

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 01/23/06		Item Number: <u>A-1</u>	
AGENDA ITEM: Consideration of Authorizing an Advance from the General Fund to the Capital Improvement Fund, a Loan Agreement, and an Appropriation in the Capital Improvement Fund in the Amount of \$1,000,000 for funding of the Fire Station #3 Project, P-857			
Contact Person/Dept.: Rich Gallagher, Fire Marshal		Phone Number: (310) 253-5926	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☐	
Public Notification: Master Notification List (01/12/06)			
Department Approval: Jeff Eastman (01/12/06)		CAO Approval: Martin R. Cole for Jerry B. Fulwood (01/12/06)	
City Controller Approval: Marlee Chang (01/12/06)			
<u>RECOMMENDATION:</u> Staff recommends the City Council approve an advance in the amount of \$1,000,000 from the General Fund (with potential future repayment from future grants) to the Capital Improvement Fund and the City Council authorize a Loan Agreement and approve a budget amendment appropriating the loan proceeds in the Capital Improvement Fund for the Fire Station #3 Project. A 4/5ths vote is required to approve the budget amendment. <u>BACKGROUND:</u> On February 17, 2003, at a Joint City Council/Redevelopment Agency meeting, the two bodies adopted Resolution Nos. 2003-A003 and 2003-R009, respectively, which approved a Cooperation Agreement between the City of Culver City and the Redevelopment Agency for the Agency to reimburse the City for specified capital projects, including \$3,000,000 for the renovation of Fire Station #3. An additional \$1,000,000 were appropriated from the General Fund Balance by the City Council's adoption of the Fiscal Year 2005-06 Capital Improvement Budget. This additional \$1,000,000 appropriation is expected to be reimbursed by proceeds from the proposed sale of land. On June 6, 2004, the Redevelopment Agency authorized a professional services agreement with WLC Architects to prepare an analysis for the cost effectiveness of			

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either remodeling the existing Fire Station #3 or construction of a new station at a City owned parcel of land located at 6030 Bristol Parkway. In all areas of comparison in the WLC analysis, it was determined that construction of a new fire station at the Bristol Parkway site was deemed the most practical way to meet the needs of the Fire Department rather than a remodel or demolition and reconstruction of the existing station at its present site. Of particular concern for the Fire Department was the need for an additional apparatus bay to meet current equipment needs and additional room for fire personnel.

On October 4, 2004, the Redevelopment Agency received and filed the WLC Feasibility Study and directed staff to prepare a Request For Proposal for architectural design services to construct a new fire station on the Bristol Parkway site. After receiving and reviewing nine proposals, staff recommended WLC Architects as the most responsive and qualified company to prepare the design for the new fire station. On June 13, 2005, the City Council authorized staff to enter into an agreement with WLC Architects for the design of the new Fire Station #3.

DISCUSSION:

During the conceptual design phase, WLC Architects developed preliminary designs based on a construction budget of \$3,300,000 for a 9,400 square foot station.

Unfortunately, a 9,400 square foot station does not meet the operational needs of the Fire Department. The Fire Chief requested that WLC prepare a conceptual design that included the minimum living/work areas needed to support a three bay station.

WLC proposed a 12,216 square foot design at an estimated construction cost of \$4,275,000. In addition to these "hard costs," an additional \$725,000 is estimated for "soft costs," including: design, plans and specification preparation, and construction inspection. Therefore, the total estimated cost for this Project is \$5,000,000. Given the current total appropriation of \$4,000,000 an additional \$1,000,000 is needed to complete funding of total estimated project costs.

FISCAL ANALYSIS:

Staff recommends the City Council authorize an advance of \$1,000,000 from the General Fund to the Capital Improvement Fund, appropriate the same advanced \$1,000,000 in the Capital Improvement Fund, and authorize the creation and execution of a loan agreement between the Grants Fund and the General Fund for \$1,000,000.

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The City Council, individual Council Members, and the Fire Department are actively pursuing various non-local funding opportunities as potential sources for repayment of this loan. Preparation and execution of the Loan Agreement between the Grants Fund and the General Fund would provide the mechanism for the General Fund to be repaid should this pursuit for non-local funds be successful. While we are very hopeful of these funding opportunities being successful, the City Council may be requested to repay this loan directly using General Fund monies in a future fiscal year or forgive the loan.

MOTION:

That the City Council:

1. Approve an advance of \$1,000,000 from the General Fund to the Capital Improvement Fund for the Fire Station #3 Project, P-857; and,
2. Direct the City Attorney to generate the appropriate loan documents involving the General Fund and the Grants Fund including a provision for repayment of the loan upon request from the City Council; and,
3. Authorize the CAO to execute the loan agreement on behalf of the City; and,
4. Amend the Fiscal Year 2005/2006 Budget by appropriating the \$1,000,000 in loan proceeds in the Capital Improvement Fund for application to the Fire Station #3 Project, P-857.

A 4/5ths vote is required to approve the budget amendment.