



AGENDA
SPECIAL MEETING OF
CITY COUNCIL/SAN DIMAS
REDEVELOPMENT AGENCY
TUESDAY, JANUARY 26, 2010, 6:00 P. M.
CITY COUNCIL CONFERENCE ROOM
245 E. BONITA AVE.

COUNCIL:

Mayor Curtis W. Morris
Mayor Pro Tem Denis Bertone
Councilmember Emmett Badar
Councilmember John Ebner
Councilmember Jeff Templeman

1. CALL TO ORDER

2. ORAL COMMUNICATIONS

(For anyone wishing to address the City Council on an item on this agenda. Under the provisions of the Brown Act, the legislative body is prohibited from taking or engaging in discussion on any item not appearing on the posted agenda. Speakers are limited to three minutes or as may be determined by the Chair.)

- a. Members of the Audience

3. STUDY SESSION

- a. City Hall, Community Building and Plaza renovation and expansion project; review of temporary city hall budget, recommendations to allocate the necessary funds for the relocation, and request preliminary direction regarding financing approach for the entire project.

4. ADJOURNMENT

The next City Council meeting is Tuesday, January 26, 2010, 7:00 p.m.

AGENDA STAFF REPORTS: COPIES OF STAFF REPORTS AND/OR OTHER WRITTEN DOCUMENTATION PERTAINING TO THE ITEMS ON THE AGENDA ARE ON FILE IN THE OFFICE OF THE CITY CLERK AND ARE AVAILABLE FOR PUBLIC INSPECTION DURING THE HOURS OF 8:00 A.M. TO 5:00 P.M. MONDAY THROUGH FRIDAY. INFORMATION MAY BE OBTAINED BY CALLING (909) 394-6216. CITY COUNCIL MINUTES AND AGENDAS ARE ALSO AVAILABLE ON THE CITY'S HOME PAGE ON THE INTERNET: <http://cityofsandimas.com>

POSTING STATEMENT: ON JANUARY 22, 2010, A TRUE AND CORRECT COPY OF THIS AGENDA WAS POSTED ON THE BULLETIN BOARDS AT 245 EAST BONITA AVENUE (SAN DIMAS CITY HALL) 145 NORTH WALNUT AVENUE (LOS ANGELES COUNTY PUBLIC LIBRARY, SAN DIMAS BRANCH); AND 300 EAST BONITA AVENUE (UNITED STATES POST OFFICE) AND THE CITY'S WEBSITE AT WWW.CITYOFSANDIMAS.COM.



Agenda Item Staff Report Study Session

TO: Honorable Mayor and Members of City Council
For the Meeting of January 26, 2010

FROM: Blaine Michaelis, City Manager *BM*

SUBJECT: Study Session - City Hall, Community Building and Plaza renovation and expansion project; review of temporary city hall budget, recommendations to allocate the necessary funds for the relocation, and request preliminary direction regarding financing approach for the entire project.

SUMMARY

We have three objectives for this study session:

- 1. Review and approve a budget for the establishment of an off-site Temporary City Hall during the construction of the project.*
- 2. Identify available funds to cover the Temporary City Hall relocation budget expenses.*
- 3. Provide preliminary direction for staff to finalize a financing strategy for the project.*

1. Budget for the establishment of a Temporary City Hall

Attached is a recommended budget to address the costs for relocating city hall during the 12 months of construction. We have itemized the budget to show the estimated costs by category. The expenses will be made over two fiscal years. **We are recommending a budget of \$300,000.**

The economic benefit of vacating city hall for the construction project represents a savings of \$400,000 or more, and a reduction in overall construction time of 4 months or more.

2. Sources of funds for the Temporary City Hall budget

The city has experienced favorable bids on all recent street projects. This has resulted in a savings to Fund 12, our Infrastructure Fund. Savings on the Walnut Ave reconstruction, San Dimas Avenue reconstruction, and the ability to use Measure R funds for other street projects has freed up well over \$1,000,000 in

Fund 12 money. In other words these savings are now available to re-appropriate for other needs. **We are recommending that the funds for the Temporary City Hall project be appropriated from savings achieved from favorable bid results in Fund 12.**

3. Financing the project.

There are several approaches the city can take with financing. **For discussion purposes, staff is proposing the following approach:**

- Keep \$12 million in reserves – this represents 66% of the city's total annual operating cost. This maintains the city's strong financial position – most cities struggle to keep 5-20% in reserve.
- Use the money above the \$12 million reserve amount (\$5.5 million) toward the project and borrow \$7.5 million to cover the \$13 million renovation and construction project costs.
- Maintain an option to pay off the borrowed money after 10 years if desired.

Staff has prepared a summary chart of the most feasible financing alternatives. We favor the Lease Purchase financing approach represented in the last 2 columns of the summary. For comparison, the last column provides the costs for a 15 year financing – which achieves even lower debt costs for a slightly higher annual payment.

Again, to stimulate study session discussion prior to formulating direction, staff is recommending the use of \$5.5 million of existing reserves and borrowing the remaining \$7.5 million through a Lease Purchase financing process over 15 - 20 years.

RECOMMENDATION

- Appropriate \$300,000 from Fund 12 bid savings to fund a budget to create and maintain a Temporary City Hall function off-site during the construction of the city hall, plaza, and community building renovation and expansion project.
- Provide direction to staff for the preparation of a financing plan for the renovation and expansion project. The final financing plan will be decided at the time the city council considers the award of bids for the project – scheduled for February 23rd.

Attachments:

Budget to establish a Temporary City Hall off-site

Table of financing alternatives for the renovation and expansion project

RELOCATION BUDGET

EXPENSE	TOTAL	09-10	10-11
Rent	\$225,000	\$69,230	\$155,770
Tenant Improvements electrical, counters, server a.c.	\$10,000	\$10,000	\$0
Signage building, directional	\$5,000	\$5,000	\$0
Additional Furnishings	\$10,000	\$10,000	\$0
Maintenance Contracts, Utilities HVAC, fire suppression, security (offset by savings at City Hall)	\$0	\$0	\$0
Telephone and Data Relocation	\$5,830	\$4,470	\$1,360
Telephone and Data Monthly Service no additional cost over existing service	\$0	\$0	\$0
Moving Company	\$14,000	\$11,000	\$3,000
Temporary Council Chambers	\$8,000	\$6,000	\$2,000
Moving Publicity	\$250	\$250	\$0
TOTAL	\$278,080	\$115,920	\$162,060

