



Agenda Date: 3/14/2006
Agenda Placement: 9B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Nancy Watt - County Executive Officer
County Executive Office
REPORT BY: Britt Ferguson, Assistant County Executive Officer, 253-4406
SUBJECT: City/County Downtown Parking Garage

RECOMMENDATION

County Executive Officer requests the Board receive a status report on discussions with the City regarding the proposed downtown Napa Parking Garage and provide any direction regarding this issue your Board deems appropriate.

EXECUTIVE SUMMARY

The County has been moving forward to comply with the terms of the Parking Garage Cooperative Agreement with the City of Napa concerning the construction of a parking garage on the Sullivan Block in downtown Napa. Under the terms of that Agreement the County is required to go to bid on the parking garage by April of 2006 and begin construction by July of 2006. Due to potential jail expansion and other issues, the Board became concerned about whether building the parking garage on the Sullivan Block as currently designed was the best course of action. As a result, staff asked City staff whether the City would agree to a 6 month delay to enable the County to examine a number of factors, including the value of the Sullivan Block, the County's future jail and other space needs and aesthetic/urban design concerns. City staff indicated that they would not support a delay and proposed that the County consider transferring the Sullivan Block and the County's parking garage funds to the City and the City be responsible for building the garage. Staff has been in discussions with City staff regarding the possible transfer of the Sullivan Block and responsibility for construction of the Parking Garage to the City of Napa and may be able to report on these discussions to your Board at today's meeting.

Absent an agreement with the City to delay going to bid or direction from your Board to the contrary, staff intends to authorize the County's architects to proceed with finalization of the Garage's design, in order to go to bid and to begin construction of the Garage by July 2006 in accordance with the Cooperative Agreement.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On October 7, 2003 the County entered into a Memorandum of Understanding with the City of Napa (the "Housing MOU"), whereby the City agreed to assume a portion of the County's Regional Housing Needs allocation from the Association of Bay Area Governments (ABAG) and, in return, the County committed to a number of actions, including providing land and part of the financing for the construction of a parking garage in downtown Napa. Specifically, the Housing MOU:

- | Obligated the County to reserve some parking lot area on the County "Superblock" as a site for a parking garage (or identify a mutually acceptable alternative site) and to contribute a minimum of \$2 million toward the cost of the parking garage.
- | Required both the City and County to work with a private developer to obtain financing or other funding sources for the garage, with the City, County and private developer each being responsible for one third of the cost (and the land provided by the County could count toward the County's one third).
- | Committed the City and County to cooperate in securing any remaining necessary funds in the event a private developer will not agree to participate in the project.
- | Required the County to provide additional parking if any new County offices space is constructed in downtown Napa.
- | Required the County to share in the maintenance cost of the parking garage at at least a 50/50 basis with the City.

Subsequently, the County determined that it would be less costly and provide greater flexibility to site the parking garage on the County-owned land bordered by Third Street, Coombs, Randolph and 4th Street (the "Sullivan Block.") The City agreed with the County's proposal to move the parking garage site and, on December 7, 2004, the County entered into a Parking Garage Cooperative Agreement (the "Cooperative Agreement") with the City of Napa that revised and refined the two parties' commitment to the parking garage project. Key provisions of the Cooperative Agreement include:

- | The parking garage will be located on the Sullivan Block.
- | The City and County anticipate that the garage will accommodate approximately 470 to 500 spaces and cost approximately \$11.3 million, not including land costs. The County will donate the land for the project.
- | The County will pay 58% of the construction cost of the parking garage, which, based on a total cost of \$11.3 million would be \$6,554,000.
- | The County will pay 100% of the cost of demolishing the existing buildings on the site and for relocating the homeless shelter and Progress Foundation facilities located on the Sullivan Block.
- | If the Costs exceed \$11.3 million, the City and County will each be responsible for paying their pro-rata share of the excess.
- | The County will be responsible for preparing construction plans and specifications and overseeing the construction of the garage. The County will go to bid and award the contract by April of 2006 and construction on the garage will begin by July of 2006.

Since December of 2004, the County has signed a lease-purchase agreement with the Gasser Foundation for a new homeless shelter facility that will be available in May 2006. The total cost of replacing the Sullivan Block Shelter will be approximately \$4.4 million and the County's share of this cost will be at least \$1.3 million and possibly more, depending on how much additional funds can be raised. Working with the City, the County has also secured an alternative location for the Progress Foundation program, at a cost of approximately \$160,000, and that move will be completed by May as well. The County has already placed \$4 million of County money in the Parking Garage Fund and, as called for in the Cooperative Agreement, will place the remaining \$2.5 million County share of the project in the Garage Fund by the end of this month. The County has hired an architect to design the garage and, working with the City, substantial design work has now been completed. As the design work progressed, construction cost estimates increased significantly, due in large part to a worldwide increase in construction materials costs. In addition, the City and County agreed to site the parking garage on the Sullivan Block in such a way as to preserve substantial undeveloped land along Third Street to accommodate the view of the Presbyterian Church. Following a number of discussions between the City and County, both parties agreed on a final design which reflected a commitment to keep the garage construction cost at no more than the \$11.3 million originally agreed to. That design, as modified slightly to reflect further construction cost escalation, calls for the construction of a three-level parking garage with 342 parking spaces. Attached is a table that shows the history of actions related to the cost and size of the garage.

Although, as indicated above, the County has been proceeding expeditiously to carry out the terms of the Cooperative Agreement, concern about a number of issues caused the Board to consider whether it might not make sense to step back for a short period of time and reevaluate whether the current plan is, in fact, the best approach to meeting the County's Housing MOU obligations. Those issues include:

- | The value of the Sullivan Block: When the Cooperative Agreement was signed, the estimated value of the Sullivan Block was approximately \$1.2 million. As a result of the recent Request for Proposal process to seek a developer for the Vitality Zone and discussion with local developers, there is some thought that the value of this property may be substantially higher than that amount.
- | Aesthetic/urban design/utility concerns: In order to keep the project within the \$11.3 million budget, the size of the parking garage has been scaled back from near 500 spaces to 340 spaces and aesthetic elements eliminated. The Board has heard the concerns expressed about the aesthetic impact of a garage like this at such a prominent location in the downtown.
- | Jail and other County space needs: Since the Cooperative Agreement was signed, the County has begun work on Adult Corrections Master Plan, which may result in a proposal to expand the current County Jail. In addition, the Board has become increasingly concerned about how the County's long-term office needs will be met.

Given these concerns, on February 15th, staff contacted City staff and asked if the City would be willing to delay moving forward on the garage project for six months, to provide time to review and analyze all of these issues, including looking at the merits of moving the garage to the Superblock parking lot West of the County Jail, where it might be possible, for example, to obtain developer participation in the cost (this is a somewhat different location than the original Superblock site proposed for the garage, which was more expensive). County staff also offered as part of that proposal to continue with the demolition of the buildings on the Sullivan Block and pave and stripe that block, thus providing 140 (100 net new) parking spaces immediately. City staff's response was that they would not support a delay in the bid process, so that any review would need to take place within approximately 60 to 90 days (before bids are awarded), rather than 6 months, and the bid process would need to continue during the review period, since the City has other projects waiting to proceed that are dependent on the construction of the Parking Garage. City staff also proposed that the County consider transferring the Sullivan Block and the County's parking garage construction money to the City and the City be responsible for construction of the garage.

Staff is currently in discussions with City staff concerning the City's proposal to transfer the Sullivan Block and

responsibility for construction of the Parking Garage to the City. Depending on the progress of those discussions, staff may be making a recommendation to your Board regarding this issue at today's meeting.

At this point, then, there are a number of issues that the Board will need to consider, including:

- | Whether the Board wants to make any additional effort to work with the City to agree to a six month delay in the project.
- | How to respond to the City's proposal to transfer the Sullivan Block and responsibility for construction of the parking garage to the City.
- | Any other options or alternatives the Board may wish to propose to the City in terms of meeting the County's Housing MOU obligations.
- | Any issues the Board may wish to discuss concerning the County's long term space needs.

The County's architects have indicated that it is now too late to comply with the agreed-upon schedule for awarding the construction contract by April. However, if the County's architects are given direction now to complete design work, it should be possible to start construction in July as called for in the Cooperative Agreement. Unless an agreement is reached with the City to delay the bid process or your Board directs otherwise, staff's intent is to authorize the architects to finalize the plans in order to be able to begin construction in July in accordance with the terms of the Cooperative Agreement.

The following is some additional information that you may find useful in your discussions of this matter:

- | Approximately \$500,000 has already been spent on the design of the parking garage on the Sullivan Block. An additional \$200,000 will be required to finalize the design and go to bid.
- | Preliminary estimates for construction of a parking garage on the Superblock that would result in the same net number of new stalls as currently planned for the Sullivan Block is approximately \$12.9 million (including design costs already incurred for Sullivan Block garage and cost of paving Sullivan Block).
- | The Adult Corrections Master Plan process will project a need for jail beds over next 20 years, but there will still be many uncertainties about jail needs and the key is to maintain as much flexibility as possible, particularly with regard to vacant land around the existing Jail.
- | In the relatively near future it will be necessary to look at finding additional facilities to meet County space needs.

SUPPORTING DOCUMENTS

A . Parking Garage Chronology

CEO Recommendation: Approve

Reviewed By: Maiko Klieman