



City Hall Alternatives Analysis

Economic Development Team

City Council Workshop – April 27, 2010

Overview of Presentation

- **Purpose**
- **Historical Background**
- **Alternatives Analysis**
 - **Consideration Factors**
 - **Key Assumptions**
 - **Alternatives Matrix**
 - **Observations**
- **Lessons Learned**
- **Thoughts, Discussion, & Direction**
- **Next Steps**



Purpose

- **Fulfill City Council Top Priority - City Hall Future Plan/Direction**
- **Analysis serves as the First Step in Process**
- **Analysis is both Quantitative and Qualitative**



Historical Background

Our First Home (1999)



**City Owned
6,602 sq. ft.**



Historical Background

Our Second Home (Part of 2000)



Historical Background

Our Third Home (2000-2003)

City owned 5,800 sq. ft.



**Council Chambers at
Community Center**



Historical Background

Our Fourth Home (2003-2008)

City Owned
61,114 sq. ft.,
Air Conditioned:
33,983 sq. ft.



Council Chambers at
Community Center



Historical Background

Town Center and Redevelopment Area

- **Town Center DRI Approved in 2004**
 - **Future City Hall Site**
 - **Site Reverts in 2015**
- **SR 100 Corridor CRA Created in 2004**
- **Dual Purpose of DRI and CRA**
 - **Redevelop Antiquated Subdivisions**
 - **Create City's "Downtown" Area**
 - **Additional Commercial Corridor to Palm Coast Parkway**



Historical Background

In 2005, residents voted overwhelmingly against raising taxes to fund construction of City Hall

- 0.40 Mils for \$22,000,000 Bond - 30 yrs.**
- Proposed 75,000 square foot, 3-story City Hall**



Historical Background

In 2008, City entered into Economic Development Agreement with Palm Coast Data

- **Initial Lease of Building; Option to Purchase was Exercised**
- **Building Reverted Back to Intended Use (Industrial/Warehouse)**
- **Retained 1,000 Jobs, Additional 700 Jobs Possible**



Historical Background

Our Fifth Home (2008-?)

**Current Lease for 21,051 sq. ft.
Ends October 2011**



**Council Chambers at
Community Center**



Possible Alternatives

- **Lease**
 - **Continue Leasing at Current Location**
 - **Alternative Locations**
- **Purchase Building & Renovate**
 - **None Currently Listed with Space Needed**
- **Purchase Land & Construct**
 - **Alternative Sites – few “pad ready”**
 - **Possible Site(s) on US 1**
- **Construct**
 - **Town Center Site**



Consideration Factors

- **Cost Factors**

- Annual Costs
- Short-Term Costs (5 Years)
- Long-Term Costs (30 Years)
- Opportunity Costs
- Relocation Costs (Initial and Continued)

- **Location Factors**

- Proximity
- Transportation Access
- Utility Availability

- **Facility Factors**

- Workflow and Customer Service
- Parking Availability
- Meeting and Office Space
- Expansion Possible
- Green Design

- **Community Factors**

- Image
- Permanency
- Compatibility
- Economic Impact



Key Assumptions

- **Market Lease Rates are Depressed**
 - Before Downturn = up to \$20 per square foot
 - Currently = \$8-12 per square foot
 - Current Lease Rate Used of \$11 per square foot
 - 4-5% Annual Increase
- **Facility Size Needs**
 - 40,000 square feet of Space
 - Office Space
 - Council Chambers
 - Does not consolidate all City services
- **Land Acquisition Costs**
 - Possible Site: 20-acres, \$100,000 per acre (inclusive of infrastructure costs) = Total \$2,000,000
- **Construction Costs**
 - \$250 per square foot, inclusive of site work, landscaping, furnishings = Total \$10,000,000



Alternatives Matrix - Cost

	Lease	Purchase Bldg. & Renovate	Purchase Land & Construct	Construct
Annual Costs	↑ \$240,000	N/A	\$240,000	\$200,000
Short-Term Costs (5 Years)	\$1,300,000	N/A	\$1,200,000	\$1,000,000
Long-Term Costs (30+ Years)	\$13,460,000 (30) \$36,640,100 (50)	N/A	\$12,000,000 (30) \$12,000,000 (50)	\$10,000,000 (30) \$10,000,000 (50)
Relocation - Renovation Costs	Relocation (Multiple) <i>(City Walk - \$237,500.00)</i>	Relocation (Once) Plus Renovation Costs <i>(Witteaman Renovate- \$800,000+)</i>	One-Time	One-Time
Opportunity Costs	Community Center Availability Town Center Site	Community Center Availability Town Center Site	Town Center Site	-

Alternatives Matrix - Location

	Lease	Purchase Bldg. & Renovate	Purchase Land & Construct	Construct
Proximity	Palm Coast Parkway	N/A	Isolated from Core Areas	“Downtown”
Transportation Access	I-95 & Palm Coast Parkway	N/A	US 1	I-95, State Road 100, Old Kings Road, Royal Palms Parkway, Airport
Utility Availability	Yes	N/A	Yes, Must be Extended	Yes

Alternatives Matrix - Facility

	Lease	Purchase Bldg. & Renovate	Purchase Land & Construct	Construct
Workflow and Customer Service	Converted Retail & Office Condo Space not conducive	Retail/office to government use - requires wider public spaces, durable fixtures	Designed for Function	Designed for Function
Parking Availability	Competition with Tenants	Possible competition	Designed for Function	Designed for Function
Meeting and Office Space	Smaller Spaces	Government requires larger and more spaces	Designed for Function	Designed for Function
Expansion Opportunities	Tenant Competition for space	N/A	Designed for Possibility	Designed for Possibility
Green Bldg. Design	Doesn't Meet Green Standards	N/A	Designed for Possibility	Designed for Possibility

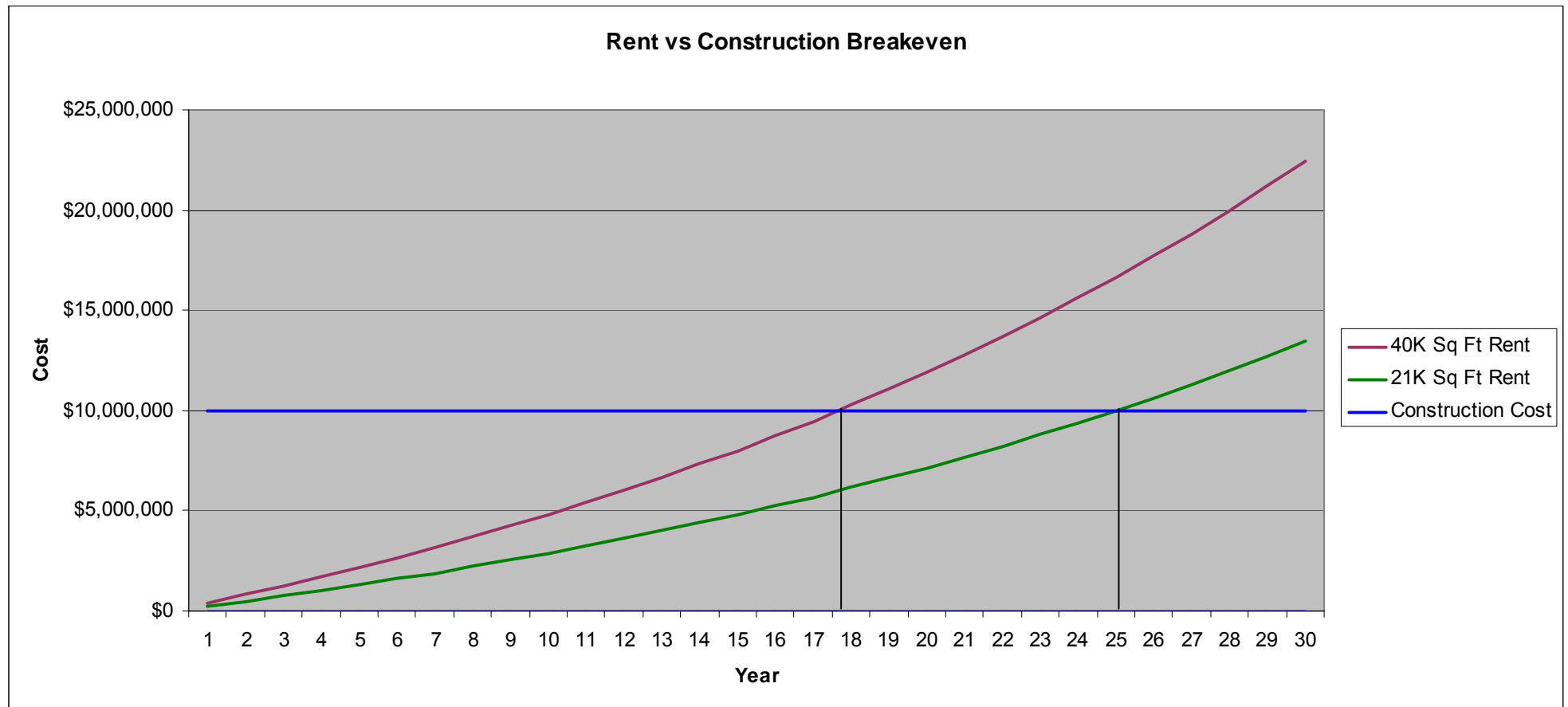
Alternatives Matrix - Community

	Lease	Purchase Bldg. & Renovate	Purchase Land & Construct	Construct
Image	No Sense of Place, Form ≠ Function	Compatibility issues	Form = Function	Form = Function, Emphasizes Downtown, Connection to Public Space
Permanency	Appears Temporary Rent not a fixed cost	Compatibility issues	Permanent Location	Permanent Location, Adds to Town Center Destination
Compatibility	Competition with retail space and tenants	Useable space off market; retrofit expense	Consideration of surroundings part of design	Anticipated in Plans
Economic Impact	Short-Term Positive Impact for Area, Long-Term Competition for Space	Short-Term Positive Impact for Area, Long-Term Competition for Space	Construction Jobs	Construction Jobs, “Downtown” Image, Supports Redevelopment, Long term compatibility with area

Observations

Town Center Construction Option

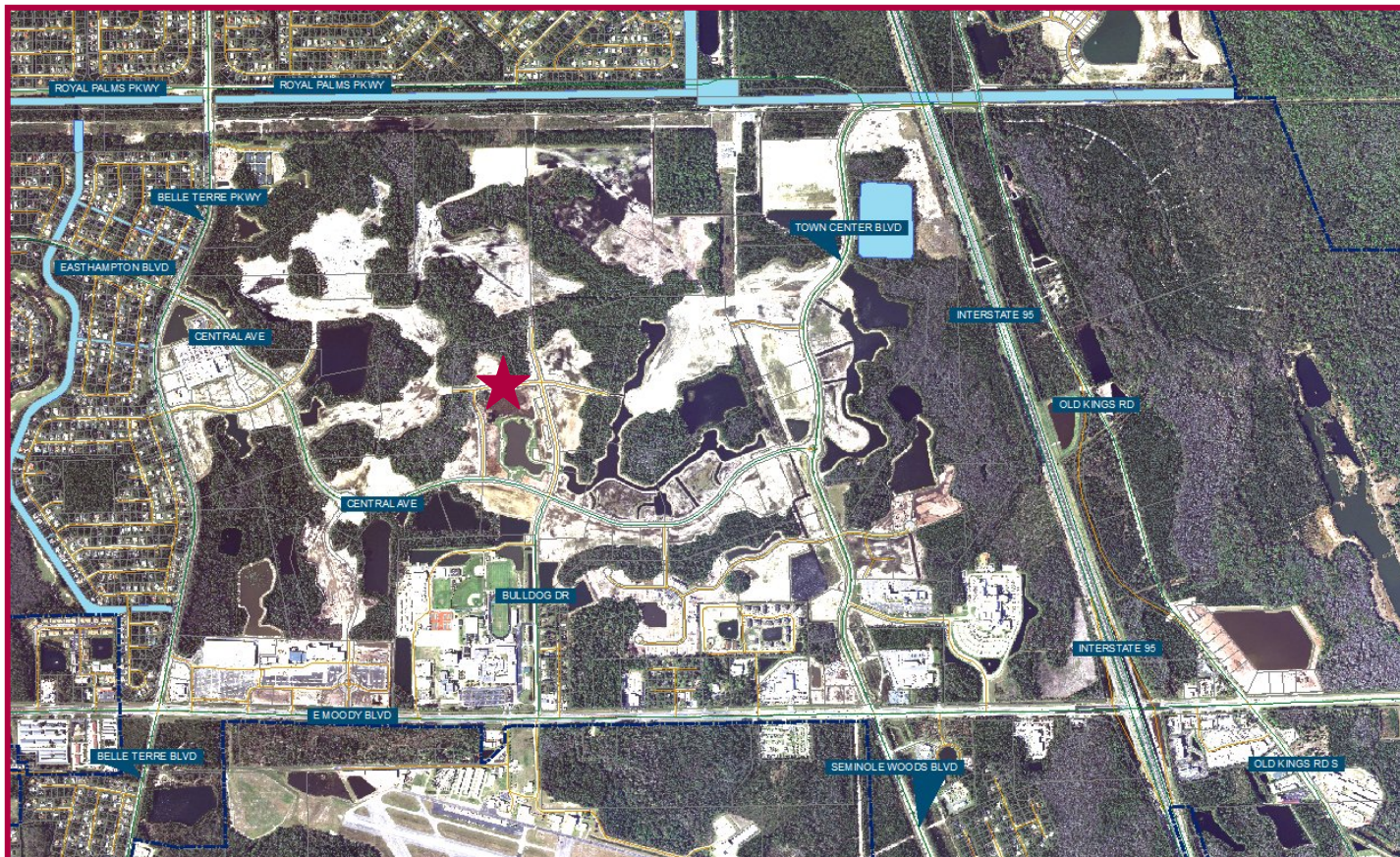
- **Lowest Annual and Long-Term Costs**
- **Fixed Versus Escalating Annual Costs**



Observations

Town Center Construction Option

- **Good Location, Transportation Access, and Utility Access**



Observations

Town Center Construction Option

- **Facility can be Designed for Function**
- **Facility can be Sized Appropriately and Expanded as Needed**
- **Optimizes Workflow and Customer Service**
- **Positive Image and Permanent Location**
- **Invests in Redevelopment Area and our Downtown**
- **Green Building Design, Reduces Long Term Maintenance Costs**



Lessons Learned

5 Locations in 10 Years

- **Expensive to**
 - **Lease**
 - **Purchase**
 - **Renovate**
 - **Move**



Lessons Learned

Town Center Construction Option \neq 2005 Proposal

	2005	Now
Size	75,000 sq. ft.	40,000 sq. ft.
Cost	\$22,000,000	\$10,000,000
Funding	30-Year Bond Additional Tax Levy	Accommodate Within Capital Budget (Cash)



Lessons Learned



City Council Goals & Objectives 2009

ACTION AGENDA

TOP PRIORITY

- City Signs and Gateways
- Economic Incentive Policy
- Aging Commercial Areas
- Bulldog Drive Improvements
- City Hall Future Plan/Direction
- City-owned Industrial Park
- Old Kings Road South Improvements
- Stormwater System-Modeling
- Fire Response Zone Evaluation
- ISO Fire Rating '4' Strategy
- Coquina Coast Desalination Project

HIGH PRIORITY

- Stormwater Utility Ordinance Update
- Service Priorities & Millage Rate Impact
- Financial Reserve Policy
- CRA for Northeast Section of the City
- Sheriff's Contract
- Fleet Management Plan
- Enterprise Flagler Direction

PALM COAST VISION

PALM COAST IS A GREAT PLACE TO LIVE...

It is a Safe Community with a Hometown feeling that Respects and Protects the Natural Environment.

Its Town Center is a Vibrant Downtown with Diverse Businesses as the Foundation for a Strong Local Economy.

Residents enjoy Convenient Mobility and an Abundance of Leisure Choices.

FIVE YEAR GOALS

- **DEVELOP** Long Term, Sustainable Water Supply
- **PROVIDE** Quality Services, Maintaining the City as Financially Sound
- **EXPAND** the Local Economy
- **MANAGE** Growth for a Quality, Sustainable Community
- **MAINTAIN** a safe Community
- **PROMOTE** Town Center as the City's Downtown

Lessons Learned

NICE DEVELOPMENT *TO* GREAT CITY





***Thoughts, Discussion,
& Direction***

Next Steps

- **Develop Conceptual Plan**
 - **Funding Plan & Details**
 - **Schedule & Timing**
 - **Layout & Elevations**
- **Release Request for Qualifications (RFQ) for Architectural Services**
- **Negotiate Lease Extension and/or Consider Short-Term Alternatives**
- **Conduct Community Outreach**

