

COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	22-565	Meeting:	December 12, 2022
	Agenda Item:	9	Roll Call:	22-1861
	Submitted by:	James M. Hoff, Facilities Manager, and Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Approving Professional Services Agreement (PSA) with OPN, Inc. d/b/a OPN Architects, Inc. for professional services for the City Facility Expansion Pre-Design Study, not to exceed \$528,000

SYNOPSIS:

Recommend approval of the PSA with OPN Architects, Inc. for a total not-to-exceed cost of \$528,000 (\$492,000 lump sum for labor plus a not-to-exceed amount of \$36,000 in reimbursable costs) to provide professional services for the evaluation of current City office space needs and determine the feasibility of utilizing the vacant office building located at 1200 Locust Street for potential purchase and future use for City offices, as part of the City Facility Expansion Pre-Design Study.

City administration and Police Department staff currently operate in multiple buildings at scattered locations throughout the City. Some staff, such as the Des Moines Municipal Housing Agency and Civil and Human Rights Department, are inconveniently located in leased space on the north side of the City. Other departments, such as the Human Resources Department, have moved to space not originally intended for their use due to overcrowding at existing facilities. The City's three (3) primary riverfront buildings (City Hall, Argonne Armory, and Police Station) are 80 – 110 years old and the Armory and Police Station need substantial reinvestment. Police Station operations face significant space and parking shortages, while their current facilities sit at the edge of Market District redevelopment area.

With 360,000 square feet of office space and over 1,600 structured parking spaces, City staff believe the skywalk-connected 1200 Locust Street and 1200 Mulberry Street properties can meet the City's long-term facilities needs at a fraction of the cost of building new facilities and allow for continued growth of services, which will never be accommodated in existing facilities.

The services provided as part of this PSA will take an in-depth look at the City's office space needs and evaluate the suitability of 1200 Locust Street to meet these needs.

FISCAL IMPACT:

Amount: \$528,000

Funding Source: 2022-2023 CIP, Page 59, City Facility and Armory Replacement, BL133, General Obligation Bonds Issued.

ADDITIONAL INFORMATION:

- The City has previously conducted space needs and condition assessments for the Police Station and Armory buildings. Land across from City Hall to the east has been reserved for a new building that would replace the Armory, and the Capital Improvement Program (CIP) includes \$36 million in future years to construct this building. A potential location for a Police Station replacement has not been identified and the estimated projected cost in excess of \$100 million is not budgeted in the CIP.
- 1200 Locust Street has the potential to meet Police Station and City administration needs in a single location with adequate skywalk-connected parking for all staff and visitors. The 5-story building features a wide-open, H-shaped design allowing for easy reconfiguration. Existing ground-level commercial leases will be assumed by the City and will provide a new amenity for employees.
- The Purchase Agreement for the 1200 Locust Street building includes a 9-month due diligence period for the City to conduct various physical and legal examinations along with the space planning and lease purchase agreements (LPA) solicitation. The purchase price includes \$106,000 of earnest money to be applied to the purchase upon closing.
- A Request for Proposal (RFP) was issued soliciting professional services to conduct a workspace utilization study, with 10 proposals being received. OPN Architects, Inc. was selected to negotiate a PSA scope and fee for the facility expansion pre-design study based upon OPN's understanding of the project, approach and relevant prior experience conducting similar types of studies.
- It is not yet known which functions in the Armory, City Hall, and remote offices will be recommended for relocation to 1200 Locust Street and what operational efficiencies can be gained by co-locating certain functions. The pre-design study will include recommendations regarding those decisions.
- Concurrently, the Finance Department has investigated potential means of financing, including bonds and lease purchase.
- The closing of the building purchase transactions is to take place on or before 30 days following the due diligence expiration date for the office building and December 31, 2025, for the parking garage.
- Should the consultant's pre-design study space analysis determine that the office building is too small or otherwise inadequate for the City's needs, the Purchase Agreements can be cancelled at no cost to the City.
- Relocating City staff to 1200 Locust Street will also result in redevelopment opportunities at three (3) current City locations:
 - Argonne Armory Building – 602 Robert D. Ray Drive
 - Police Station Headquarters – 25 E. First Street
 - Vacant land across from City Hall – 401 Robert D. Ray Drive

- Reuses and timing of redevelopment opportunities are not yet known but development solicitations will begin as the timing of staff relocations becomes clearer.



PREVIOUS COUNCIL ACTION(S):

Date: September 12, 2022

Roll Call Number: [22-1483](#)

Action: [Approving](#) Purchase and Sale Contract with Nationwide Mutual Insurance Company for the purchase of 1200 Locust Street, 1200 Mulberry Street, and Assignment of Parking Lot Lease at 13th Street and Walnut Street. Sponsors: Mayor Cownie and Council Member Mandelbaum. ([Council Communication No. 22-435](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-1. Nays: Sheumaker.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Procurement of professional services for architectural design services, construction administration services and associated purchases and services to facilitate moving of equipment and staff to new office locations.
- Potential actions related to administration of building purchase agreement and repurposing of existing City-owned buildings and land.

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