17-0835 **Agenda Date:** 11/7/2017

REPORT TO COUNCIL

SUBJECT

Selection of a Preferred Alternative for the Civic Center Master Plan, Approval of Budget Modification 23 in the Amount of $30,000, and Find that these Actions are Exempt from the California Environmental Quality Act

REPORT IN BRIEF

The City retained SmithGroup JJR to prepare a Master Plan for the Civic Center in May 2017 (RTC No. 17-0136). The Master Plan process has been broken into three parts - Building Assessments, Alternative Development, and Preferred Alternative Development. Building assessments were completed to evaluate whether the City Hall Annex Building should be renovated or replaced, and to develop options for a Public Safety Building addition. Council considered the assessments in July 2017 and gave direction to replace the City Hall Annex Building by including space for NOVA Workforce Services as part of the new City Hall. Council also supported an 11,000 square foot addition to the Public Safety Building as part of Phase 1 of the Civic Center project (RTC No. 17-0617).

Two Master Plan alternatives (See Attachment 1) have been developed to provide options for building placement, site circulation, parking facilities and open space features. Council direction is needed to select a preferred Master Plan alternative, which will become the proposed project for purposes of CEQA analysis. Significant community outreach has been built into the Master Plan process. Since starting in May, the City has held focus group meetings, presented the project to seven City boards and Commissions, held a community workshop, and conducted an Open City Hall survey. Results of the outreach process are included in Attachment 2 and 3. A traffic analysis and cost estimates have been prepared for both alternatives and are available as Attachments 4 and 5.

Once a preferred alternative has been selected, work will continue on the Master Plan. A Program Environmental Impact Report will be prepared for the project. It will need to be completed and certified before Council can consider adoption of a final Master Plan, which is scheduled for September 2018. A floor plan will be created for City Hall to finalize the size of the building. This information will be used to develop a cost allocation plan to allocate Phase 1 costs to various funding sources including the General Fund Capital Reserve, enterprise funds, and Park Dedication Fees. The cost allocation plan will form the basis of an updated financing plan for Council's review and approval with the final Master Plan. Staff is recommending a budget modification in the amount of $30,000 to fund the preparation of a cost allocation study, as well as funding the development of a detailed financing strategy.

Master Plan alternatives were developed to give the Council a range of options to choose from as it considers the placement of buildings, parking facilities, and open space amenities. Staff believes that both alternatives meet City objectives for the project as defined by the Vision Statement, Success

Criteria, and Needs Assessment adopted by Council in 2015 (RTC No. 15-0114). Since the two alternatives have similar costs, traffic impacts, open space quantities and a significant majority of the community didn't express a preference for either alternative, staff makes no recommendation as to which alternative best meets the City's needs.

BACKGROUND

On October 25, 2016, City Council approved a scope of services for the Civic Center Modernization Project Master Plan (RTC No. 16-0072). The scope outlines specific consulting services needed to complete a long-term Master Plan for the Civic Center and further defined what elements of the project would be implemented as part of the first phase of construction. The scope of work also documented decisions that have already been made by the Council and specific studies that were needed to support decision making during the master planning process.

A multi-step public procurement process was used to solicit interest and select a consultant to complete the Civic Center Master Plan. On May 17, 2017, Council awarded a contract to SmithGroup JJR for master planning services (RTC No. 17-0136). SmithGroup JJR is an architecture firm with extensive experience preparing campus master plans and designing modern, sustainable and attractive buildings. The City's agreement with SmithGroup JJR includes a detailed scope of services, and project schedule that identifies Council decision points and community outreach activities throughout the master planning process.

On July 25, 2017 Council reviewed options for expanding the existing Public Safety Building and considered whether the City Hall Annex Building could be renovated and used for NOVA Workforce Services (RTC No. 17-0617). After considering the options, Council gave direction to pursue an addition to the existing Public Safety Building of approximately 11,000 square feet as part of Phase 1 of the Civic Center Project. Also, that the City Hall Annex Building be replaced and space for NOVA Workforce services be included in City Hall.

EXISTING POLICY

General Plan Chapter 4, Community Character

Community Character includes the following policies applicable to the Civic Center Modernization Project:

CC-3.1d Consider developing Zoning Code standards for minimum depths of below grade parking and avoid at grade parking under building.

CC-4.1b Consider ways to increase the visibility of the Civic Center on Mathilda Avenue and El Camino Real and consider better identification for the Community Center along Remington.

The Council Fiscal Policy contains several policies related to infrastructure in Chapter 7:Planning and Management

Policy section 7.1C, *Capital Improvement Policies*:

C.1.3 High priority should be given to replacing capital improvements prior to the time that they have deteriorated to the point where they are hazardous, incur high maintenance costs, negatively affect property values, or no longer serve their intended purposes.

C.1.5 Priority will be given to the repair and replacement of existing infrastructure as compared to the

provision of new or expanded facilities.

C.1 The decision on whether to repair or to replace an existing capital asset will be based on which alternative is most cost-effective or provides the best value to the City.

ENVIRONMENTAL REVIEW

Pursuant to the California Environmental Quality Act (CEQA), an agency must complete environmental review prior to committing itself to a definite course of action in regard to a proposed project. (CEQA Guidelines Section 15352). Environmental review must occur as early as feasible in the planning process to enable environmental considerations to influence project program and design, yet late enough to provide meaningful information for environmental assessment. (CEQA Guidelines Section 15004(b).)

At this time, the City Council is not taking any action that would constitute approval of the Civic Center project. Rather, the City Council is being asked to provide direction to staff with regard to the proposed Master Plan that will be evaluated in a Program Environmental Impact Report (PEIR). The scope of services for the Master Plan includes preparation of the PEIR, which will be prepared and circulated for public comment during the master planning process and certified prior to Council action to consider adoption of the final Master Plan. The City Council retains full discretion either to approve or disapprove the project. The selection of the preferred option for further study is therefore exempt from environmental review pursuant to CEQA Guidelines, Section 15262 (feasibility and planning studies for possible future actions that have not been approved, adopted, or funded), as well as the general rule that CEQA only applies to “projects” that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. (CEQA Guidelines, Section 15061(b)(3)).

A Notice of Preparation was published for the Civic Center Modernization Project providing public notice of the City’s intent to prepare a PEIR for the project. A public comment period was opened from September 26 to October 26, 2017 on the scope of the PEIR. A public scoping meeting was held on October 18, 2017, to gather public input on any environmental concerns that should be evaluated further as part of the PEIR. Six members of the public attended.

DISCUSSION

The Master Plan scope of services specifically called for two different Master Plan alternatives to be prepared for the Civic Center and that two architectural concepts be developed for a new City Hall. Part of the master planning process includes preparation of a Program Environmental Impact Report (PEIR). To complete the detailed environmental analysis required for the PEIR, there must be a well-defined proposed project. The Master Plan alternative selected by Council will become the proposed project for the purposes of CEQA analysis.

Selecting a preferred alternative is not a final approval from City Council for that alternative. The alternative selected will be the subject of further environmental analysis and refinement through master plan process. Once the PEIR has been certified, Council will be asked to adopt a final Master Plan for the Civic Center. This is currently scheduled in September 2018.

Master Plan Alternatives

A description of the two Master Plan alternatives is provided in Attachment 1 along with graphic

images that show the overall site layout, circulation plan, parking facilities and architectural concepts. A graphic showing the extent of work in Phase 1 of the Master Plan is also provided for both options. The most pronounced difference between the options is whether Olive Avenue remains a through street between Charles Street and Pastoria Avenue. In Option 1 - Plaza, Olive Avenue remains open but is modified to remove parking, add bike lanes, and drop off areas. In Option 2 - Path, Olive Avenue is closed to car traffic between Charles Street and Pastoria Avenue and used as the location for the new City Hall and Public Library buildings.

Community Outreach

Since starting the Master Plan in May 2017, numerous outreach efforts were made to gather community input as follows:

- June 14 - Three focus groups meeting held with approximately 15 residents each
- June 19 - Presentation to Sustainability Commission
- July 29 - State of the City Event with Civic Center booth providing an opportunity to select preferences for the style of site features
- September 13 - Presentation to Parks and Recreation Commission
- September 20 - Presentation to Arts Commission
- October 2 - Presentation to Board of Library Trustees
- October 12- Community Workshop on Master Plan Alternatives
- October 19 - Presentation to Bicycle and Pedestrian Advisory Commission
- October 23 - Presentation to Planning Commission
- November 1 - Presentation to Heritage Preservation Commission

Notes taken at each meeting are provided in Attachment 2.

An Open City Hall Survey was launched on October 13, and closed on October 31, 2017. 278 people participated in the survey with 91% indicating they were Sunnyvale residents. A summary of the survey is provided as Attachment 3. The survey didn't ask participants directly whether they preferred Option 1 or 2, but did ask about specific site features including whether keeping Olive Avenue open or closing it was liked or not liked. Survey results were fairly split on this question. For Option 1 - Plaza, 121 respondents indicated they liked keeping Olive Avenue open, compared to 103 who said they didn't like it. For Option 2 - Path, 129 said they liked closing Olive Avenue compared to 99 who said they didn't like it.

Traffic Impact Analysis

A preliminary traffic impact analysis (Attachment 4) was prepared for both Master Plan alternatives. VTA guidelines were followed to complete a level of service analysis for 27 intersections near the Civic Center. The analysis looked at three scenarios: existing conditions, existing plus background, and cumulative. Baseline conditions were established for each scenario and then peak hour project trips were added and compared to the baseline condition. The City's adopted standards were used to determine if added traffic would result in impacts to the intersections studied.

A trip generation summary was prepared that showed the proposed Civic Center project would generate 120 net new trips in the AM peak hour and 255 net trips in the PM peak hour. The study identified a potentially significant impact at one location - Olive Avenue and Mary Avenue. This location was impacted in each scenario analyzed: existing conditions plus project, existing plus background plus project, and cumulative plus project. Both Master Plan alternatives had the same

impacts. A summary is provided below:

Potential Peak Hour Traffic Impacts Olive Avenue at Mary Avenue (Traffic impacts are the same for both Master Plan alternatives)		
Scenario	**AM Peak Hour**	**PM Peak Hour**
Existing Plus Project	LOS D to E	
Existing Plus Background Plus Project	LOS F with v/c > 0.01	
Cumulative (2025) Plus Project	LOS F with v/c > 0.01	LOS F with v/c > 0.01

Traffic at Olive Avenue and Mary Avenue already experiences congestion during peak hours. The through and left-turn movements from Olive Avenue on to Mary Avenue are difficult because of high volumes and queuing traffic on Mary Avenue at El Camino Real. Added trips from the Civic Center would increase delay at this intersection resulting in a significant impact unless mitigated. The impacts could be mitigated by restricting the through and left turn movement from Olive Avenue to Mary Avenue in each direction during peak hours. This would result in some out of direction travel for residents living near Olive and Mary when they need to access El Camino from westbound Olive, or head north on Mary from eastbound Olive.

The traffic analysis also evaluated queuing on southbound Mathilda Avenue at El Camino Real and westbound El Camino Real at Pastoria Avenue. During peak hours, traffic will back up at these locations creating difficulty in exiting certain driveways from the Civic Center. This is a concern for access to Mathilda from the Public Safety Building in Master Plan Option 2. Staff believes this could be mitigated by installing a remotely activated emergency signal at Mathilda Avenue and All American Way.

Comparison of Master Plan Alternatives

Master Plan alternatives were both developed to meet the Vision and Success criteria adopted for the Civic Center Project and therefore, have many features in common. Both alternatives:

- Have the same size buildings to meet current and future service delivery needs
- Keep the entire Civic Center campus as City-owned land
- Significantly increase open space and the usability of open space
- Allow the City Hall building to achieve a LEED Platinum rating
- Retain the Charles Street Gardens in its current location
- Consolidate all administrative functions and services into a new City Hall, replacing the four existing buildings
- Include a building addition to the existing Public Safety Headquarters Building to meet high-priority space needs
- Allow City services to continue during construction from the existing buildings they are currently located in
- Have adequate parking

This section highlights differences between the Mater Plan alternatives:

Cost. Cost estimates were prepared for Phase 1 improvements illustrated in Attachment 1. Estimated costs are in 2017 dollars, and include design, construction, and project administration costs. A 20% design contingency is included to address the lack of design details at this stage of planning. Not included in the estimates are construction change order contingencies (typically 10%), furnishings, electronic equipment, additional costs to achieve net zero energy usage, and financing costs.

Project Element	Option 1 – Plaza (Cost in $ Millions)	Option 2 – Path (Cost in $ Millions)
City Hall	$107	$102
Site Work	$28	$32
Parking	$10	$10
Public Safety Addition	$18	$18
Total	$163	$162

Open Space and Parking. Open space quantities are similar in both alternatives and significantly higher than the existing Civic Center Site. Approximately 44% of the existing Civic Center site is open space, compared to 66% with Master Plan Option 1 - Plaza, and 70% with Option 2 - Path. Closing Olive Avenue in Option 2 results in approximately one additional acre of open space. Parking quantities are the same in both alternatives.

Open Space Quantity	Option 1 – Plaza (Acres)	Option 2 – Path (Acres)
Phase 1	10.0	10.1
Full Vision	17.2	18.2

Parking Quantity

Parking Quantity	Option 1 - Plaza	Option 2 - Path
Phase 1		
Underground	110	110
Structured	0	0
Surface	850	850
Total	**960**	**960**
Full Vision		
Underground	420	110
Structured	0	490
Surface	490	310
Total	**910**	**910**

Project Phasing

The Master Plan is designed to be implemented in phases. Phase 1 includes the replacement of four exiting buildings with a new City Hall and the creation of open space around City Hall. An addition to the Public Safety Building is also planned as part of Phase 1. Although City Council has never given specific direction as to which would come first, replacement of Public

Safety Building and Library would be done in the future as funding becomes available. With a significant investment in the Public Safety Building addition in Phase 1, a new Library would be a logical Phase 2 project. However, selecting either Master Plan option does not lock the City into a decision about whether the Library or Public Safety comes next.

In Option 1 - Plaza, the future Library and Public Safety buildings are located near City Hall and each has its own underground parking. Either building could be built as Phase 2.

In Option 2 - Path, a new parking structure is shown to provide about half of the parking for the entire campus and is located where the Public Safety Building sits today. If Option 2 - Path were selected, either Public Safety would become Phase 2, or if the Library were Phase 2, surface parking around the Library would need to be maintained and perhaps expanded where the current Library building sits today. In that scenario, Public Safety would be replaced in Phase 3 and a parking structure built in its place. Once the parking structure was complete surface parking around the new library would be converted to open space.

Financing Plan

A preliminary financing plan for Phase 1 of the Civic Center is provided in Attachment 6. It identifies a variety of potential funding sources including the use of current capital reserves, issuing debt, proceeds from the sale of three City properties not used for City services, contributions from enterprise funds, and park dedication fees. More work is needed to refine the assumptions included in this preliminary plan. Allocating costs among various funding sources will require a more in-depth analysis of how space is used in City Hall so that costs can be split proportionally between programs.

Next Steps

Once a preferred alternative has been selected, work will continue on the Master Plan. A Program Environmental Impact Report (PEIR) is being prepared for the project. A draft PEIR will be circulated for public comment, finalized and then reviewed by the Planning Commission. It will need to be certified before Council can consider adoption of a final Master Plan, which is schedule in September 2018.

A floor plan will be created for City Hall to layout spaces for optimum service delivery and finalize the size of the building. Based on the selected alternative, other items to be developed include: a scaled physical and digital model of the campus, a checklist to achieve LEED Platinum level for City Hall, a net zero energy analysis, and better definition of the landscape features. A construction sequencing plan will also be prepared to ensure Phase 1 improvements can be built while the existing campus is occupied and services are being provided.

Once a final Master Plan is adopted, detailed design will begin. Staff anticipates that design can be completed by the end of 2019, with construction starting in spring of 2020.

FISCAL IMPACT

Budget Modification No. 23 has been prepared to appropriate General Fund Capital Improvement Reserves in the amount of $30,000 to Project 831340 - Civic Center Modernization Project. Funds will cover consulting expenses needed to complete a cost allocation study and provide financial consulting services for Phase 1 of the Civic Center Modernization Project.

Budget Modification No. 23
FY 2017/18

	Current	Increase/ (Decrease)	Revised
General Fund			
Expenditures			
Project 831340 - Civic Center Master Plan	$1,283,933	$30,000	$1,313,933
Reserves			
Captial Improvement Project Reserve	$41,959,649	($30,000)	$41,929,649

Additional funding will be needed for design and construction upon completion of the Master Plan.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website. Members of the Civic Center interested parties list were also notified via email.

ALTERNATIVES

1. Find that the actions taken are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15061 (b)(3) and 15262.
2. Select Option 1 - Plaza as the preferred alternative for the Civic Center Master Plan.
3. Select Option 1 - Plaza with modifications as directed by Council as the preferred alternative for the Civic Center Master Plan.
4. Select Option 2 - Path as the preferred alternative for the Civic Center Master Plan.
5. Selection Option 2 - Path with modifications as directed by Council as the preferred alternative for the Civic Center Master Plan.
6. Approve Budget Modification No. 23 to increase the budget for the Civic Center Modernization Project by $30,000 to fund preparation of a cost allocation study and provide financial consulting services to be included with the final Civic Center Master Plan.

STAFF RECOMMENDATION

Alternative 1: Find that the actions taken are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15061 (b)(3) and 15262; Alternative 6: Approve Budget Modification No. 23 to increase the budget for the Civic Center Modernization Project by $30,000 to fund preparation of a cost allocation study and financial consulting services to be included with the final Civic Center Master Plan; and select a Preferred Alternative for the Civic Center Master Plan.

The cost allocation study will determine an appropriate percentage of funds to be used from various City funding sources to pay for Phase 1 of the Civic Center Modernization Project. Phase 1 of the

project includes a new City Hall which provides space for a wide variety of City programs and services. Funding for the project should be split proportionally among different funding sources based on the amount of space used by each program.

Master Plan alternatives were developed to give the Council a range of options to choose from as it considers the placement of buildings, parking facilities, and open space amenities. Staff believes that both alternatives meet City objectives for the project as defined by the Vision Statement, Success Criteria, and Needs Assessment adopted by Council in 2015. The selection of a preferred alternative at this time will result in that alternative becoming the proposed project for further CEQA analysis and is not a final approval for the Civic Center Master Plan.

Reviewed by: Timothy J. Kirby, Director, Finance
Approved by: Kent Steffens, Interim City Manager

ATTACHMENTS

1. Master Plan Alternatives Description and Graphics
2. Community Outreach Comments
3. Open City Hall Survey Summary
4. Preliminary Traffic Impact Analysis
5. Phase 1 Cost Estimate
6. Preliminary Financing Plan