



## **CITY OF MENIFEE**

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SUBJECT: City Facilities Planning Update

MEETING DATE: June 7, 2023

TO: Mayor and City Council

PREPARED BY: Rebekah Kramer, Assistant to the City Manager

REVIEWED BY: Rochelle Clayton, Assistant City Manager

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Receive a City facilities planning update and provide input regarding the sequencing of the City Hall, Police Department Headquarters, and Public Works Maintenance and Operations Center projects.

### **DISCUSSION**

Since incorporation in 2008, the City of Meniffee has grown by 70%. Currently, Meniffee is the fourth fastest growing city in California with population over 110,000 residents with predictions showing 150,000 residents by 2045. To keep pace with the population growth and to enhance municipal services in our community, in July 2020, the City established the Meniffee Police Department. With this growth over all departments, the City's existing facilities are at capacity and cannot support additional personnel. With the level of growth that is projected for the next two decades it is clear that the City's existing facilities are not adequate to meet the long term needs. Given the cost and complexity of the City's facility development projects, careful consideration will need to be given to the timing of each project, particularly in relation to the three largest facilities: City Hall, the Police Department Headquarters (PD HQ), and the Public Works Maintenance Operations Center (PW MOC).

Currently, the property housing City Hall operations within the Haun Medical Campus has a ten-year lease that extends through March 14, 2029. Additionally, there is a second lease that is housing a portion of the City's Information Technology Department (IT) within the same complex that extends through May 2027, with a five-year renewal option. Together these two locations contain over 26,000 square feet of office space with a combined annual lease payment that is just under \$800,000. Under the existing terms, the lease rate for these facilities is expected to increase to over \$1.5 million by the end of the lease period.

The City holds two leases on the property housing the PD HQ located on Haun Road. With the renewal options, these two leases will extend into 2034. Combined, the current payment is over \$520,000 per year and projected to reach just under \$700,000 annually by the end of the lease terms. The newly acquired Bank of America building located on Cherry Hills Boulevard will replace the existing police substation providing an additional 7,600 square feet. This facility will allow for service expansion to meet the needs of the PD in the near term. Collectively, these three facilities provide over 28,000 square feet of space. To support PD operations the City has invested \$2.1 million in facility/site improvements including added parking, security fencing, lighting, and communications equipment.

The existing PW MOC is a City owned facility. Over \$600,000 in site improvements have been made to support the PW fleet, maintenance, and operations services in the existing facility. While these investments address the immediate operational needs of the department, additional space will be required to adequately manage these services in the long term.

Table 1 below provides a summary of the existing facilities housing City Hall, PD and PW MOC operations.

**TABLE 1 – City Hall, PD and PW MOC Facility Summary**

Facility	Size (Square Feet)	Lease Term (w/Renewal Options)	Current Lease Payment	Projected Maximum Lease Payment	Percent Increase
City Hall	25,032	3/14/2029	\$722,424	\$1,471,054	
IT	1,797	5/31/2032	\$61,457	\$71,681 <sup>1</sup>	
<b>TOTAL</b>	<b>26,829</b>		<b>\$783,881</b>	<b>\$1,542,735</b>	<b>96.8%</b>
PD Headquarters (HQ)	14,749	3/31/2034	\$372,701	\$500,879	
PD HQ Vacant Land/ Modular Buildings	5,040	6/30/2034	\$151,022	\$193,723	
Police Substation (Former Bank of America Bldg.)	8,898	City Owned	N/A	N/A	
<b>TOTAL</b>	<b>28,687</b>		<b>\$523,723</b>	<b>\$694,602</b>	<b>32.6%</b>
Public Works MOC	1,200	City Owned	N/A	N/A	

<sup>1</sup>. Calculated through current term ending 5/31/2027. If renewal option is exercised lease will be set at market rate on 6/1/2027.

### Long Term Planning

The City owns property in multiple locations able to accommodate the construction of new permanent buildings needed to house City operations. These locations include the anticipated site of the future City Hall (located on Town Center Drive and City Hall Drive), and the property at Bradley Road and Cherry Hills Boulevard, adjacent to Fire Station 7, that could support both the PD HQ and PW MOC.

In 2022, staff worked with Ferguson Pape Baldwin Architects (FPBA) to assess the current and future operational space needs for all three facilities (attached). During the City Council meeting on October 19, 2022, these assessments were presented, providing an analysis of the maximum

space requirements anticipated for each facility based upon the City's growth projections for the next two decades, in relation to the size of the City owned properties capable of supporting the specified City services. This information was used to confirm that the projected size of each facility could be accommodated on the identified properties. It is important to note that these assessments were prepared as a starting point in the facility development process. The ultimate size, layout, and design elements for each facility will be developed with the next phase of each project.

The City has taken a number of preliminary steps in preparation for the development of the future City Hall project. The design of the Civic Center parking lot, located at Town Center Drive and City Hall Drive, is well under way and construction is anticipated to begin this summer (CIP 22-24). Once completed, this parking lot will serve the future City Hall as well as Central Park and the future amphitheater (CIP 19-15). Additionally, \$4.75 million has been placed in reserves for the City Hall project that could be allocated to the pre-development/design phase.

### **Next Steps**

The City Hall, PD HQ, and PW MOC facility development projects will require significant investments in terms of human and financial capital. With this in mind, in August 2022, the City engaged Urban Futures to work with staff to evaluate available financing options and to begin to develop a financing plan to support the City's public facility infrastructure needs. Established in 1972, Urban Futures is one of California's leading municipal financial advisory firms serving hundreds of California cities, counties, and special districts. This includes numerous public facility projects taking place in Riverside County including the Cities of Beaumont, San Jacinto, Desert Hot Springs, Eastvale, Lake Elsinore, and Coachella.

Urban Futures provided the City with the 10-year forecast model used to develop the financial projections needed to gauge capacity to support the City's long term operational and capital needs. As a next step, the Urban Futures team has worked with City staff to evaluate the feasibility and readiness of the City Hall, PD HQ, and PW MOC facility projects. During the City Council workshop taking place on June 7, 2023, Urban Futures will include a review and discussion of the existing lease terms, projected costs, and available resources related to each of these facilities to identify the preferred project sequencing. Based upon the input received during the Council workshop, staff will work in collaboration with Urban Futures to prepare an overview of the available project delivery options for review and discussion with the City Council this fall, in keeping with the Strategic Plan objective to develop a facility development plan by December 2023. After determining the project delivery method, staff will initiate a request for proposal/qualifications process and prepare a contract award for consideration by the spring of 2024.

### **STRATEGIC PLAN OBJECTIVE**

Community Engagement and Social Infrastructure

### **FISCAL IMPACT**

There is no fiscal impact associated with receiving this report. The fiscal impact of the facility development projects will depend upon the timing of each project in combination with the selected project delivery method presented for consideration at a future City Council workshop.

### **ATTACHMENTS**

1. Presentation
2. Menifee City Hall Needs Assessment
3. Menifee Police and MOC Needs Assessment