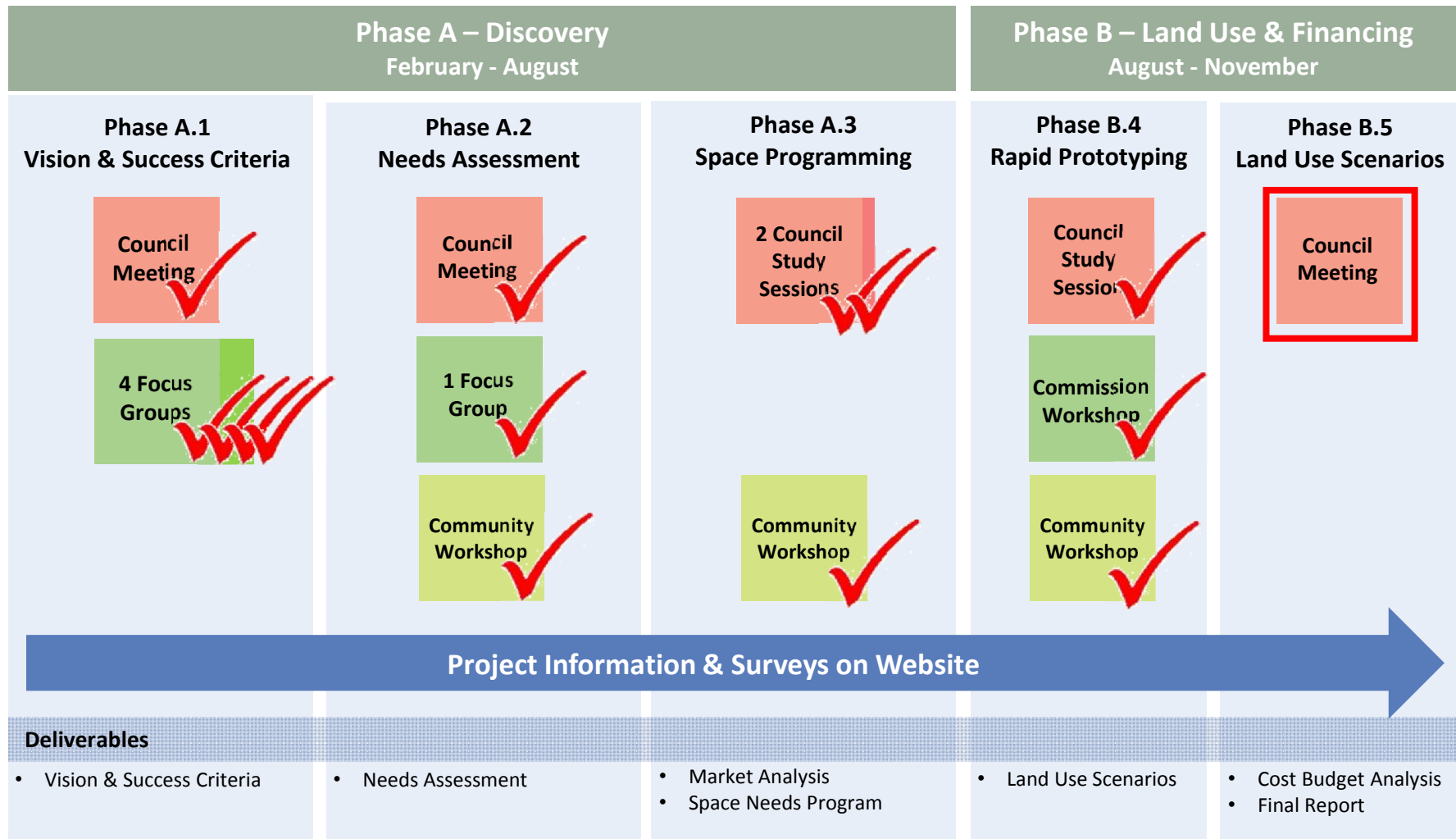


# Agenda

- Introduction
- Review Financing Alternatives
- Review Cost Models
- Conclusion



# Project Process – Summary of Community Outreach







# Financing Alternatives



# Civic Center Financing Alternatives

**Current City Assets  
and Revenues**



**Varies based on  
Council direction**



**New Revenue  
Bond**



**Varies based on ask  
(set by Council)**



**Total Civic Center  
Project Costs**



**Varies based on  
option selected**



# Civic Center Financing Alternatives

Current City Assets  
and Revenues



Varies based on  
Council direction

## Existing Revenues

- Infrastructure Fund
- Facilities Fund
- NOVA Space Rental

\$

## Land

- Onizuka & Unilever
- Downtown (Charles St.)
- Civic Center

\$\$\$

## Use of Current Reserves

- CIP Reserve
- Infrastructure Fund

\$\$

## Other

- Park Dedication Fees
- Enterprise Funds
- PEG (TV Broadcasting)

\$  
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# Civic Center Financing Alternatives

## Current City Assets and Revenues



Varies based on  
Council direction

### Existing Revenues

- Infrastructure Fund
  - \$1.5/year currently set aside - unallocated
- Facilities Fund
  - ~ \$400K/year
- NOVA Space Rental
  - Currently ~\$330K/year
  - State Funding contribution ?

### Revenue Capitalization Potential

- \$2 million annual debt service
- 30 year term
- 4% interest rate

**\$35M**



# Civic Center Financing Alternatives

## Current City Assets and Revenues



Varies based on  
Council direction

### Land

- Onizuka \$17M
- Unilever \$11M
- Downtown (Charles St.) \$8M
- Subtotal \$36M

**\$36M**

- Civic Center
  - Office \$6.5/acre
  - Residential \$6.5M - \$7.0M/acre
  - Hotel - \$3.5M/acre
- Civic Center Prototype G - 2 acres
  - \$0 - \$14M

**\$0M**



# Civic Center Financing Alternatives

## Current City Assets and Revenues



Varies based on  
Council direction

### Use of Current Reserves

- CIP Reserve
  - \$8.6M Currently unallocated
- Infrastructure Fund
  - \$7.1 Currently available
  - + \$1.5 M for FY 16-17

**\$17M**





# Civic Center Financing Alternatives

## Current City Assets and Revenues



Varies based on  
Council direction

### Other

- Park Dedication Fees
  - Assume 10 acres
  - Park costs of \$800 K /acre

**\$8M**

### Other

#### Enterprise Funds

- Utilities + Development Ent.
- % of City Hall Costs
- Approx. 30% of total City Hall space
- City Hall Costs from \$56 to \$72

**\$19M**

#### PEG (TV Broadcasting)

- \$1M



# Civic Center Financing Alternatives

## New Revenue Bond



Varies based on ask  
(set by Council)

## Key G.O. Bond Parameters

- Total Assessed Valuation (County Assessor)
- Interest Rate on Bonds (Market Rate)
- Term (typ. 25 or 30 years – set by Council)
- Assessment Rate
  - \$/\$100K in assessed valuation
  - (Set by Council)

## Example

\$20/\$100K Assessed Value

Property Valuation = \$800

Annual Tax = \$160





# Civic Center Financing Alternatives

## New Revenue Bond



Varies based on ask  
(set by Council)

## Example from 2007 Library Bond

- 30 year term
- 5.5% interest
- Assessed Valuation = \$21.7B
- Rate – \$19.52/\$100K/year average

## Estimated Bond Proceeds

**\$108M**



# Civic Center Financing Alternatives

## New Revenue Bond



Varies based on ask  
(set by Council)

## Example of Future Bond

- ✓ 30 year term
- 4.5% interest
- Assessed Valuation = \$35B
- ✓ Rate – \$19.52/\$100K/year average

## Potential Bond Proceeds

**\$195M**



# Civic Center Financing Alternatives

## Current City Assets and Revenues



Varies based on  
Council direction

### Existing Revenues

- Infrastructure Fund
- Facilities Fund
- NOVA Space Rental

## Potential Funding

\$36M

### Land

- Onizuka & Unilever
- Downtown (Charles St.)
- Civic Center

\$36M

### Use of Current Reserves

- CIP Reserve
- Infrastructure Fund

\$17M

### Other

- Park Dedication Fees
- Enterprise Funds
- PEG (TV Broadcasting)

\$27M

\$116M



# Civic Center Financing Alternatives

**Current City Assets  
and Revenues**



**Varies based on  
Council direction**

**New Revenue  
Bond**



**Varies based on ask  
(set by Council)**

**Total Civic Center  
Project Costs**



**Varies based on  
option selected**

## Potential Revenues

$$\text{\$116M} + \text{\$195M} = \text{\$311M}$$



# Input for Refinement

Context

Council & Staff Input



# Context

- Prototypes are really asking the big picture questions
  - Prototypes were for learning, explore different concepts
- Some people felt that the rapid prototypes were not reflective of the work that the public created
- Prototypes included
  - Full range of option and opportunity
  - Different configuration of new vs renovation
  - Building land use worked very hard to avoid existing tree areas
  - Different levels of open space
  - Different configurations of parking



## Input for Refinement during Next Steps

- Minimize curb cuts and driveways on El Camino
- NOVA should not be constructed as a new, standalone facility. If new facilities are included, fold them into City Hall
- Prefer keeping existing Community Garden location and size
- Maintain two points of vehicle exit/entry for Public Safety
- Olive Drive
  - Consider emergency vehicle access
  - Consider traffic and circulation with limited curb cuts on El Camino and Mathilda
  - Consider the affect of Olive Dr. to open space configuration and access
- Consider 2-3 story buildings
- Consider LEED Platinum



# Cost Model

Definition & Assumptions

Cost/SF Range

Prototypes

Summary





## Definition of a Cost Model

- A Cost Model is not a Cost Estimate
- Cost Model is a proactive look at costs, not looking at documents or materials, and no design work has been done
- It is intended to be a budgetary tool for understanding what the costs on a project could be, even without detailed information.
- A Cost Estimate defines specific quantities of known materials and systems to assess the actual cost of the project.



# Assumptions – Total Project Cost

## ■ Construction Cost

- The direct costs to construct a building or structure, otherwise known as "brick and mortar" costs.
- Building and Site Costs, Contractor Overhead and Profit, Change Order Contingency
- Design Contingency is accounted for within the Range of Construction Cost

## ■ Soft Costs

- Expenses, other than hard costs, incurred in developing a project
- Design Fees, Permits, Testing and Inspections
- Assumes 35% of Construction Cost for Soft Costs

## ■ Other Items NOT Included (to be developed during Master Planning)

- Escalation (Identified after a schedule is established)
- Project Contingencies (Held by Client for unforeseen items)
- Furniture, Fixtures and Equipment (FFE)
- Moving, Operational, or Temporary Facilities
- Owners Costs: Financing and Insurance etc.



# Assumptions - Construction Cost

## ■ Includes

- LEED Gold Level of Sustainability for all new facilities
- Includes each Program element, associated parking and open space
- Site area and building footprint assumptions were made for each Program element (to be further developed during Master Planning)
- Subcontractors markups (Includes a range from 15% to 25%)
- General Contractor's/Construction Manager's General Conditions and Fee
- Local prevailing labor rates/wages
- Utility tie-ins for each building

## ■ Excludes

- LEED Platinum would be an additional 5-10% cost premium
- Offsite Improvements (to be developed during Master Planning)



## Cost / SF Range - Buildings

		Construction Cost / SF	
		Low	High
<b>Library</b>	Renovation	\$ 275	\$ 375
	New	\$ 450	\$ 550
<b>City Hall</b>	Renovation	\$ 300	\$ 400
	New	\$ 550	\$ 650
	Addition	\$ 550	\$ 700
<b>Public Safety</b>	Renovation	\$ 325	\$ 425
	New	\$ 600	\$ 700
	Addition	\$ 600	\$ 750
<b>Seismic Upgrade</b>		\$ 75	\$ 125



## Cost / SF Range – Site & Parking

		Construction Cost / SF	
		Low	High
<b>Parking</b>	Surface	\$ 12	\$ 15
	Structured	\$ 100	\$ 150
	Underground	\$ 135	\$ 185
<b>Demolition</b>		\$ 5	\$ 20
<b>Hardscape</b>		\$ 12	\$ 25
<b>Landscape</b>		\$ 10	\$ 15

# A



## Construction Cost

Project	Key Inclusions	Low	High
Library	Renovation & Addition	\$ 53.1 M	\$ 69.0 M
	260 parking	\$ 8.6 M	\$ 11.8 M
City Hall	Renovation & Addition	\$ 30.2 M	\$ 40.5 M
	320 parking	\$ 14.5 M	\$ 20.9 M
Public Safety	Renovation & Addition	\$ 32.4 M	\$ 44.1 M
	150 parking	\$ 8.1 M	\$ 11.1 M
NOVA	Annex Renovation	\$ 8.0 M	\$ 11.3 M
	270 parking	\$ 6.3 M	\$ 9.1 M
Site	Open Space, Playground	\$ 2.6 M	\$ 4.4 M
<b>TOTAL</b>		<b>\$ 163.9 M</b>	<b>\$ 222.1 M</b>

# B



## Construction Cost

Project	Key Inclusions	Low	High
Library	Renovation & Addition	\$ 50.1 M	\$ 67.5 M
	260 parking	\$ 1.2 M	\$ 1.6 M
City Hall	Renovation & Addition	\$ 30.3 M	\$ 40.6 M
	320 parking	\$ 14.2 M	\$ 20.6 M
Public Safety	Renovation & Addition	\$ 32.1 M	\$ 43.6 M
	150 parking	\$ 8.1 M	\$ 11.1 M
NOVA	Annex Renovation	\$ 7.8 M	\$ 11.0 M
	270 parking	\$ 4.8 M	\$ 6.6 M
Site	Open Space, Playground	\$ 1.5 M	\$ 2.4 M
TOTAL		\$ 150.1 M	\$ 205.1 M

# C

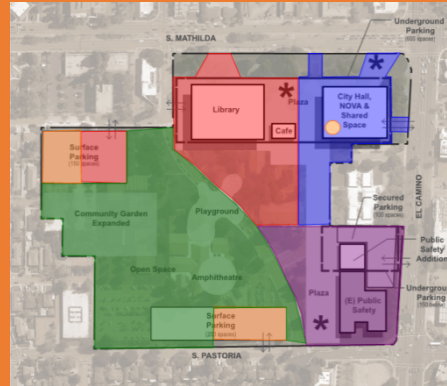


## Construction Cost

Project	Key Inclusions	Low	High
Library	New Library	\$ 56.5 M	\$ 71.4 M
	260 parking	\$ 11.1 M	\$ 15.2 M
City Hall	New City Hall	\$ 41.1 M	\$ 51.2 M
	330 parking	\$ 14.6 M	\$ 21.2 M
Public Safety	Renovation & Addition	\$ 33.7 M	\$ 46.4 M
	140 parking	\$ 0.7 M	\$ 0.8 M
NOVA	Included with City Hall	\$ 7.6 M	\$ 9.5 M
	270 parking	\$ 8.7 M	\$ 12.2 M
Site	Open Space, Playground	\$ 1.5 M	\$ 2.4 M
TOTAL		\$ 175.5 M	\$ 230.3 M



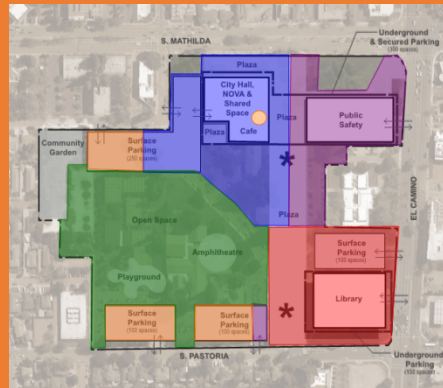
# D



## Construction Cost

Project	Key Inclusions	Low	High
Library	New Library	\$ 56.0 M	\$ 70.1 M
	270 parking	\$ 11.1 M	\$ 15.2 M
City Hall	New City Hall	\$ 37.8 M	\$ 45.4 M
	320 parking	\$ 17.3 M	\$ 23.7 M
Public Safety	Renovation & Addition	\$ 32.3 M	\$ 44.0 M
	150 parking	\$ 8.1 M	\$ 11.1 M
NOVA	Included with City Hall	\$ 7.7 M	\$ 9.8 M
	260 parking	\$ 5.2 M	\$ 7.0 M
Site	Open Space, Playground	\$ 6.4 M	\$ 10.7 M
<b>TOTAL</b>		<b>\$ 182.0 M</b>	<b>\$ 237.1 M</b>

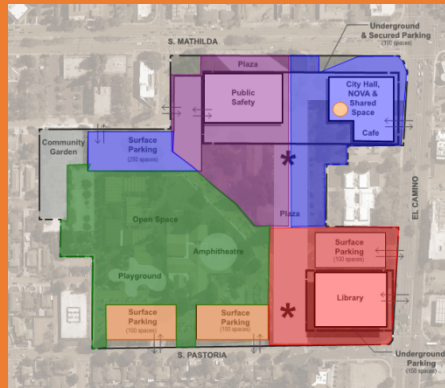
# E.1



## Construction Cost

Project	Key Inclusions	Low	High
Library	New Library	\$ 54.9 M	\$ 68.5 M
	250 parking	\$ 8.6 M	\$ 11.7 M
City Hall	New City Hall	\$ 38.5 M	\$ 47.0 M
	320 parking	\$ 6.5 M	\$ 8.7 M
Public Safety	New Public Safety	\$ 44.3 M	\$ 55.7 M
	170 parking	\$ 8.2 M	\$ 11.2 M
NOVA	Included with City Hall	\$ 7.8 M	\$ 9.9 M
	260 parking	\$ 3.7 M	\$ 5.0 M
Site	Open Space, Playground	\$ 5.1 M	\$ 8.5 M
<b>TOTAL</b>		<b>\$ 177.6 M</b>	<b>\$ 226.2 M</b>

# E.2



## Construction Cost

Project	Key Inclusions	Low	High
Library	New Library	\$ 55.2 M	\$ 68.8 M
	250 parking	\$ 8.6 M	\$ 11.7 M
City Hall	New City Hall	\$ 38.3 M	\$ 46.4 M
	320 parking	\$ 8.9 M	\$ 12.1 M
Public Safety	New Public Safety	\$ 38.3 M	\$ 47.1 M
	160 parking	\$ 4.7 M	\$ 6.4 M
NOVA	Included with City Hall	\$ 7.6 M	\$ 9.5 M
	270 parking	\$ 4.7 M	\$ 6.4 M
Site	Open Space, Playground	\$ 5.1 M	\$ 8.6 M
<b>TOTAL</b>		<b>\$ 171.5 M</b>	<b>\$ 217.0 M</b>

# F



## Construction Cost

Project	Key Inclusions	Low	High
Library	New Library	\$ 54.3 M	\$ 67.4 M
	260 parking	\$ 7.2 M	\$ 10.4 M
City Hall	New City Hall	\$ 38.3 M	\$ 46.4 M
	320 parking	\$ 14.9 M	\$ 21.3 M
Public Safety	Renovation & Addition	\$ 32.0 M	\$ 43.5 M
	150 parking	\$ 8.1 M	\$ 11.1 M
NOVA	New NOVA	\$ 8.2 M	\$ 10.8 M
	270 parking	\$ 2.4 M	\$ 3.2 M
Site	Open Space, Playground	\$ 5.8 M	\$ 9.7 M
TOTAL		\$ 171.2 M	\$ 223.8 M

# G



## Construction Cost

Project	Key Inclusions	Low	High
Library	New Library	\$ 54.6 M	\$ 67.7 M
	260 parking	\$ 9.1 M	\$ 12.4 M
City Hall	New City Hall	\$ 38.3 M	\$ 46.4 M
	320 parking	\$ 14.8 M	\$ 20.3 M
Public Safety	Renovation & Addition	\$ 32.2 M	\$ 43.8 M
	160 parking	\$ 6.2 M	\$ 8.4 M
NOVA	Included with City Hall	\$ 7.7 M	\$ 9.8 M
	260 parking	\$ 6.7 M	\$ 9.0 M
Site	Open Space, Playground	\$ 8.4 M	\$ 14.1 M
<b>TOTAL</b>		<b>\$ 178.1 M</b>	<b>\$ 232.0 M</b>



# Prototype Cost Summary

	Construction Cost		Project Cost (w/35% Soft Cost)	
	Low	High	Low	High
<b>A</b>	\$ 163.9 M	\$ 222.1 M	\$ 221.2 M	\$ 299.9 M
<b>B</b>	\$ 150.1 M	\$ 205.1 M	\$ 202.7 M	\$ 276.8 M
<b>C</b>	\$ 175.5 M	\$ 230.3 M	\$ 236.9 M	\$ 311.0 M
<b>D</b>	\$ 182.0 M	\$ 237.1 M	\$ 245.7 M	\$ 320.0 M
<b>E.1</b>	\$ 177.6 M	\$ 226.2 M	\$ 239.8 M	\$ 305.4 M
<b>E.2</b>	\$ 171.5 M	\$ 217.0 M	\$ 231.5 M	\$ 293.0 M
<b>F</b>	\$ 171.2 M	\$ 223.8 M	*\$ 231.1 M	*\$ 302.1 M
<b>G</b>	\$ 178.1 M	\$ 232.0 M	**\$ 240.5 M	**\$ 313.2 M

*\*Does not include offset from lease/sale of land*

*\*\*Does not Include land purchase cost*



# Prototype Cost Summary – Parking/Open Space

	Project Cost (High)	Parking Construction Cost	Site Area	
			Parking	Open
A	\$ 299.9 M	\$ 52.8 M	14%	63%
B	\$ 276.8 M	\$ 39.9 M	20%	55%
C	\$ 311.0 M	\$ 49.4 M	16%	69%
D	\$ 320.0 M	\$ 57.0 M	9%	74%
E.1	\$ 305.4 M	\$ 36.6 M	19%	65%
E.2	\$ 293.0 M	\$ 36.6 M	19%	68%
F.1	*\$ 288.1 M	\$ 46.0 M	18%	*59%
F.2	\$ 302.1 M	\$ 46.0 M	18%	66%
G	**\$ 313.2 M	\$ 50.2 M	12%	*78%

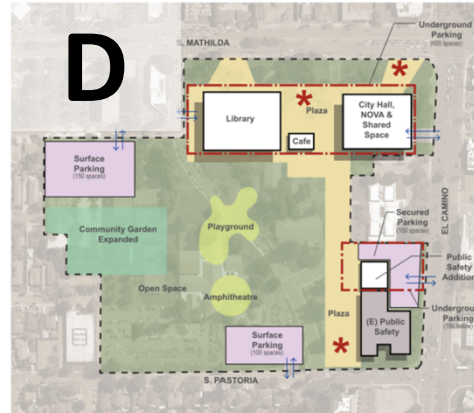
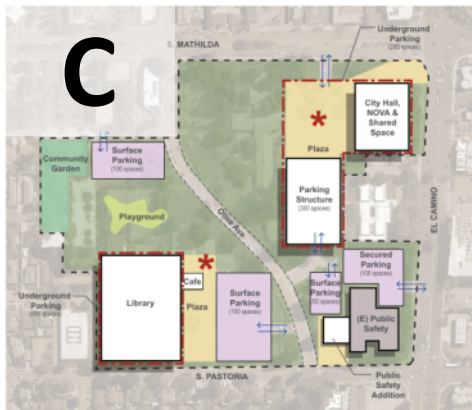
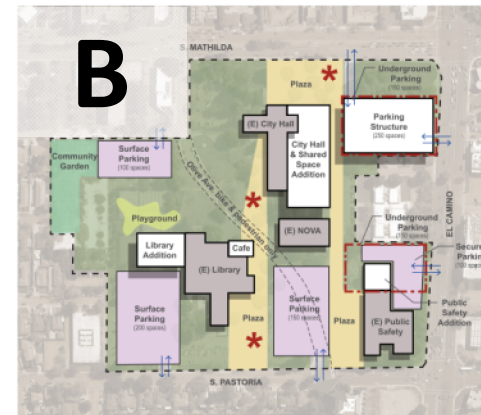
*\*Includes change from lease/sale/purchase of land*

*\*\*Does not Include land purchase cost*





# Prototypes







# City Council Decisions

Direction on Civic Center Land Use

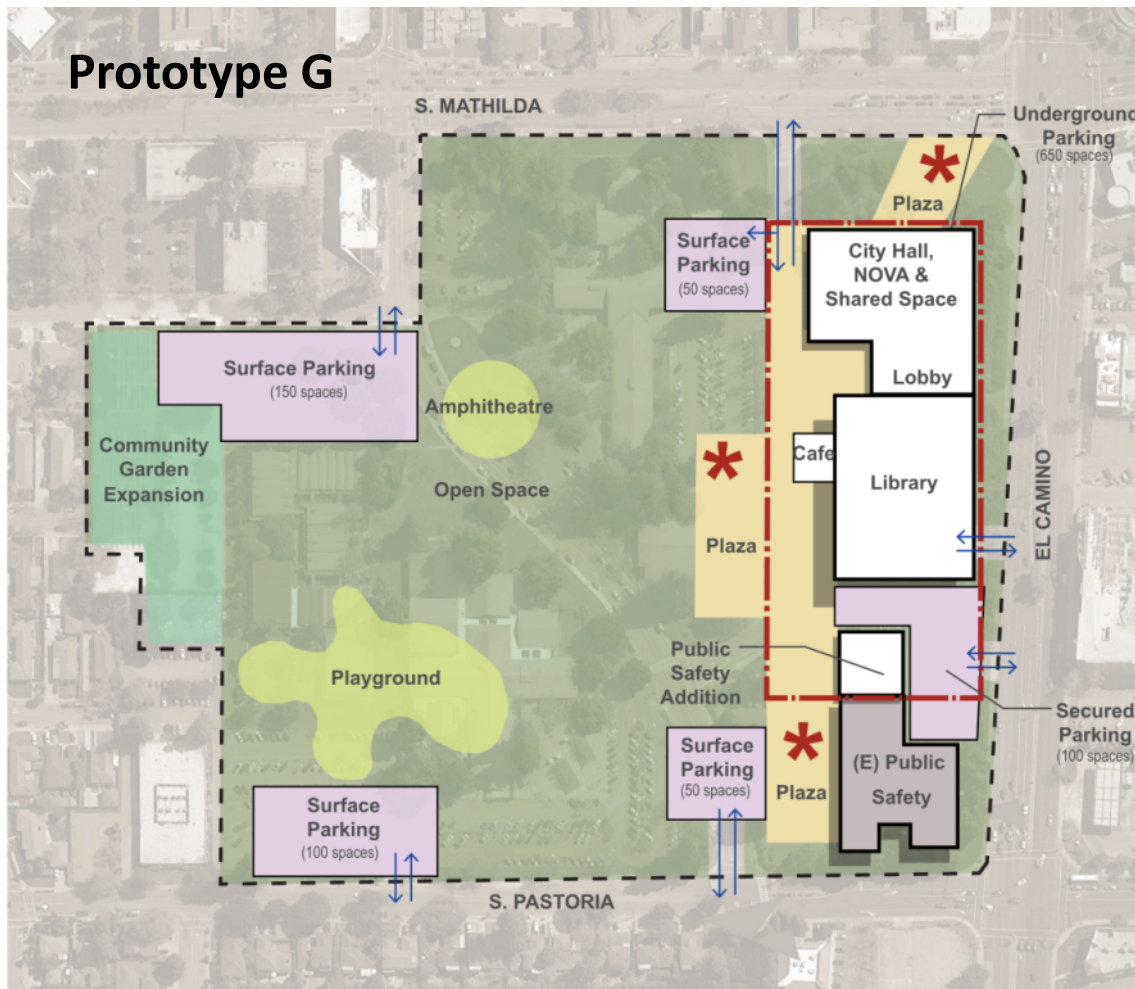
Next Steps

Staff Recommendation



# Direction on Civic Center Land Use

Prototype G



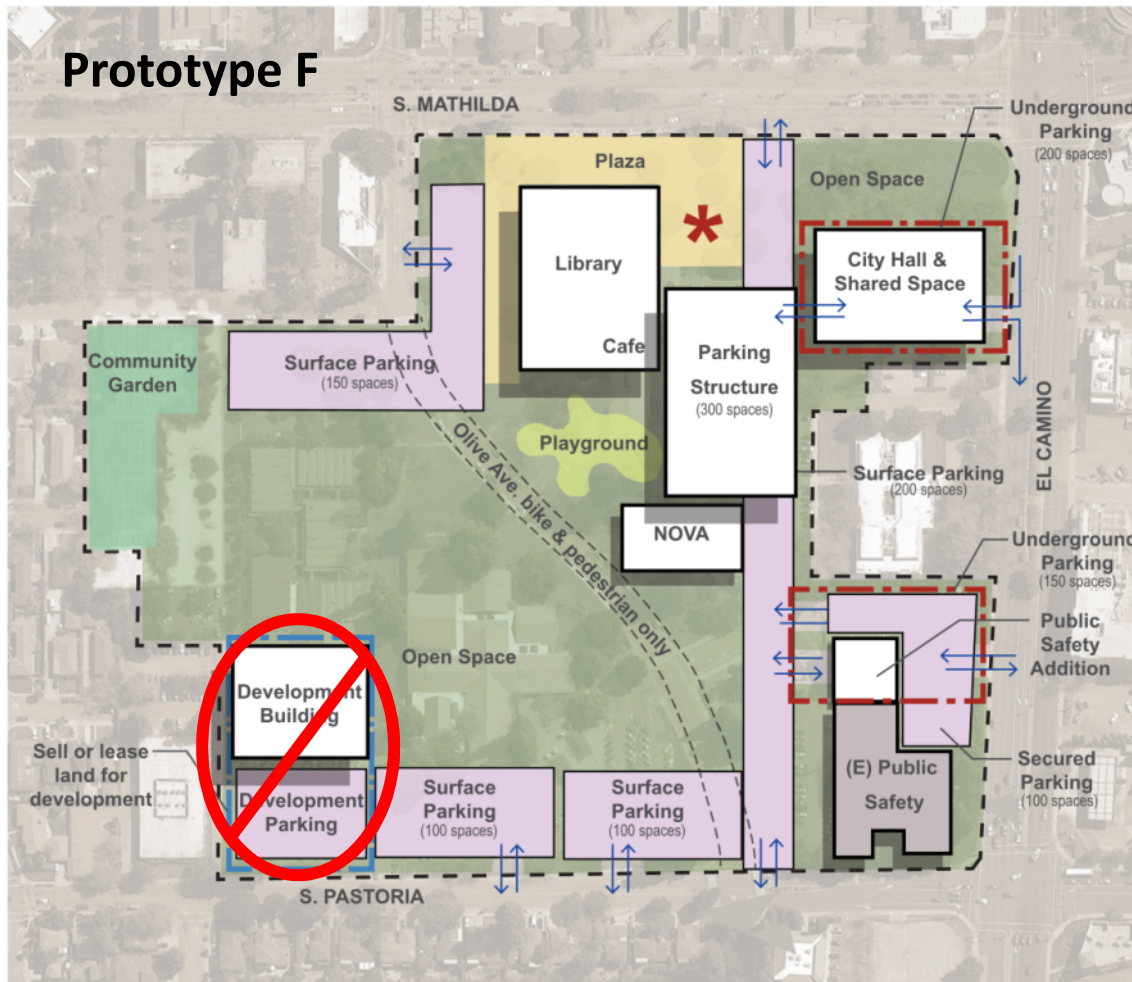
**Eliminate Prototype G from further consideration**

- **Most expensive Prototype \$241 - \$313M**
- **Courthouse land acquisition uncertain**



# Direction on Civic Center Land Use

Prototype F



## Modify Prototype F

- Remove 2 acre sale area from further consideration
- Show development area as open space



## Next Steps....

- 1) Evaluate community support for a bond measure
  - Conduct a scientific poll of likely voters
- 2) Additional community outreach to help narrow alternatives
- 3) Return to Council with results prior to narrowing prototypes further



## Staff Recommendation

Alternative 1) Approve Budget Modification No. 21 for \$125,000 for community opinion polling and outreach

Alternative 2) Eliminate Prototype G from further consideration

Alternative 3) Modify Prototype F to eliminate the sale of land at the Civic Center





**Thank You**