

4. Agenda Review

None.

5. Administrative Business:

A Resolution awarding the construction contract to City Mechanical, Inc. of Hercules, California for the Energy Savings Upgrade Project at Magnolia Senior Center, Main Library and Orange Memorial Park Pool in an amount not to exceed \$271,062.07. (Brian McMinn, Public Works Director)

Public Works Director, Brian McMinn summarized report which was being presented at a special meeting in an effort to get the project started and due to the cancellation of the regular Council meeting scheduled for August 27, 2014

Bid proposals had been received by four companies with one was considered non-responsive due to the omission of required information. City Mechanical, Inc. was the low bidder. This contract was the final in a series of contracts for this particular project, the previous contracts being awarded to Thermal Mechanical, Inc., Syserco, Inc., and California Hydronics Corporation. City Mechanical would install the skid mounted boiler, five of the feed pumps and completion of weather sealing for the skid and skylight areas of the Magnolia Senior Center roof. The existing 1965 vintage boiler at the Main Library will be replaced and Variable Frequency drive (“VFD”) for main air handler motor will be installed. A VFD for the main pump motor at Orange Memorial Park pool would also be installed. Staff recommended City Council approve the resolution and award the contract to City Mechanical, Inc for the stated “not to exceed” amount.

Vice Mayor Garbarino asked if the pool schedule would be impacted at all, and if City Mechanical would complete any necessary repairs to the Magnolia Senior Center’s roof.

Director McMinn stated impact would be known once the contractor’s schedule was submitted; staff would work with Parks and Recreation to make adjustments to minimize any impact. Regarding the roofing, he noted there had been a roofing project but it had been postponed.

Councilmember Gupta asked if the design had been completed and wondered if there were any new discoveries of additional work needed or points of weakness.

Director McMinn noted the only thing that had come up was some asbestos abatement and some piping replacement at MSB. Everything had been identified as far as could be but there were contingencies to address anything else that may come up.

Councilmember Gupta asked if there were any special requirements for dealing with asbestos.

Director McMinn stated an environmental specialist would come in to make sure that containment and disposal were properly completed.

Councilmember Normandy asked if there were any warranties.

Director McMinn stated the warranty was for 15-20 years.

Motion – Vice Mayor Garbarino/Second – Councilmember Gupta: to approve Resolution No. 99-2014. Unanimously approved by roll call vote.

6. Public Uses and other Property Disposition issues at the former Public Utilities Commission sites at El Camino Real and Chestnut Avenue. (Armando Sanchez, Housing Consultant & Jim Steele, Finance Director)

Finance Director Jim Steele reviewed the staff report and gave a power point presentation detailing the various elements of the public uses and property disposition options for the sites at El Camino Real (“ECR”) and Chestnut Avenue.

Director Steele noted the Long Range Property Management Plan (“LRPMP”) was currently before the state for review. This plan held the parcels for development and allowed for the City to obtain a master developer. Understanding of Council’s preference on potential uses for the property was needed to draft a proposal with that vision in mind. Base level public uses included a connection from El Camino to Centennial Way, landscaping and modest public open spaces. Additional suggestions on potential uses for the PUC property included a new Main Library, a recreation/cultural facility, additional childcare, and a joint use education site. Council may want to consider these uses if and when a master developer was selected.

Library Director, Valerie Sommer and Parks and Recreation Director, Sharon Ranals spoke about the potential of a state of the art library and a performance art center, and how they could help form civic identity, adding that the current trends show that people are flocking to these public spaces for a variety of activities. A video showing the potential for a Science, Technology, Engineering, Arts, and Mathematics (“STEAM”) focus at a new main library that would serve as a technology incubator and community gathering place, as well as provide space for group work areas. What was represented in the video was achieved with a gift of \$1 million.

Director Ranals stated the Master Plan survey had shown significant support for a performance art center, at 43 percent. Child impact fees, Park in lieu fees and other creative ways of putting together funding sources could help make this happen.

Director Steele reviewed the General Fund forecast for the next five years and outlined the items that he believed could compete as funding priorities; Conference Center expansion, Caltrain Station improvements/relocation, a new Main Library and Performing Arts Center.

Councilmembers discussed preferences for the new site. Noted as priority were a new Police Station and Main Library. Even though Mayor Matsumoto was a person of the arts, she did not think a performing arts center should have priority. Vice Mayor Garbarino recalled discussion of a civic center, with Municipal Services Building being sold.

Councilmembers Addiego and Gupta agreed with the Vice Mayor’s recollection, adding that there was talk of moving the Safeway as well.

City Manager Futrell summarized what he believed was Council's direction; yes to a library, moving Police and Parks and Recreation to the same location. Options related to the selling or retaining the MSB would play into financing.

Director Steele discussed financial constraints. He noted previous discussion about the use of the parcels focused on public use as they were thought to be unsuitable for development. One of the main considerations to take into account would be, the more grandiose the plan, the more difficult it may be to gain Oversight Board approval. He added that even with the new hotel development and the Park SFO expansion, the City would still be looking at a deficit because of PERS. New taxes would be needed to fund development. A slide displaying future bond measures and various tax scenarios was shown. Listed were: (1) a Transient Occupancy Tax ("TOT") increase from 10% to 11% would generate \$16 million; (2) parking tax increase from 8% to 10% to generate \$10 million; (3) Annual Parcel Tax of \$50/parcel to generate \$36 million; (4) Business License tax increase of 50% to generate \$8 million; (5) ¼ cent sales tax \$56 million; (6) pledge taxes from new Airport Parking Garage to generate \$9 million; (7) pledge property taxes from developed PUC site to generate \$5 - \$10 million; and (8) General Obligation Bonds tax on a \$500,000 house: \$120 / year to generate \$50 million.

Council discussed the scenarios presented as a means of generating the funds for the priority developments. Recent tax increase initiatives that passed in the nearby cities of San Mateo and Half Moon Bay were noted and Councilmember Addiego pointed out that there had been no General Obligation bonds in the City since the seventies. He felt that if people considered the amenities to be enjoyed, there could be tremendous support. He believed a General Obligation bond for the library could be palatable to residents.

Council expressed their leanings towards a one-quarter cent sales tax, the TOT increase and the parking tax increase.

City Manager Futrell reviewed the timing of the RFP and information on the developed timeline, with it being noted that the old golf course and Pet Club would be the first to see development and that the middle lots would not be developed until the Oak Avenue extension was completed. It was anticipated that the RFP would be put out in the next three months.

Council noted their preference of allowing a developer look at potential uses for the strip of land on ECR. Further comment included looking at a new location for Fire Station 63 if the MSB were to be sold and perhaps reaching out to the County to discuss the long term property management plan for the North County Court House on Mission Road.

City Manager Futrell noted that if the strip of land was not preserved for public use, only 16 percent of the money would be gained from commercial development.

Assistant City Attorney, Jason Rosenberg advised that the RFP be written similarly and include the same information that was included in the LRPMP, not to specify but still maintain that a public facility would increase the tax base for all taxing entities. This should be factored into RFP for any potential developer to consider.

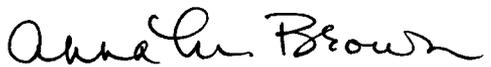
City Manager Futrell summarized Council direction as drafting RFP to include the development of a new Main Library that would also house a new Police Station and the Parks and Recreation Department; allow developers to respond on the potential of ECR parcel development; perform further study on potential sale of the Municipal Services Building; contact County regarding the North County Court house located on Mission Road; and perform further study on the bonding and taxing options preferred by Council.

Before closing the meeting, City Manager Futrell provided update on the fogging scheduled for the evening of August 21. Suggestions on placing electronic signs and conducting robo-calls to help inform the public would be explored.

7. Adjournment.

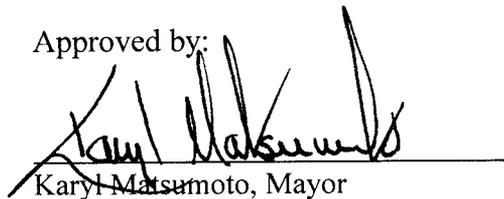
Being no further business, Mayor Matsumoto adjourned the meeting at 8:03 p.m.

Submitted by:



Anna M. Brown, Deputy City Clerk
City of South San Francisco

Approved by:



Karyl Matsumoto, Mayor
City of South San Francisco