Response to Councilman Camp's Questions Re: Experian

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Public Works & Utilities

Prior to 1998, Public Works & Utilities (PWU), Engineering Services was located at the former City Hall (currently the Hall of Justice). When the City-County Building (555 S. 10th) was completed, a Public Works Campus was created on approximately 50 acres by placing Engineering Services in close proximity to the 901 North 6th Maintenance facility at 1001 North 6th (Haymarket Park about where the softball field currently lies). The cost at that time was approximately $850,000, this was an old metal maintenance facility consisting of 16,000 square feet (but rent free).

In 2000, to make room for Haymarket Park, the campus was broken up. Engineering Services moved from 1001 N 6th to leased space at 531 Westgate Boulevard occupying about 24,000 square feet. Initial renovation costs for 531 Westgate Boulevard were $660,000. Lease payments totaled $1.8 million in simple rent over the 10 year term of the lease, expenses for heating, CAM, etc are not included. At that same time the PWU Street & Fleet Maintenance operations were left "shoe-horned" into the space they currently occupy, about eight acres, due to the lack of adequate funds to relocate the facility.

As a result of the 2000 moves and the creation of Haymarket Park, PWU had a desire to recreate an improved campus. Due to competing priorities the relocation of Street and Fleet Maintenance from 901 North 6th to a new location is inevitable and provides the community the opportunity to realize the highest and best use of the Haymarket Park area.

Recreating and improving the PW campus by co-locating the public works operations into a centralized facility wil result in more effective communication and efficient operations. Components of the current operations are located in different facilities, where each of continues to have duplication of common area amenities. Co-location provides shared use of common spaces such as restrooms, meeting/conference rooms, break rooms, lockers, showers and other necessary amenities.

PWU has conducted an ongoing search for a campus site that has to date included identification of about 30 potential sites and facilities. The evaluation criteria used in the search follows:

- ✓ Not in the flood plain or built up out of the flood plain
- ✓ Site has expansion possibilities
- ✓ Adequate arterial roadway connections
- ✓ Zoned I-1 or I-2
- ✓ No impact to residential neighborhoods
- ✓ Should not impact entryway corridors
- ✓ Close to city owned "dark fiber"
- ✓ Affordable
- ✓ No, (or very few), environmental concerns
- ✓ Site must accommodate fuel tanks
- ✓ Ownership of property is preferred to leasing

In the fall of 2009, PWU became aware of Experian as a potential campus site that met the criteria. As a result, staff reviewed the opportunity closely and continued to investigate other potential facilities in the area. Some of the sites that have been reviewed included:

- **Quebecor**: This site presents many obstacles to utilization as a main campus by PWU. The building and site are not configured well for traffic flow and management. It was designed for rail access and no reasonable modifications would address the needs. There are significant challenges due to grade separation. Due to lower roof structure and the site rising approximately 14 feet from the west corner of the building to the East corner of the building on the West Upland Avenue side, internal ramps would be needed and large vehicular access doors would be limited to the first 125' of the facility. This option would require large vehicular movements approximately 130 feet from the intersection of West Upland Avenue and NW 12th Street. Dock height access is available for our larger vehicles on the West side of the facility that would need to be raised to achieve an at-grade entry. This would restrict the vehicular movements to "right-in and right-out" only, on NW 12th. The interior layout (structurally) is not conducive to PWU or LFR uses. It is not open…it's very "cut up" and compartmentalized. Major structural modifications may be required to utilize the space. There are also concerns about environmental contamination due to the previous operation (offset printing). We are not aware of any Asbestos Free statements which are also a concern as the original structure was constructed in 1969. We have no maintenance history on the mechanical systems and we have observed multiple leaks in the roof. The general condition of structure appears to be less well maintained and is largely unknown. Finally, the office areas are not sufficient to meet the needs of Engineering Services, Lincoln Fire & Rescue, 911, or others. Some of it is not accessible either, so an ADA survey would be needed.
- **1800 Upland Ave**. The structure is simply too low to accommodate large vehicles.

- **County Jail** – If we locate on the New jail site, a better and higher need could well be identified which would require PWU to move again. It would also require the funding and construction of new buildings. As far as the old county jail at the Hall of Justice, this would require extensive and expensive renovations that would become part of the rent paid to the PBC which is what we're trying to avoid. An example of renovating corrections facilities for other uses occurred in Wayne, Ne. The County decided to remodel the old jail that was built in 1966 into court offices and a small courtroom. It hadn't been used as a county jail for about 25 years, but had been used as a juvenile detention center from 1989 to about 1997. It only had about 15 cells, but had the typical construction you would expect to find in jails- lots of reinforced concrete, stainless steel and heavy steel doors. This building was designed to resist damage of any kind because jail prisoners are notoriously hard on jail facilities, much like the well-constructed Hall of Justice here in Lincoln. Thus, when it came time to remodel, the cost and time it took was very high on a cost per square foot basis. It was almost worth it to tear it down and build new. The structural integrity was good and it had been reasonably maintained, so they went with the remodel. Essentially the difference in cost is between tearing out drywall and tearing out structural security concrete. This remodel occurred in about 2005.

- **Pershing Municipal Auditorium:** This option presents problems too numerous to address here…ie, motor graders operating out of downtown on Lincoln mall?

- **Unused space on 3rd floor of City County Building**. The current space is needed for expansion of other areas of City government related to walk-in citizen services. It is inadequate for engineering services' needs.
- **Other available Government owned property**. To acquire land and construct the necessary facilities for only the PWU uses identified would cost in excess of $30 million dollars for construction cost only.

The PWU Engineering Services lease at 531 Westgate Blvd. was to expire on September 1, 2010. Lacking any other options the lease was re-bid via an open ended RFP on December 2, 2009. The RFP was available on the Purchasing Departments website, and electronic notifications were sent to over 40 vendors that had requested to be notified of these types of bidding opportunities. Only 6 vendors looked at the RFP and only 4 responded. As is normal practice the bid results were posted at the city of Lincoln, Purchasing Department's website. Experian submitted a proposal that exceeded the minimum requirements of the RFP.

When the Experian facility became officially available through the bidding process, using knowledge gained through a similar effort used to program space at other possible facilities, PWU began to look for other City needs to see if there were opportunities to utilize the space. It was recognized that combining other City Departments into a facility with Public Works can also provide additional benefit. Functions associated with vehicle maintenance for a variety of departments can be combined to reduce expenses associated with parts storage, HVAC, oil and water separators, welding shops, hazardous waste storage and disposal etc. It was also recognized that co-locating the operations centers of 911 with Public Works Traffic/Signal and Snow Operations into a centralized facility would create more efficient communications, planning and ability to respond to emergency needs. Other opportunities included the shared use of electronic services such as 911 radio shop and traffic/signal operations.

The opportunity to coordinate and co-locate not only PWU operations, but other departments as well (particularly other emergency response agencies) is a very compelling rationale upon which to base the proposed acquisition. Other compelling rationale is the recognition of the community benefits derived from the Haymarket Park project, and to compare that to the opportunities that are presented as part of the West Haymarket Redevelopment. The opportunity to potentially relocate the 901 N. 6th facility out of Haymarket Park presents great flexibility for the future of the West Haymarket Redevelopment.

Projected Experian Space Allocations

Phase 1

- Bureau of Fire Prevention 9,465 sf
- Urban Search and Rescue 29,800 sf
- Radio Shop 6,100 sf

• Engineering Services Testing Lab	5,270 sf
• Engineering Services Administration	23,700 sf
• Shared Conference, Training, Media	5,080 sf
• Common Areas	1,450 sf
Phase 1 Utilization	**80,865 sf**
Possible Future Phases	
• Lincoln Fire & Rescue Maintenance	24,655 sf
• Public Works West District Shop*	55,300 sf
• Public Works Fleet Maintenance*	25,000 sf
• Public Works Traffic & Signal Shop*	16,800 sf
• 911 Communication Center	10,400 sf
• Shared Shower, Locker, Restroom	3,350 sf
• Common Areas / Shared Circulation	1,950 sf
• Parks and Recreation Maintenance Shop	48,000sf
Possible Utilization	**185,455 sf**
Leased Office Area	
• Experian	30,000 sf
Total Leased Office	**30,000 sf**

** Budget-level planning has been done to determine that the cost to relocate the operations currently located at 901 N. 6th is approximately $7M. This number is preliminary, and if & when this potential move is approved, we will invest more resources to determine more accurately the actual cost to relocate, as well as an appropriate funding source.*

At this point in time we have identified the following possible additional partners

- Parks and Recreation
- Police
- Channel 5
- Others?

So, who will be relocated? We plan to carefully consider the best and highest use of the space available after the Phase I moves. We will consider each opportunity as it arises. We will consider current rent situations and there are potential tie-ins with the Haymarket area.

Again, ownership of a facility by the City will help to control the long term costs associated with renting. Acquiring a site for less than $8 million that meets PWU needs and many others guarantees overall future savings. This approach will serve community through the 2040 planning period and likely well beyond.

Here are some closing thoughts to consider:

- All of the costs for purchasing, renovating and moving are scheduled in current budgets, so there is no need for a tax increase to fund this project.
- Utilizing the Public Building Commission is generally used if there is a joint use of a building between the City and County and when that type of financing mechanism is needed. Since there is little if any use by the County, City financing would be more appropriate and result in a more efficient method of financing.
- As a result of this acquisition, there are multiple properties owned by the City that can now surplus them.
- The **"Do nothing" option** is very costly in comparison. Using the same assumptions of projected budgeted costs for Phase I ONLY, and assuming no future Safety Bond issuances, the "Do-Nothing" option will cost $7.6M over the first 15 years and over $16M for the 30 year period. If you include the Safety Bonds included in the CIP, both of these numbers go up by $9.1 M to $16.7M and $25M respectively. These are lease costs ONLY.