



CITY OF GARDEN GROVE
P3 PROJECT FEASIBILITY AND
PROJECT MANAGEMENT
CONSULTING SERVICES
GARDEN GROVE CIVIC CENTER
PROJECT SUMMARY REPORT

Project Finance Advisory Limited (“PFAL”)
January 2023

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DISCLAIMER

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ACKNOWLEDGEMENTS

Project Finance Advisory Limited and our expert team, HOK, Dharam, and HR&A would like to thank the City of Garden Grove Police Department, and City staff, led by Lisa Kim, who contributed their time, knowledge, experience and insights over the past several months as we collaborated on the scope of work involved with this Business Case report.

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Mayor Pro Tem / District 1 - George S. Brietigam III

Council Member District 2 - John R. O’Neill

Council Member District 3 – Cindy Ngoc Tran

Council Member District 4 – Joe DoVinh

Council Member District 5 – Stephanie Klopfenstein

Council Member District 6 – Kim B. Nguyen

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1. EXECUTIVE SUMMARY

The City of Garden Grove (“the City”) engaged Project Finance Advisory Limited (“PFAL”) to perform Project Feasibility and Project Management Consulting Services. The scope of work included considerations for replacing or adaptively reusing the existing Public Safety facility, re-visioning Civic Center Park, and evaluating parking options to support the community and all users of facilities within the Civic Center (“the Project”). PFAL’s scope of work also included assessing options to develop affordable housing on City-identified property which is addressed in a separate report.

The City has already performed a number of high-quality studies and investigations into these different elements. Broadly, PFAL’s objective was to validate this information and provide recommendations on the optimal procurement method for these facilities based on an expected project cost.

The Public Safety Facility is intended to replace the existing Police Department and Property and Evidence buildings on the Civic Center campus. These buildings were constructed in 1970 and no longer serve the needs of the City. The buildings are beyond useful life, in poor condition, have become costly to repair with unpredictable maintenance expenditure requirements, and furthermore do not provide sufficient space for existing staff and their associated technology and equipment needs.

Working in collaboration with City staff from July through December 2022, PFAL’s expert team has confirmed the City’s goals and objectives, validated the Police Department’s space needs, performed site fit studies, conducted a conceptual design charette, generated high-level cost estimates for construction, operations and maintenance based upon the massing studies and available benchmark data, developed a full life-cycle cost financial model, presented different procurement strategies, and generated a site evaluation matrix to assist the City as it proceeds to advance the community’s vision and accomplish goals and objectives for the property. Finally, PFAL integrated work separately performed by Placeworks to coordinate recommended public engagement strategies.

In conclusion, the project team including City staff, PFAL (commercial, financial), HOK (architecture, design and programming), Dharam (cost estimating), and HR&A (housing, park governance) is recommending a site option and delivery strategy for the new Public Safety facility, re-visioned park, and parking structure that we believe accomplish the City’s objectives of replacing the aging public safety facilities, creating affordable housing, enhancing park programming, and providing parking within the downtown area. The concept configuration has a cost estimate of \$108 million. Under different project delivery approaches the estimated annual lifecycle cost could range from \$8.4 million to \$10.9 million.¹

It is important to note that these are high level cost estimates that may not reflect market conditions, unique site environmental considerations, or a refined design at the time of procurement. They are however consistent with the current market costs and industry expectations for construction cost escalation in the near term.

¹ Life cycle costs over 30 years include design and construction, operations and maintenance, replacement, and debt service.

2. PROJECT BACKGROUND AND RATIONALE

In July 2022, PFAL began work reviewing prior studies conducted for the City. The team also interviewed and worked with the Mayor, City Police Department, City Manager, Planning Services, Public Works, the Orange County Fire Authority, the Office of Community and Economic Development, and the Parks and Facilities departments to review, clarify, and validate the assumptions and results of the reports noted below. The purpose of these exercises was to develop a sound understanding of the project requirements from which to generate the initial space needs program and then the preliminary cost estimates necessary for financial planning. The resulting feasibility analysis is presented in our final report and summarized in this summary report.

Over the past six months, each of the subject matter experts on the PFAL team engaged with the City to concentrate on an aspect of the overall project as follows:

PFAL – project management, commercial and financial issues, stakeholder engagement, financial modeling,

HOK – space program validation, site identification, and site massing

HR&A – housing market scan, mixed use affordable and market rate housing site identification, property valuation, park/open space site considerations, operations and maintenance cost analysis and comparison

Dharam – cost modeling

This Summary Report provides a summary of coordinated work streams and contains the individual work products within appendixes.

2.1 PROJECT HISTORY

The City has engaged in comprehensive planning efforts over the past ten years that involved reimagining the downtown area and the Civic Center properties. Broadly these plans launched or identified various opportunities and initiatives to improve public facilities, the urban forest, park and community gathering spaces, transportation, transit, bicycle and pedestrian access, and to better utilize public property assets to increase affordable housing. Each planning effort involved extensive community and stakeholder engagement and identified specific community needs. These planning efforts are available on the City's website at <https://ggcity.org/civic-center>.

1. The Re:Imagine Garden Grove initiative (2014) - created a community-led vision for the downtown area covering land use, design, transportation, and branding. The initiative launched Open Streets events within the Downtown area creating opportunities for the community to experience streets as public spaces. This initiative combined with Economic Development initiatives such as Downtown Art enhancement projects, BikeSafe programs, and downtown focus corridors have highlighted the need for comprehensive planning across various often siloed sectors; land use planning, open space and parks, transportation and transit planning, economic development, arts, cultural and community activities, public facilities, and housing.

2. Downtown Parking Management Plan (2017) – quantified the existing over-parked condition of publicly owned parking lots in the Civic Center area. Lots in the Civic Center service the library and community center, civic center buildings, police and fire department, senior services center, Boys and Girls Club, high school, housing, and surrounding neighborhood businesses.
3. Parks, Recreation and Facilities Master Plan (2018) - noted the need for improved accessible walkways, renovation of restroom facilities, improved amenities in Parks, improved services for seniors, and a higher level of maintenance throughout the parks system. Specific planning efforts for the Civic Center Park have identified long-standing issues with the duck pond area, the opportunity to increase urban forest diversity, and the need to expand spaces for community use, such as by creating a splash-pad.
4. Measure O (2018) – authorized a 1% transaction and use sales tax to provide a source of funding for public safety and quality-of-life services. The City issued a new Public Safety Plan increasing the number of public safety officers and police support personnel, increasing the size of the police department’s Special Resources Team homeless task force, creating an RFP for police facility improvements, and developing the Measure O Community Oversight Committee. The Measure provided funding for the Dewberry report, and additional funds have been set-aside for replacement of the existing police department facility.
5. Urban Forest Management Plan (2020) – identifies opportunities to increase species diversity and reduce reliance on overused species within the zoned 118-acre Civic Center by better utilizing 2.9 acres of bare soil, and planting or replacing existing trees.
6. The Active Downtown Plan (2020) - identified goals for improved mobility and access, arts and culture, community health, and safety via a toolkit of solutions specifically relating to the downtown area and the streets bordering the Civic Center; Euclid, Stanford, 9th Street, and Acacia, and within the Civic Center Park itself. The plan concluded that high vehicle speeds, missing sidewalks, and wide arterial roadways present challenges to the pedestrian environment.
7. The Dewberry report (2020) - concluded that the existing aging Police Department buildings should be replaced as they did not meet the requirements for today’s public safety services, were inadequately sized for current staffing levels, and posed fire-life-safety and security risks to staff and the public.
8. The 2021-2029 Housing Element (2021) - identified infill housing development needs for “high resource” areas citywide with access to transit, parks, schools, and shopping including the Civic Center area, and further specified a RHNA target of 19,168 housing units across the city. The City has proactively taken steps to allow for consideration of future housing projects with increased density in the downtown area including within the Civic Center properties.

Despite the significant planning effort involved in each of the above plans, there is no comprehensive master plan for the Civic Center properties. The needs articulated in each report are significant and existing resources require careful consideration of how best to prioritize and advance discrete elements of each plan. Replacement of the Public Safety buildings within the Civic Center properties presents an

opportunity to comprehensively advance multiple objectives, leveraging existing and potential funding sources, and retaining and expanding highly valued community amenities.

Existing Condition of the Police Department Building

The need to replace the existing Police Station has been extensively studied and considered by the City Council in prior years. EMG performed a Facility Condition Assessment Report in July 2020 that demonstrated the anticipated 10-year cost of continuing operations and maintenance at \$1.2 million. The following is a brief description of some of the previously noted challenges.

- A. The Police Station was permitted and constructed in 1970 under jurisdiction of the 1967, Uniform Building Code, UBC code.
- B. The existing facility is Type V construction.
- C. The existing buildings lack fire sprinklers and do not have a fire alarm system.
- D. Multiple alterations have been made since 1970.
- E. The building does not meet current seismic codes, lacks rated exit paths, building systems are old and lack smoke/fire dampers.

In addition to these concerns the police department’s modern functions and staffing can no longer be accommodated within the space available in the existing building. These conditions and the overall space needs were extensively studied in the Dewberry 2020 report, and the space needs per division were validated by HOK as part of the current project scope of work as will be described further below.

3. CITY GOALS AND OBJECTIVES

Through a comprehensive planning effort over the past ten years the City of Garden Grove has identified multiple objectives for the Civic Center property. The City strives to:

- Create a consolidated holistic campus
- Inspires Visitors, Users, Employees and Community (Recruitment & Retention)
- Inviting connection to the Community (Community Pride)
- Integrate and enhance Civic Center Park
- Ease of access for everyone (Building and Parking)
- Secure, efficient and functional
- Sustain for the next 50+ years
- Plan for future expansion and flexibility
- Retain existing fire station and OCFA Admin offices
- Integrate GGPD Memorial and design for community events
- Meet industry standards

Replacing and potentially relocating the Public Safety building elsewhere on the Civic Center campus will allow the city to consider infrastructure, transit, transportation, open space, housing, public art and memorials, and public access and use of the civic center properties. There is an opportunity to consider the Civic Center Park itself, and surrounding properties to leverage funding and as a secondary benefit meet the City’s objectives for preserving and enhancing open space and creating affordable housing.

4. PROJECT DEFINITION – SPACE NEEDS AND VALIDATED PROGRAM

The Team worked with Garden Grove Police Department staff to examine the Dewberry study program. This effort resulted in some refinement of the overall staffing growth estimates by division and ultimately reduced the identified space requirements as illustrated below. Table 1 provides a comparison of the Dewberry and HOK program validation.

	Space and Parking Program Validation				
Staffing	252	385	385	302	302
Space Identification Number	Current Space	Dewberry Scheme 4 Space Needs (Bldg. Gross Sq. Ft) Projected to 2039	HOK 2022 Validation Projected to 2039 HOK recommended space as a function of staff numbers	City recommended space as a function of revised staff numbers	HOK Total Parking Validation
Overall Building Gross SF (BGSF)	53,206*	121,509	111,488	87,000	-
Total Parking			480		448

*Data from 2020 Dewberry Report

Consequently, the space allocation per employee was also reduced from the prior study. The Team reviewed the per employee space allocations in detail and by division. As will be illustrated later in this report the space allocation per person is a significant factor in driving the overall cost of the new facility. The total parking considered the need for both secure patrol and employee parking, again adjusted for staff growth.

Parking Analysis

As noted in the table above, Dewberry estimated that the Police Department would need 480 parking spaces for 385 staff with personal vehicles, patrol vehicles and equipment, and visitor parking. Staff projections drive the estimates for secure parking. In the Dewberry report visitor parking was considered for those community members accessing the Public Safety building. The PFAL team scope of work and parking analysis was based upon the prior Dewberry study. As the staffing estimates were modified through the PFAL and City team analysis the overall parking need was similarly reduced from 480 to 448 vehicles.

Dewberry 2039 Future Parking Needs Estimate				
	Staff Vehicles Secure Parking	Patrol Vehicle Parking	Visitor Parking	Total
Regular Stall	300	84	60	444
Accessible Stall	30	NA	6	36
Total Stalls	330	84	66	480

HOK 2039 Future Parking Needs Estimate				
	Staff Vehicles Secure Parking	Patrol Vehicle Parking	Visitor Parking	Total
Regular Stall	265	83	60	408
Accessible Stall	34	NA	6	40
Total Stalls	299	83	66	448

It is important to note that the Dewberry parking analysis did not include City Hall or Community Center parking needs. From the Downtown Parking Plan the existing 11 publicly-owned and 8 privately-owned off-street parking lots can serve 1402 spaces. In addition, there are 1384 on-street parking spaces in the surrounding area. The future need for parking in the downtown was estimated at 2281 spaces, with a gap of 897 spaces. The City may want to consider serving a portion of this need by increasing the size of the proposed new parking structure. Given that the parking demand generated by single driver gasoline powered vehicles is changing, the City may also want to consider allocating a number of spaces for electric vehicle charging and potential autonomous vehicle passenger drop-off areas within the new parking structure. The Phase 2 scope of work will continue to right-size the new parking structure given these trends, available financing, and site constraints.

An additional consideration for the City is whether to design and construct the new parking structure such that it could be adapted to office use in the future. A level-floor multi-level structure would accommodate potential conversion to office space. A traditional garage has sloped floors. Based upon City feedback the PFAL team’s cost estimate for the project budget included a level-floor parking structure.

Space and Program Validation Square Feet Per Staff			
	Dewberry Current sq ft /FTE in 2019	Dewberry Scheme 4 sq ft /FTE Projected to 2039	HOK sq ft /FTE Projected to 2039
Square Feet	243	316	290

The team also reviewed comparable new police and justice facilities to normalize the space requirements. The following table summarizes this work product. It should be noted that each of the cities studied had a smaller police department than the City of Garden Grove. The space allocation per police department varied with some office sizes equal such as the Chief of Police, but otherwise office sizes split 50/50 with Garden Grove having higher space or lower space allocations than the comparable cities.

Program Comparison							
	Garden Grove	Manassas (VA)	Oswego (IL)	Commerce City (CO)	University City (MO)	Chambers County (TX)	AVERAGE
Space Types	SF	SF	SF	SF	SF	SF	
Chief of Police (Sheriff)	300	350	250	300	300	300	300
Deputy Chief of Police	240	-	195	250	150	225	212
Captain, Commander	240	150	180	200	225	225	203
Offices (Lieutenant, Manager, Supervisor)	150	150	120		180	120	144
Offices (Sergeants)	120	120	120	180 (Sharing offices)		64	
Workstation (Supervisor, Officer, Investigators, Technicians)	64	50	64	64	48	64	59
Workstation (CSO)	48						
Workstation (Flex, Specialist)	36						
Detectives					80		
Building Occupants	Police and Jail	EOC, Police, Emergency Dispatch, Fire and Rescue Admin, City IT	Police HQ and Training	Police, Emergency Dispatch, and Municipal Court	Police and Municipal Court	Police and Jail	
Total Staff Planned	302	173	166	373	128	154	198.8
Total Building GSF		67,048 (Main Bldg) 85,062 (Aux, Parking, and Main Bldg)	72,000	142,477	40,708	138,302	98,372
Construction Completion		Dec-22	Aug-18	Study	In-Design	Masterplan	

The current space does not adequately serve the existing staff. The Team was directed to use Dewberry's 2019 staffing numbers which in turn were based upon population growth and the Federal Bureau of Investigation's recommended staffing officers/10,000 population. In order to meet national standards, given Garden Grove's 172,800 population as of 2020 the Police Department should have 1.61 officers/person. A twenty-year projection with anticipated population growth would increase the recommended officers from the current 250 to 385 or a 35% increase. In consultation with City staff, the team re-examined the staffing projections as the significant jump in staffing was not considered realistic. City internal discussions resulted in a new staff total of 302 given the 2039 projection. The reduction in staffing when applied with HOK's 290 square foot per employee implies a building size of 87,580 square feet.

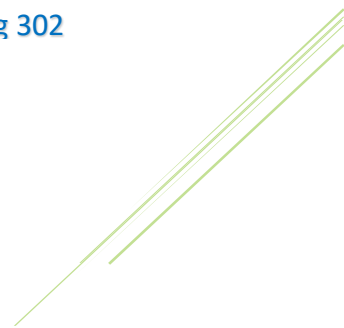
Therefore, care was taken to ensure that the new facility would be designed to ensure sufficient space per employee given the assumed staffing growth and equipment space needs projected out to the year 2039.

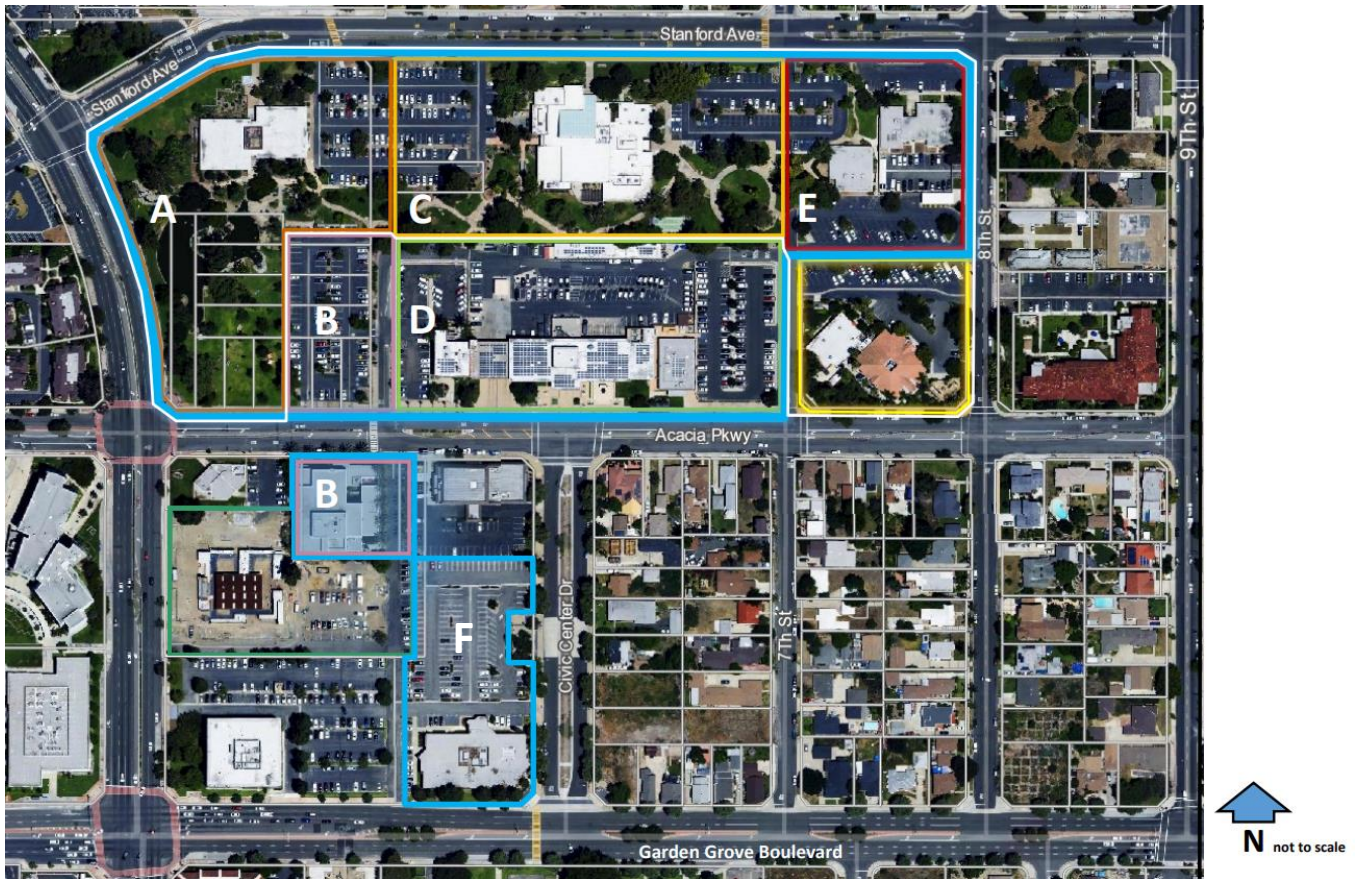
Further design work may help to inform how best to create adaptive space that will enable different City Police Department divisions to adjust their adjacencies and grow or shrink space as needed over time.

The final step in the space and program validation process was to consider affordability and right-size the space given these constraints. The team performed a design charrette and a value engineering exercise to further reduce the overall space need by 24,488 square feet to a new total of 87,000 square feet. This reduction was accomplished by reducing office sizes, reducing dedicated conference rooms and moving to a shared conference room model, reducing dedicated wellness areas, and eliminating the community room and planning to use the Purcell building community room as an alternative. The Team recognized the importance of establishing space standards, building consensus in further change management practices, and City leadership communications.

Once the space allocation and overall size of the new public safety building was quantified the team then was able to evaluate alternative sites. This workstream considered the needs for both the police department building as well as parking. The Team evaluated multiple sites as well as considered the alternative of retrofitting the existing building.

New building target size is about 87,000 square feet assuming 302





Police Department Building Site Evaluation

Under City staff direction the following criteria were considered to evaluate each of the police department site options:

- Building and site security
- Perception of openness to the public
- Location of the building and interface with streets
- Size and opportunities to program new park area
- Need for additional surface parking,
- Retention of the entire Fire Department station and administration offices
- Site access and turnaround
- Sufficient secure parking for police vehicles and employees, and public parking

As previously noted, the team reviewed and confirmed the space requirements needed for the police department. Based upon this analysis the team determined that an 87,000 square foot building would meet the program existing and future forecasted growth needs of the police department to 2039³.

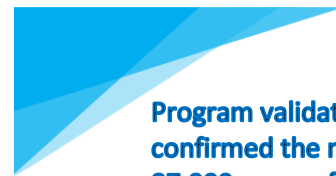
² Per City staff, approximately 15,000 square feet will be available on the 2nd floor of the Purcell building by 2025.

³ The 2020 Dewberry study forecasted growth to 2039.

5.1 Reuse of the Existing Building

The concept of reusing the existing building was eliminated given the deficiencies in the existing structure as these were extensively noted in the Dewberry report. In addition, based upon the team’s experience reuse of the existing building would be prohibitively expensive and such reuse would fundamentally not meet the program needs of the police department. However, the team did consider potential reuse of the existing police building in a phased approach to provide a temporary ‘swing space’ location for the Senior Center. Evaluating the redesign of the police building to serve the community services use was outside the project scope of work.

- Building and site security
- Perception of openness to the public
- Location of the building and interface with streets
- Size and opportunities to program new park area
- Need for additional surface parking
- Creation of civic space for the fallen officer memorial and events
- Retaining entire Fire Department station and administration offices
- Ensuring site access and turnaround lanes
- Sufficient secure parking for PD, employees and public parking



Program validation exercises confirmed the need for a new 87,000 square foot Police Department building to meet existing and future space, personnel, and technology requirements through 2039.

5.2 New Police Department Site Options

Two possible site massing options were provided to City staff for further discussion and consideration. Both sought to provide secure parking proximate to the building, albeit in a standalone structure, and primarily sited the new facility to utilize the south-west corner of the Civic Center property on Euclid and Acacia. The size of and the need for a large parking structure was extensively discussed. The PFAL team recommends the City consider an adaptable design for the parking garage such that it could potentially be converted to office space as parking needs and space requirements change in the future. The team sought to retain as much of the open space between existing buildings and create new programmable park space. The resulting site layout is represented in the diagram below.



 **PROPOSED SITE DIAGRAM**

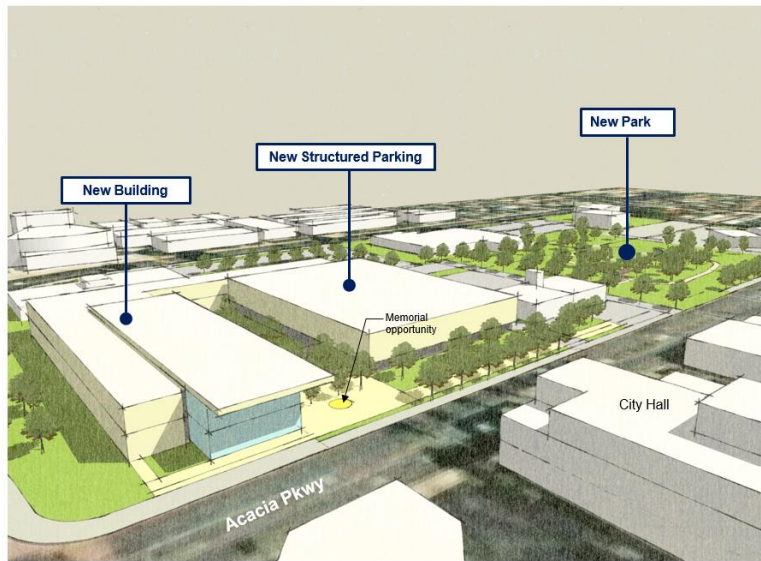
The PFAL team generated massing studies to consider the building elevations in comparison to proximate structures. These studies although not representing final designs are illustrated below.



SOUTH AERIAL

Opportunities:

- Re:imagined **Civic Center Park** concludes Civic Center Drive axis
- New **Public Safety Building** and parking massing create new outdoor spaces for staff and public.
- Existing OCFA fire station and admin offices to remain.



SOUTHWEST AERIAL

Opportunities:

- New **Public Safety Building** proposed to anchor Acacia Pkwy and Euclid Street.
- New **Public Safety Building** creates community space and opportunity for future police memorial location.
- New structured parking massing is setback to create landscape frontage.

6. NEW PUBLIC SAFETY BUILDING & PARKING DESIGN CONSIDERATIONS

After evaluating the space needs program and the site fit, the team launched a preliminary visioning process to describe some of the desired design concepts. This effort will be expanded upon in the Phase 2 and Phase 3 scope of work. Initially the following concepts were discussed with examples provided to illustrate each; transparency, interior lighting and views, exterior courtyard with memorial artwork and landscaped spaces, use of contrasting and different materials to soften exterior walls. These design elements are intended to create the perception of a welcoming public facility, one that honors fallen officers and the importance of the public safety function, and that provides and maximizes natural light into the interior of working spaces in order to create a pleasant working environment.



SITE MASSING OPPORTUNITIES



2022 PFAL
Project Feasibility
Goals, Values & Criteria
Program Validation
Site Considerations
Site Massing
Prelim Costs



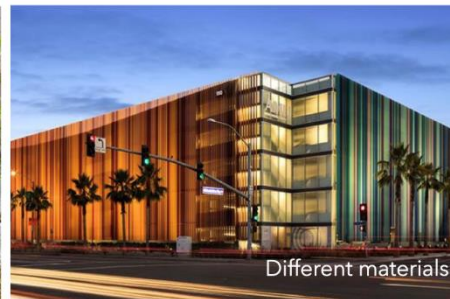
Transparency



Interior daylight & views



Exterior landscape spaces

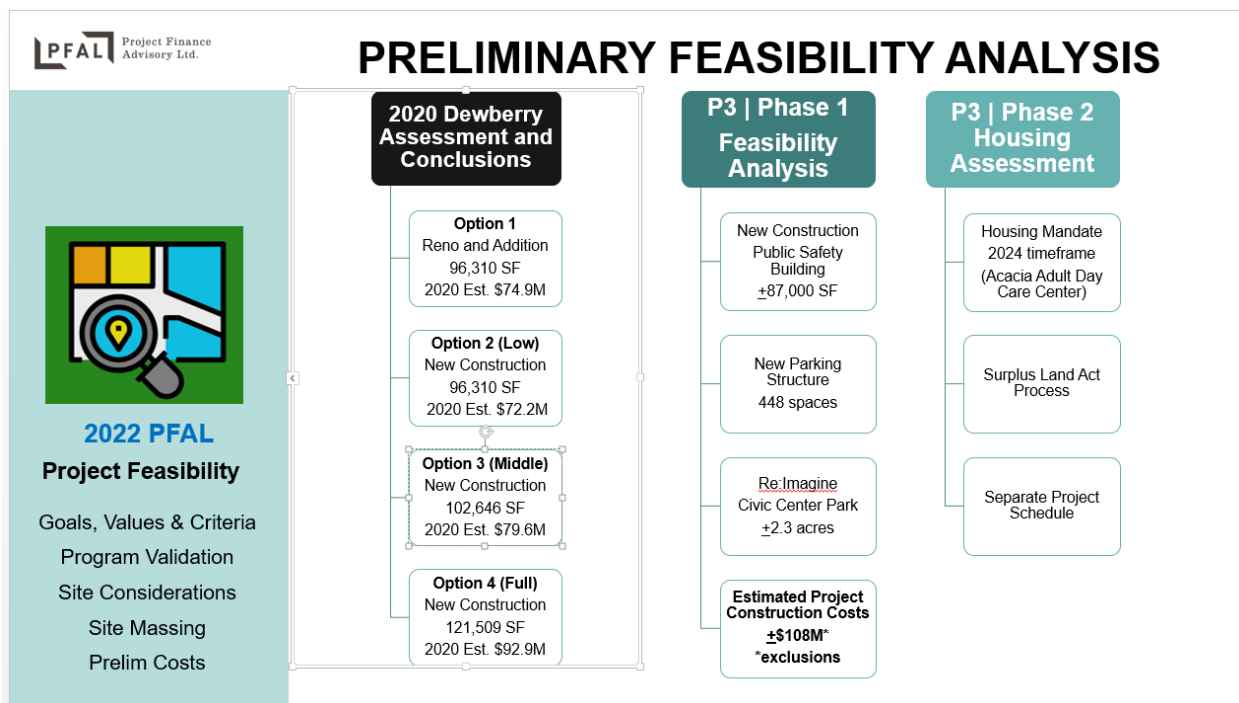


Different materials

7. PRELIMINARY FEASIBILITY ANALYSIS AND PROJECT COST ESTIMATES

The project team evaluated the design, construction and financing costs for the 87,000 square foot public safety building, new parking structure, and park improvements based upon 2022 cost data and with projected cost escalation to the mid-point of construction. The preliminary feasibility analysis is presented below in comparison to the 2020 Dewberry assessment.

The team estimated that the total project design and construction cost for Phase 1 (Public Safety Building, parking, and park improvements) would total \$108 million. Construction cost escalation due to pricing for lumber, steel and labor has been significant in the past several years since the Dewberry study adding between 6 – 10 % on an annual basis to overall project costs. The PFAL cost estimate includes upfit of the new facility with furniture and information technology infrastructure but does not include individual workstation IT equipment which would be provided by the City. Also excluded from the Feasibility analysis cost estimate are any unforeseen site environmental challenges. Finally, the team recommended that the housing proceed on a separate path following the Surplus Land Act process as described below.



8. OPEN SPACE/PARK

The PFAL team was tasked with evaluating the operating costs of the existing park, providing comparative benchmarking data for urban parks, and providing an analysis of possible governance structures that serve to leverage funding sources and maintain park amenities. The report is summarized below. Further analysis is recommended once a full concept design has been defined in order to refine the capital, operations and maintenance costs necessary for budgeting and financing the project.

The existing park is approximately 5 acres in size. Based on data provided by the City, the routine O&M costs for the Civic Center Park are approximately \$432K annually or approximately \$86K

per acre, with trimming being the largest expense at 65% of the costs. We understand pro-rated costs for security, programming, and management and administration for the Civic Center Park on top of the \$432K for routine O&M, are currently minimal. It is worth noting that the \$86K per acre for routine O&M of the Civic Center Park alone is already 45% higher than the \$57K per acre average of actual citywide parks allocation for park related services including, O&M, security, programming, and management and administration. The pro-rated programming and management cost from the city on top of the \$86K/acre routine O&M cost is approximately \$6.8K/acre and \$18.5K/acre, respectively. Any additional spending on park programming from the Garden Grove Community Foundation is currently minimal, no more than a few thousand dollars a year, as the events they host are primarily located at other parks in the city.

HR&A analyzed a handful of programmed urban parks ranging from half an acre to 12 acres in size as precedents for a potential order-of-magnitude operating budget for a high-quality park with community serving amenities at the Garden Grove Civic Center. Park size, location, level of programming, and

O&M costs for the Civic Center Park are \$83,000 per acre, 45% higher than the per acre average of all citywide parks.

availability of information were all factors in identifying the best reference projects to use as benchmarks for developing cost scenarios for the Civic Center Park.

8.1 Factors Driving Level and Distribution of Park O&M Costs

Based on the three scenarios studied we expect the annual O&M cost for the Garden Grove Civic Center Park to range between \$96K and \$387K per acre, depending on a combination of the elements that form the park and its design, as well as the management and governance structure, and the programming level. Routine operations and maintenance expenses not including staffing, typically generated between 38% to 88% of the overall annual operational costs, while programming ranged from zero to 44%. Currently, there is no programming provided at the Civic Center Park.

8.2 Park Governance

Two governance structures were considered by the PFAL team. Either a partnership structure or a non-profit led structure based upon a business improvement district model.

Governance Structure 1: City Park Department with discrete partnership with non-profit

Under this model the City Community Services Department with a non-profit partner would be in charge of operating and maintaining the park. The City's Community Services Department would be responsible for operation, maintenance, and management of the park with the majority of funding coming from the City's annual budget. The non-profit would maintain its scope and responsibilities of fundraising and programming, but under a formalized agreement that clearly delineates roles and responsibilities. Such agreement would require defining the type of programming and fundraising targets and responsibilities as well as incentives and penalties for the non-profit. Further exploration is needed to determine whether there are appropriate non-profit organizations with the internal capacity and/or willingness to take on responsibilities such as enhanced programming.

Governance Structure 2: Not-for-Profit Led Structure

An alternative approach is to form a business improvement district, such as exists in Bryant Park or Klyde Warren Park. Under such structure there could be more opportunity to leverage alternative revenue streams, such as earned income.

Finally, it is important to note that the future O&M costs will depend on the governance structure that the City chooses. If the City partners with a not-for-profit with an increased role more so than that of GGCF today, then the estimated management costs may be more similar to those in the medium and maximum scenarios, ranging between \$100,000 and \$300,000 per year. That would be the result of the partner possibly employing new additional workers dedicated to fundraising, programming, and overall park management.

If the City continues with its current governance structure and responsibilities, then costs would be spread out through the Community Services Department, with likely no workers fully dedicated to managing the Civic Center Park, and as a result, management costs specific to the Park would likely remain under \$100,000 per year.

9. HOUSING

The HR&A analysis provided a preliminary housing development feasibility analysis as part of the Civic Center redevelopment project, including:

- Evaluation of the opportunity for housing development on publicly owned sites; and
- Market, financial, and delivery implications of 100% market rate, mixed-income, and 100% affordable housing, as well as related tradeoffs of each development scenario.

The City identified two potential sites available for housing development as part of the Civic Center project. Initially these two sites were considered as unique, standalone housing development opportunities. As the discussion below indicates neither site alone was viewed as generating sufficient revenue to assist in the overall Civic Center redevelopment. The Team therefore considered the potential alternative option of consolidating both sites and recommended separating the housing development opportunity from the Public Safety building DBF solicitation process. This recommendation was based upon PFAL's industry experience and knowledge that the development markets for housing vs public buildings are unique. Past public private development projects, such as the City of Long Beach's civic center have demonstrated that separating the housing opportunities is a best practice.

Parcel E

Parcel E is a 2.2-acre lot on the northeast portion of the site that currently houses the Credit Union of Southern California and Civic Facilities. The site is zoned CC-3 with a maximum allowable density of 60 units per acre or approximately 125 units in total. With the recent legislative changes regarding the Surplus Land Act, at least 25% of the total housing units developed on any publicly owned surplus property should be affordable for lower income households. Meanwhile, all housing projects with affordable units can take advantage of the State Density Law with up to 50% increase in project densities depending on the amount of affordable housing and level of affordability provided.

HR&A studied the following development scenarios as comparison:

- 198-unit development that receives 150% State Density Bonus by providing 50 units (25%) of affordable housing for low-income households (60% of AMI). This scenario is compliant with the Surplus Land Act requirements.
- 198-unit development that receives 150% State Density Bonus by providing 31 units (15%) of affordable housing for very low-income households (50% of AMI). This scenario is not compliant with the Surplus Land Act requirements but is provided as a benchmark.
- 132-unit development with 100% market-rate units and no State Density Bonus. This scenario is not compliant with the Surplus Land Act requirements but is provided as a benchmark.

Scenarios 2 and 3 are not compliant with the Surplus Lands Act and therefore were rejected as non-feasible. Scenario 1 with a 198-unit development would not generate sufficient revenue to provide an offset to the Civic Center redevelopment as a whole.

Site 57

The **Site 57** is a 1.57-acre site owned by the Garden Grove Housing Authority that currently houses the Acacia Adult Day Care for a potential 100% affordable housing development as a benchmark reference. The site is also zoned CC-3 and has a maximum allowable density of 60 units per acre or approximately 94 units in total. The constraints on Site 57 limit the opportunity to generate revenues sufficient to provide an offset to the Civic Center redevelopment as a whole.

Given the constraints on both sites the team recommended the City consider offering both parcels together for housing development. This approach may create a larger development opportunity enabling the construction of a mixed use, affordable and market rate master-planned complex. The

recommendation from the PFAL team was to offer these development opportunities in a separate solicitation and phase from the Public Safety building and park improvements.

9.1 Civic Center Site Summary Comparison

Consolidating the existing five public safety buildings into a single new building with an adjacent parking structure optimizes the Civic Center land use. The five existing buildings are spread across 4.5 acres with surface parking. While convenient surface parking is a suboptimal land use in an urban city. The City’s civic center property assets can be put to a higher use if a parking structure is created to replace the existing surface parking, and when combined with a new building the overall land required is reduced.

The following chart describes the current property uses compared to the preferred siting options studied for the police department building.

Garden Grove Area Use Comparison			
	Current	Option 1	Option 2
Public Safety	4 acres + 2.5 acres (annex)	4.5 acres	2.75 acres
Open Space/Park	5 acres	3.5 acres	5.7 acres
Affordable Housing	0	4 acres	4 acres

10. CONCLUSION

With the combined analysis of validation and site considerations, the team concluded that the existing Civic Center Park area combined with the adjacent parking lot would be sufficient to accommodate a new Public Safety Building totaling 87,000 square feet, along with a multi-level parking structure to contain approximately 448 spaces which will accommodate secured police fleet vehicle parking, staff personal vehicles, and some public parking.

The feasibility analysis prepared by the PFAL team estimated a preliminary project budget to be approximately \$108 million for construction of the new building, Civic Center Park, and a level-floor parking structure that could later be converted to office space if required. This estimate is intended to provide the City with an opinion of likely cost at a feasibility level, reflective of local market rates and conditions in Orange County at prevailing wages. Given the limited scope of design in this Phase 1, adjustments to program cost estimates are expected and will be further refined through next stage of the P3 process.

PFAL explored a series of project delivery funding options to advance a new Public Safety Building. The project delivery funding considered: risk assessment, project lifecycle, traditional delivery, alternative delivery, and project timing. In summary, the project delivery funding options are described as: 1) Design Bid Build (DBB) would take approximately 24 months to construction; 2) Design Build Finance Operation and Maintenance (DBFOM) would take approximately 18 months; and, Design Build Finance (DBF) would be in the range of 12-15 months.

Based on feasibility analysis conducted by PFAL, the team recommends that the Council advance the Design-Build-Finance (DBF) option for the following reasons:

- A future site location has been identified.
- Preliminary Public Safety Building program has been validated.
- Retain asset operations and maintenance responsibility.
- Streamlined project schedule.
- Ability to optimize risk transfer to Developer.
- Guaranteed price and performance per negotiated contract.

The next phase of work (Phase 2) will include performing CEQA, developing a Request for Qualifications package, market sounding, and finalizing a funding plan. Staff will return to the Council for further discussion and direction as appropriate. Finally, Phase 3 work will entail posting the RFQ, evaluating responses and selecting a developer, reviewing and providing community input on proposed design, finalizing development agreements, obtaining financial close on the proposed project, and issuing a notice to proceed. Phase 2 and 3 are anticipated to conclude under a Design-Build-Finance delivery method with contract award in the 3rd quarter of 2024.