



City of Del Mar Agenda Report



TO: Honorable City Council Members

FROM: Mark Delin, Assistant City Manager
Via Scott W. Huth, City Manager

DATE: April 4, 2016

SUBJECT: Authorization for the City Manager to Negotiate and Execute a Lease Agreement for Temporary City Hall Facility

REQUESTED ACTION/RECOMMENDATION:

Authorize the City Manager to negotiate and execute a lease agreement with Turner Associates North for an interim City Hall/Town Hall facility located at 2010 Jimmy Durante Blvd.

DISCUSSION/ANALYSIS:

The City is in need of temporary quarters to house its administrative offices and Council Chambers which will be demolished as a part of the construction of the new City Hall/Town Hall, public plaza and parking garage complex at 1050 Camino del Mar. After an extensive search of options for the temporary facility, which included existing office space within and outside of Del Mar, and the option for siting modular office buildings at the Del Mar Shores Park, staff has determined that available office space at South Fair, at 2010 Jimmy Durante, provides the most favorable combination of cost, operational efficiency, ease of move-in, and lack of environmental and neighbor impacts. Although much of the previous effort focused on modular office buildings to be located at the Shores, the South Fair offices came available subsequent to this effort, and ranked very favorably when all relocation costs are considered.

Staff proposed to lease the following suites at South Fair:

Suite Number	Leasable* S.F.	Useable S.F.	Purpose
220	3,939	3,283	Primary Office Location (Second Floor)
120	955	834	Accessible Public Planning and Finance Counters
100	<u>1,731</u>	<u>1,512</u>	Council Chambers/TV Studio
Total	6,625	5,629	*Includes suite share of bathrooms & common area

City Council Action:

The City will need to pay for the leasable square footage indicated in the table. Leasable square footage includes common areas, such as bathrooms and display spaces. The large second floor suite is expected to house the majority of the administrative staff. However, as the building is not equipped with an elevator, the City will need to locate the public counter area on the first floor. A separate suite, which is located directly below the second floor suite, will serve this function as the Planning and Finance public service counter, and will also have meeting space available for City staff to meet with the public as needed. The receptionist will also be located in this office location.

A large open suite in the center of the complex will serve as the Council Chambers. There are separate bathrooms available within this facility, and there is a room in which to house Del Mar TV.

Estimated construction of the City Hall/Town Hall project is between 18-24 months. The lease term of 26 months provides an additional buffer, and was also desirable in that the City could take advantage of the “free months” clause in the agreement, in which the free months are added outside of the term of the normal two-year lease. The City was able to negotiate an additional free month within the lease term during the second year. The total cost estimate for the interim City Hall/Town Hall space is contained in the table below. Estimated total lease costs are anticipated to not exceed \$225,000 in year one, and \$275,000 in year two.

FISCAL IMPACT

Council has previously approved \$450,000 for the move and the interim City Hall/Town Hall facility. There are sufficient funds in the Fiscal Years 2015-2016 and 2016-2017 Operating and Capital Budget to pay for the costs anticipated to be incurred through the end of Fiscal Year 2017. Staff will budget the remaining costs in the upcoming Fiscal Years 2017-2018 and 2018-2019 Operating and Capital Budget.