

# Attachment A

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## DISCUSSION

### ***Board Approved Actions and Funding***

#### **FY 2023: Facility Assessments and Planning Phase:**

- In June 2022, the Board of Supervisors (Board) approved the FY 2022-23 CIP, which allocated \$250,000 for preliminary planning and programming for the 1281 Broadway, Seaside Community Benefits Office Replacement Project.
- The Department of Public Works, Parks and Facilities (PWFP) engaged Nichols, Melburg & Rosetto (NMR) to conduct a comprehensive facility assessment and begin space programming.
- NMR evaluated the site plan, floor plan, building envelope, accessibility, structural systems, and mechanical, electrical, and plumbing systems.
- The assessment concluded the existing facility had significant deficiencies across all functional and building systems and lacked sufficient space for DSS operations.
- Between July 2022 and June 2023, NMR completed preliminary programming, scoping, and cost estimating, resulting in a conceptual three-story facility with parking to serve DSS and the Monterey County Free Libraries (MCFL) Seaside Branch, along with community meeting space.
- The preliminary cost estimate at this stage was \$68 million.

#### **FY 2024 and FY 2025: Design and Permitting**

- On June 12, 2023, the Board approved the FY 2023–24 CIP, allocating an additional \$2.95 million for continued design, engineering, environmental review, and permitting.
- PWFP retained NMR to advance the project through the permitting phase.
- From July 2023 through June 2024, PWFP worked with DSS and MCFL to complete programming and design.
- During this phase, the District Attorney (DA) requested inclusion of a Family Justice Center, which expanded the space program and introduced additional parking requirements. The revised design included:
  - A Community Service Center providing access to public benefits, employment services, adult services, and family and children's services
  - A modernized Seaside Branch Library with children's and family programming spaces
  - A Family Justice Center offering victim advocacy services
  - Flexible space for the Women, Infants and Children (WIC) program, DSS eligibility, public health, and behavioral health services.
  - Multipurpose community meeting rooms and outdoor public spaces
- The expanded scope raised concerns about the feasibility of retaining the adjacent Casa de Noche Buena shelter due to parking needs.
- To meet parking requirements, the design assumed relocation of the Casa de Noche Buena shelter, and PWFP initiated programming discussions for an offsite shelter location.
- The total estimated project cost, including shelter relocation, increased to \$112 million.
- On January 18, 2024, PWFP presented to the CIC a 75% design for a 64,500-square-foot, four-story building and an adjacent 250-space parking structure.

## **Public Outreach and Current Funding Decisions**

- A town hall meeting was held on February 28, 2024, at the Oldemeyer Community Center, where PWFP, NMR, County departments, and Casa de Noche Buena representatives presented and discussed the proposed development.
- In June 2024, the Board approved the FY 2024–25 CIP, increasing total project funding to \$5.3 million to complete design, permitting, and cost estimating.
- On October 8, 2024, PWFP presented a capital project prioritization update to the Board; the project remained at 75% design with an estimated cost of \$112 million.
- On November 12, 2024, the County Administrative Office (CAO) presented financing options for priority capital projects. The 1281 Broadway project was not selected for priority funding, and staff were directed to develop lower-cost alternatives that would not displace the Casa de Noche Buena shelter.

## ***Lower-Cost Alternative Facility Development Options***

Staff have worked with design consultants to develop seven alternative facility development options. All alternative options allow for the existing Casa de Noche Buena shelter operations to remain in place. Staff also conferred with financing consultants Gruen Gruen + Associates (GGA+A) from the Gensler Facility Master Plan team to review estimated financing costs for each option which are summarized below (see Attachment B). The cost comparison assumed that 80% of DSS' annual interest payments for DSS occupied space on a Lease Revenue Bond could be reimbursed, or 80% of gross lease costs could be reimbursed.

Option 1 – Renovate the existing two-story 13,000 sq ft facility to accommodate existing DSS services at a total estimated project cost of \$16.7 million (excluding financing). After factoring a 2% up front cost of financing as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, the average monthly cost is estimated to be \$6.96/sq ft or a cumulative cost of \$21,700,361 (See Attachment B).

- **Pros:** This option would extend the useful life of the facility, address required code upgrade and repair needs and Casa de Noche Buena shelter operations can remain in place.
- **Cons:** This option does not meet the current or future space needs of DSS and would not include space for MCFL or the DA Family Justice Center.
- **August 11, 20 25, CIC:** Supported by Supervisor Alejo.

Option 2 – Develop a 30,352 sq ft, two-story facility by renovating and adding on to the existing facility at a total estimated project cost of \$42.9 million (excluding financing). After factoring a 2% up front cost of financing as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$8.17/sq ft or a cumulative cost of \$59,490,364 (See Attachment B).

- **Pros:** This option would meet the DSS current and future 10-year needs, include a 1,000 sq ft MCFL satellite library space and 2,000 sq ft shared community space. Casa de Noche Buena shelter operations can remain in place.
- **Cons:** This option has a less efficient use of space and does not optimize the public serving lobby space due to physical constraints of the existing facility structure and would not accommodate the DA Family Justice Center
- **August 11, 2025, CIC:** Supported by Supervisors Alejo and Daniels.

Option 3 - Demolition of the existing facility and the development of a new two-story 28,018 sq ft facility that provides space for DSS and an MCFL satellite library at a total estimated project cost of \$43.8 million (excluding financing). After factoring a 2% up front cost of financing as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$8.73/sq ft or a cumulative cost of \$58,726,718. This average monthly cost per square footage is higher because of the higher initial cost per square footage compared to Option 2. (See Attachment B).

- **Pros:** This option provides for more efficient use of space to meet DSS' current and 10-year space needs with a lower cumulative cost compared to Option 2 which would renovate and add on to the existing facility. Casa de Noche Buena shelter operations can remain in place.
- **Cons:** This option would not accommodate the DA Family Justice Center.
- **August 11, 2025, CIC:** Supported by Supervisors Alejo and Daniels.

Option 4 - Demolition of the existing facility and the development of a new three-story 46,500 sq ft facility with underground parking that provides space for DSS, MCFL, and a shared community space at a total estimated project cost of \$75.1 million (excluding financing). This option represents the initial vision of the project before adding the DA Family Justice Center. After factoring a 2% up front cost of financing as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$10.02/sq ft or a cumulative cost of \$111,803,944,682 (See Attachment B).

- **Pros:** This option would meet the DSS current and future 10-year needs and provide a full library space. Casa de Noche Buena shelter operations can remain in place.
- **Cons:** This option would require a parking requirement variance from the City of Seaside to use 64 offsite parking spaces. This option would not accommodate the DA Family Justice Center.
- **August 11, 2025, CIC:** Supported by Supervisor Daniels.

Option 5 - Proposes a 10-year term lease with two 5-year extension options for a 13,900 sq. ft. facility at 915 Hilby Avenue in Seaside to accommodate existing DSS services. Major capital and tenant improvements would be provided and paid for by the property owner.

DSS and PWFP are currently negotiating this lease to ensure continuity of services during renovations at 1281 Broadway and to address ADA accessibility requirements for clients and staff. Lease negotiations are expected to conclude by January 21, 2026. Following Board approval, improvements are anticipated to take approximately nine months.

If DSS relocates permanently, the County will need to determine the future use of the 1281 Broadway facility, including possible mothballing or temporary reuse to prevent deterioration. At the Board's direction, staff will evaluate temporary reuse options and associated costs.

The estimated cumulative 20-year lease cost for the 915 Hilby Avenue facility assuming an 80% DSS reimbursement rate is estimated to be .80/sq ft or \$2,668,800 (See Attachment B).

- **Pros:**
  - Cost effective alternative to Option One that provides the same square footage as the existing 1281 Broadway facility without the \$16.4 million (excluding financing) renovation cost.
  - Casa de Noche Buena shelter operations can remain in place.
  - The lease will provide the time for County to consider the highest and best use alternative development options at 1281 Broadway.
- **Cons:**
  - This option does not meet DSS' future 10-year space needs and would not provide space for MCFL and DA Family Justice Center services.
  - If current lease negotiation is not successful, DSS will need to address minimum ADA upgrades required by the State in order to continue immediate occupancy of 1281 Broadway. The minimum State required ADA upgrades for only client serving areas have an estimated cost of \$3,973,750.

Option 6 - Provides for a long-term lease at 915 Hilby Avenue, Seaside (or other similar leased facility in the City of Seaside area to be determined) to include tenant improvements, renovation and parking adequate to meet DSS' 10-year space needs. The County would execute a long-term lease with the property owner prior to renovation so that the owner has the option to use the County's lease and the property as collateral to seek development funding. After factoring an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$2.00/sq ft or a cumulative cost of \$12,566,400 (See Attachment B for details).

- **Pros:** Meets DSS' current and future 10-year space needs and would not require the County to invest in up front renovation costs. Casa de Noche Buena shelter operations can remain in place.
- **Cons:** Requires the identification of off-site parking and would not provide space for MCFL or DA Family Justice Center services.

Option 7 - Acquisition and remodel of an available nearby building at 2959 Monterey Salinas Highway (State Route 68) in Monterey for an estimated \$28.9 million (excluding financing). This building provides nearly 75,500 square feet which can accommodate DSS and other County functions as identified in the Facility Master Plan. After factoring a 2% up front cost of financing, as well as 4.73% cumulative financing cost over 20 years, an estimated 80% DSS reimbursement over 20 years, and additional required financing by the County, the average monthly cost is estimated to be \$3.27/sq ft or a cumulative cost of \$59,341,828 (See Attachment B).

- **Pros:** Cost effective alternative to the currently designed \$112 million (excluding financing) 64,500 sq ft four-story replacement building and adjacent 250-space parking structure at 1281 Broadway, Seaside, designed to accommodate DSS, and other County functions. Casa de Noche Buena shelter operations can remain in place.
- **Cons:**

- This facility is not located in the City of Seaside and lacks adequate public transportation required for clients to easily access services. Access to the facility is complicated.
- The location is outside of the MCFL's jurisdiction. The City of Monterey is not within MCFL's designated service jurisdiction.
- MCFL would need to investigate the impact of jurisdiction dependent costs and benefits.

### ***August 11, 2025 Capital Improvement Committee***

Staff presented a status report outlining alternative development options. While committee members shared their preferred options, they requested that all options be presented to the Board of Supervisors for consideration. The Committee also requested additional information on project expenditures to date.

Attachment C details \$3.1 million in expenditures to develop 75% construction documents. These documents include architectural floor plans; civil site plans; structural, mechanical, plumbing, electrical, and fire protection plans; and independent cost estimates. The work was completed by a multidisciplinary team of architects and engineers and reflects approved programming parameters, site conditions, and code requirements. These plans and specifications can be adapted and finalized by the architectural team to support the selected development option upon direction from the Board of Supervisors.

To date, \$3.2 million has been expended, with \$2.1 million remaining from the total \$5.3 million allocated to the project.

### ***December 9, 2025 City of Seaside***

PWFP and CAO staff, the District 4 Supervisor and staff met with City of Seaside (City) representatives to review development options previously presented to the CIC and to discuss opportunities for collaboration. In a follow-up letter to the County of Monterey, the City expressed support for investment at 1281 Broadway Avenue, consistent with the City's adopted 2040 General Plan and its vision to revitalize the Broadway Ave. corridor. (See Attachment D, City of Seaside Letter)

The City formally expressed preference for Option 2, 3 and 4 which focus on reinvestment in the existing site through renovation, expansion, or right-sized new construction. The City noted that these options, "strike an appropriate balance between fiscal responsibility, service continuity, and long-term alignment with the City's downtown revitalization goals".