City of FRESNO **REPORT TO THE CITY COUNCIL**

AGENDA ITEM NO.
COUNCIL MEETING 04-17-07
APPROVED BY
DEPARTMENT DIRECTOR Randy R. Bruegman
CITY MANAGER

April 17, 2007

FROM: RANDY R. BRUEGMAN, Fire Chief
Fire Department

SUBJECT: APPROVE A LEASE TO PROVIDE FOR THE RELOCATION OF THE FIRE DEPARTMENT ADMINISTRATIVE HEADQUARTERS FROM 450 M STREET TO 903 H STREET AND AUTHORIZE THE CITY MANAGER TO SIGN THE LEASE

KEY RESULT AREA - 0209001000

Public Safety

RECOMMENDATION

It is recommended Council approve a seven-year lease to provide for the relocation of the Fire Department Administrative headquarters office from 450 M Street to 903 H Street and authorize the City Manager to execute the same.

EXECUTIVE SUMMARY

Fire Department administration has occupied the headquarters fire station since it was originally built in 1956. This facility currently serves as the departmental administrative center for the Fire Chief, personnel and fiscal operations, Fire Prevention and Investigations Division, information systems support, Fire Suppression and Emergency Operations Division, and houses approximately 50 personnel. This site was identified several years ago as part of the Old Armenian Town Redevelopment Project currently underway. In January 2007, the Fire Department administration was notified that the redevelopment project was moving forward and the current facility needed to be vacated by September 1. There are no dollars attached to the transfer of this property to the Redevelopment Agency of the City of Fresno.

KEY OBJECTIVE BALANCE

This proposal provides gains in all three key objectives of Customer Satisfaction, Employee Satisfaction, and Financial Management. Customer and Employee Satisfaction will be met by providing a safe and healthy work environment sufficient to house all staff and equipment. The benefits from a financial standpoint are staff will be provided a work environment designed to provide for an effective and efficient work flow. In addition, a short-term lease will provide the required facility on a temporary basis pending construction of a new public safety complex and maintain a Fire Department presence in the downtown area.

BACKGROUND

The Fire Department, in concert with the City Attorney's Office, has negotiated a lease for downtown office space for the purpose of relocating the Fire administrative headquarters facility. This relocation is necessary as the current facility is slated for demolition by year end as part of the Old Armenian Town Redevelopment Project. Redevelopment Agency staff was instrumental in facilitating the department's efforts to identify potential properties in the downtown area that met the department's space, access, and extensive parking requirements.

The recommended new Fire administration headquarters facility is the historic Hobbs Parson Building located at 903 H Street (corner of Tulare and H), across from the Chukchansi Park baseball stadium. This historic building will be extensively renovated; and, as part of the historic preservation process, the façade will be restored to its original likeness when built in 1903.

Locationally, this is an excellent site for the new Fire administration headquarters. It has convenient access to all of Fresno's freeways, is close to City Hall, creates a highly visible presence adjacent to the Chukchansi Park baseball stadium, has sufficient onsite parking for staff and visitors, and provides convenient on-street parking for large fire apparatus. Also, this new lease will be the catalyst for the current owner to restore one of Fresno's oldest buildings and help in the revitalization of the nearby Fulton Mall and the Chinatown Expanded Redevelopment project area.

The recommended lease includes 23,000 square feet of office space, a secured parking lot with 54 assigned parking stalls, and "turnkey" tenant improvements that include communication and computer cabling. The department will be relocating existing office cubicles to the new facility and supplementing where necessary to fit office configurations to minimize move-in costs.

As part of the relocation effort, office space for Training Division administration staff will be incorporated into the new facility. Their current offices located adjacent to the Fire Maintenance Shop and Fire Station 3 on E Street do not have sufficient office space and information system and electrical infrastructure to handle the staff, computer, and equipment needs on a daily basis. This relocation is also temporary pending completion of the new Training Facility outlined as part of the Fire Capital expansion efforts funded with Fire Impact Fee revenues. The new Training Facility is projected to be completed within the next two-three years.

The department has also secured approximately 4,000 square feet to display memorabilia in a museum-type setting. The department's hope is that retired firefighters will volunteer to serve as docents and provide tours of the museum facility. The concept of a fire department museum has been very readily embraced by the community, and this new facility will allow the department to display these important artifacts from Fresno's past.

In addition, the Arson Investigation Unit supervisor, 40-hour arson investigators, and clerical support staff offices will also be relocated to Fire headquarters to free up needed office space at Fire Station 11. This will consolidate the executive and administrative staff for all four divisions into the headquarters complex. Having major program supervisors and all executive management staff housed within the same complex and having sufficient operating infrastructure to support all personnel and equipment requirements will provide for a more efficient and effective operation. As part of the turnkey tenant improvements, the department has requested computer and electrical infrastructure to support a redundant Emergency Operations Center. The proposed office should meet Fire Department Administration needs for the next seven to ten years.

The lease rate for the property for the seven-year term is as follows:

Period	Rate Per Sq Ft	Annual Rent
Months 1-30	$1.56 / sq ft	$430,560
Months 31-60	$1.61 / sq ft	$444,360
Months 61-84	$1.66 / sq ft	$458,160

This lease rate is below market when compared to other properties in the downtown area that met the department's space, public access, and extensive parking requirements. The base rent for the property is $1.25 per square foot and tenant improvements of $.31 per square foot (amortized over a seven-year period). Other potential properties ranged from $1.30 to $1.75 per square foot without tenant improvements, and only one facility had sufficient parking and access at the higher per square foot charge.

As Council is aware, the department is also developing plans for a new public safety headquarters in conjunction with the Police Department. The lease agreement does contain early termination provisions should the public safety headquarters facility be constructed and ready for Fire Administration to relocate prior to the end of the seven-year initial lease term.

FISCAL IMPACT

There is no fiscal impact in FY 2007. The department has requested appropriations in the FY 2008 Proposed Budget in the amount of $260,000 for rent and $140,000 for logistical (ISD and Communications), moving, and miscellaneous expenses associated with the relocation effort. Appropriations for subsequent years will be requested as a part of the annual budget process.

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