

2013 Council Study Issue

**OCM 13-03 Cost/Benefit of Options Related to the Civic Center and the Sunnyvale Office Complex**

**Lead Department** Office of the City Manager

**History** 1 year ago None 2 years ago None

**1. What are the key elements of the issue? What precipitated it?**

This study would compare and contrast the cost/benefits associated with the following two options related to the Civic Center and the Sunnyvale Office Complex:

**1. A Lease/Build Exchange option** that would explore leasing all, or a portion of, the current Civic Center property to a builder over a long period of time, such as 20 years, in exchange for new City office buildings that would replace the Sunnyvale Office Complex (SOC) with a bigger facility, including underground parking. In this exchange, the City would pay rent to occupy the new buildings over the lease period and would own the buildings at the lease termination. The exploration of costs/benefits would include potential benefits to the builder, such as depreciation.

**2. A renovation option** that would simply renovate existing City facilities to make them safe and as functional as possible.

**2. How does this relate to the General Plan or existing City Policy?**

Council Policy 7.1.1 *Fiscal — Long Range Goals and Financial Policies* contains several policies related to infrastructure in 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.1.6 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.

**3. Origin of issue**

**Council Member(s)** Meyering, Davis

**4. Staff effort required to conduct study** Moderate

**Briefly explain the level of staff effort required**  
Estimated

**5. Multiple Year Project?** Yes **Planned Completion Year**

**6. Expected participation involved in the study issue process?**

Does Council need to approve a work plan? No  
Does this issue require review by a Board/Commission? No  
If so, which?  
Is a Council Study Session anticipated? Yes

7. Briefly explain if a budget modification will be required to study this issue

Amount of budget modification required 150000

Explanation

Monies would be required to fund consultant services.

8. Briefly explain potential costs of implementing study results, note estimated capital and operating costs, as well as estimated revenue/savings, include dollar amounts

Are there costs of implementation? Yes

Explanation

Fiscal impact would be dependent on the options(s) chosen.

9. Staff Recommendation

Staff Recommendation Drop

If 'Support', 'Drop' or 'Defer', explain

These scenarios are understood by staff to be included in the options staff has already been directed by Council to study as part of the currently-continuing Study Issue OCM 10-04 *Civic Center Buildings: Renovate, Replace, or Relocate?* Staff has clarified this as the "Continuing Status" of OCM 10-04C in the *Study Issues Status Report - OCM* (attached).

Reviewed by



Department Director

1-17-13

Date

Approved by



City Manager

1-22-13

Date

**Study Issues Status Report  
Office of the City Manager**

**2013 Continuing Study Issues**

Number	Name <i>Continuing Status</i>
OCM 10-04C	<p>Civic Center Buildings: Renovate, Replace, or Relocate?  <i>Direction was provided by City Council during its joint study session with the Library Board of Trustees early in FY 12-13. Council expressed its interest in further exploring the concept of a branch library at the Lakewood Park/School site in partnership with the Sunnyvale School District, with capital costs to be covered by the proceeds from the pending sale of the Raynor Activity Center. Council further expressed continued interest in the redevelopment of the existing Civic Center Campus buildings via a public-private partnership model, with the main library relocated to the Community Center Campus. The exploration of public-private partnership models would not be limited to those involving the sale of civic center property but would also explore the concept of leasing City property to private developers in exchange for new or improved City buildings.</i></p> <p><i>Staff's efforts are currently focused on the branch library project, including community outreach, development of a draft agreement with the Sunnyvale School District, and pursuit of the sale of Raynor Activity Center.</i></p>

**2012 Ranked and Above the Line or Continued Study Issues**

Council Rank	Number	Name	Status
1	OCM 12-02	Consider Moving From Odd-Year Elections to Even-Year Elections	Completed 3/6/12