

Government Code  
Section 54957.5  
SB 343 Item  
Agenda: 04/29/2025  
SPECIAL CC



# Municipal Services Building Facility Assessment & Options to Proceed

April 29, 2025

# BACKGROUND

## 1970s

- Central Fire Station located at 201 Baden
  - Aging facility (built 1948)
  - Insufficient space for fire admin staff, apparatus, and tools/supplies
  - Fire Dept adds 3rd firefighter to each engine co
  - Additional reserve apparatus, tools, and disaster supplies
- Police Dept headquartered at 315 Maple
  - Cramped and inadequate for modern law enforcement operations

## 1974

- Measure G - \$4.5 million Public Safety Building general obligation bond measure
- Proposed financing for construction of a new 81,000 SF public safety complex at Grand & Chestnut
- Required 2/3 majority approval from voters
- Narrowly failed

# BACKGROUND

1978

- Purchased 33 Arroyo
- Building retrofitted to include City offices and temporarily house Fire Station 63

1979

- MSB substantially remodeled for Parks & Recreation and Police

1981

- Police Dept headquarters relocated to the MSB

# BACKGROUND

2005

- Fire Administration moved from the MSB to 480 N. Canal, freeing up additional office space for the police department

2010

- Fire Department received FEMA grant to rehabilitate, modernize, seismically stabilize, and remediate Station 63
- Grant funded work was restricted to the station's original footprint

2015

- City Council decision to vacate MSB and West Orange Library
- Relocate Library, Parks & Recreation, Police Department, and Fire Station 63 to new facilities

# BACKGROUND

2021

- Council discussed MSB redevelopment options
  - Market rate residential
  - Fully affordable residential
  - Joint development with Buri Buri Shopping Center
- Council approved purchase of 71 Camaritas for relocation of Station 63
- Council allocates funding for station design

2022

- Police Department headquarters relocated to 1 Chestnut

2023

- Library | Parks and Recreation Center opens

# MSB LISTED AS A HOUSING ELEMENT OPPORTUNITY SITE



## SOUTH SAN FRANCISCO HOUSING ELEMENT 2023-2031

Adopted Housing Element with October, 25 2023 Adopted First Addendum  
CITY OF SOUTH SAN FRANCISCO Planning Division

- The MSB site was included in the 2015-2023 and 2023-2031 Housing Elements Opportunity Sites list as a potential location for mixed-income housing
- Inclusion in this list does not require the City to develop the site for housing and no direction has been given by Council to do so
- Over the past several years, the City has received public comment asking to preserve the building and reopen it

# PURPOSE OF TODAY'S MEETING

- In August 2024, Council directed staff to prepare:
  - A facility condition assessment to inform a cost estimate for reopening the MSB
  - A list of alternative Housing Element Opportunity Sites to inform whether to amend the Housing Element to remove the MSB
- The following presentation includes:
  - Results of a facility condition assessment, seismic study, construction cost estimates, operating expense analysis, environmental monitoring results, and identified alternative Housing Element Opportunity Sites
  - Three options to proceed that staff recommend Council consider and provide direction on

# Seismic Study

## Purpose

- Determine if MSB meets current seismic standards for public and essential facilities

## Key Findings

- MSB does not meet current seismic standards
- Significant seismic deficiencies
- Major damage or collapse possible in strong earthquake

## Potential Seismic Deficiencies

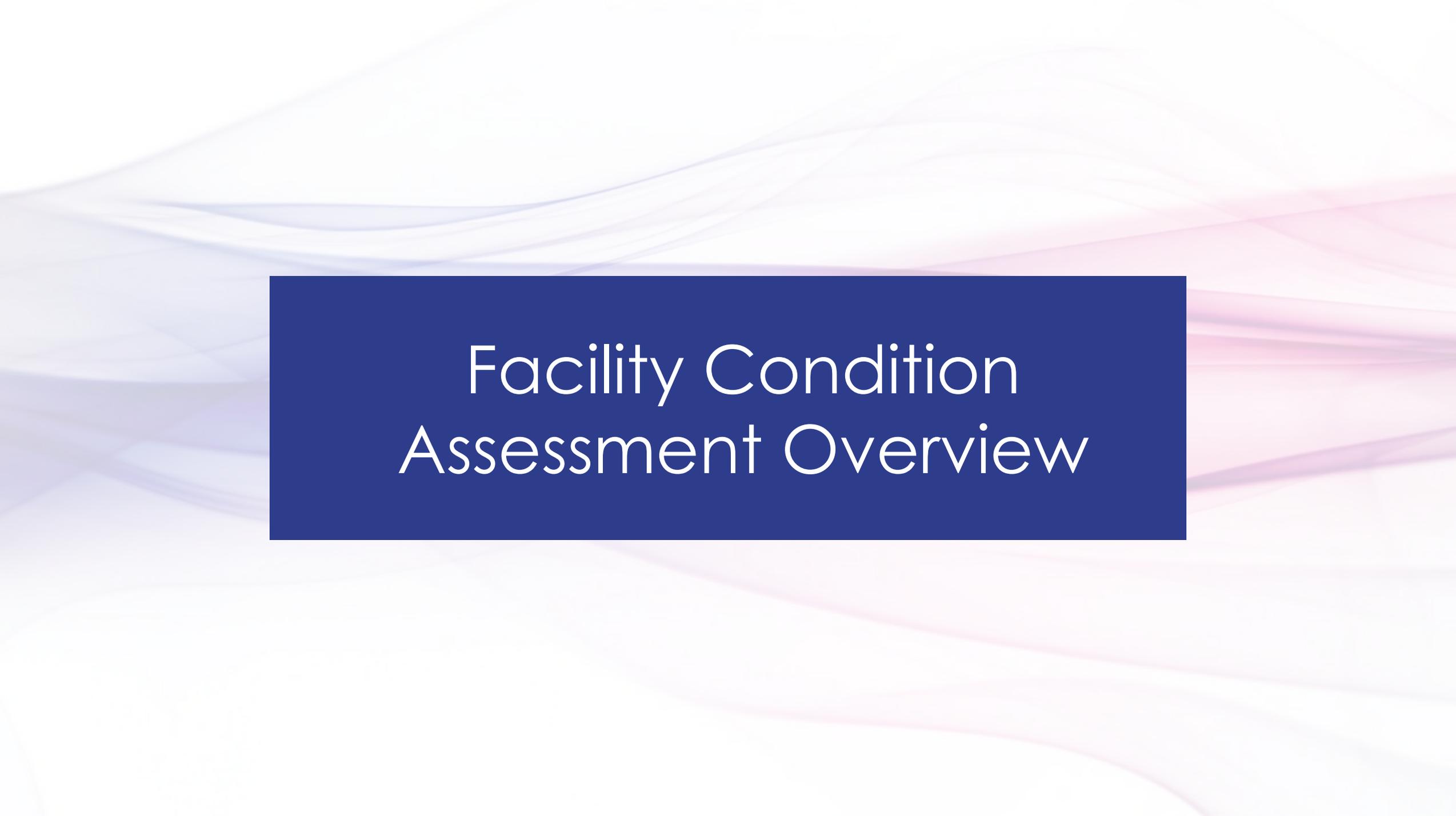
- Weak wall-to-floor/roof connections
- Insufficient wall and diaphragm strength
- Discontinuous shear walls between floors
- Vulnerable exterior concrete panels

## Estimated Costs for Seismic Upgrade

- Risk Category II (Offices): \$5.6M
- Risk Category III (Assembly Uses): \$6.5M
- Risk Category IV (Emergency Services): \$7.6M

# Options

- Voluntary seismic upgrade
- Use the building “as is”, but;
- No guarantee of performance in a major earthquake



# Facility Condition Assessment Overview

# MSB Facility Condition Assessment



**GROUP 4**  
ARCHITECTURE



**BUREAU  
VERITAS**



Project Management | Construction Cost Management

## Expert Consultant Team

- City contracted with Group4 for independent project management.
- Group4 subcontracted with Bureau Veritas to conduct inspection services.
- TBD Consultants retained for cost estimate review.

# MSB Facility Condition Assessment



## Overview

- Bureau Veritas began inspection for assessment in 2024.
- Based on visual assessment.
- Review of architectural, MEP, and fire/life safety systems.
- Assessment resulted in report, with cost estimating performed by TBD Consultants.

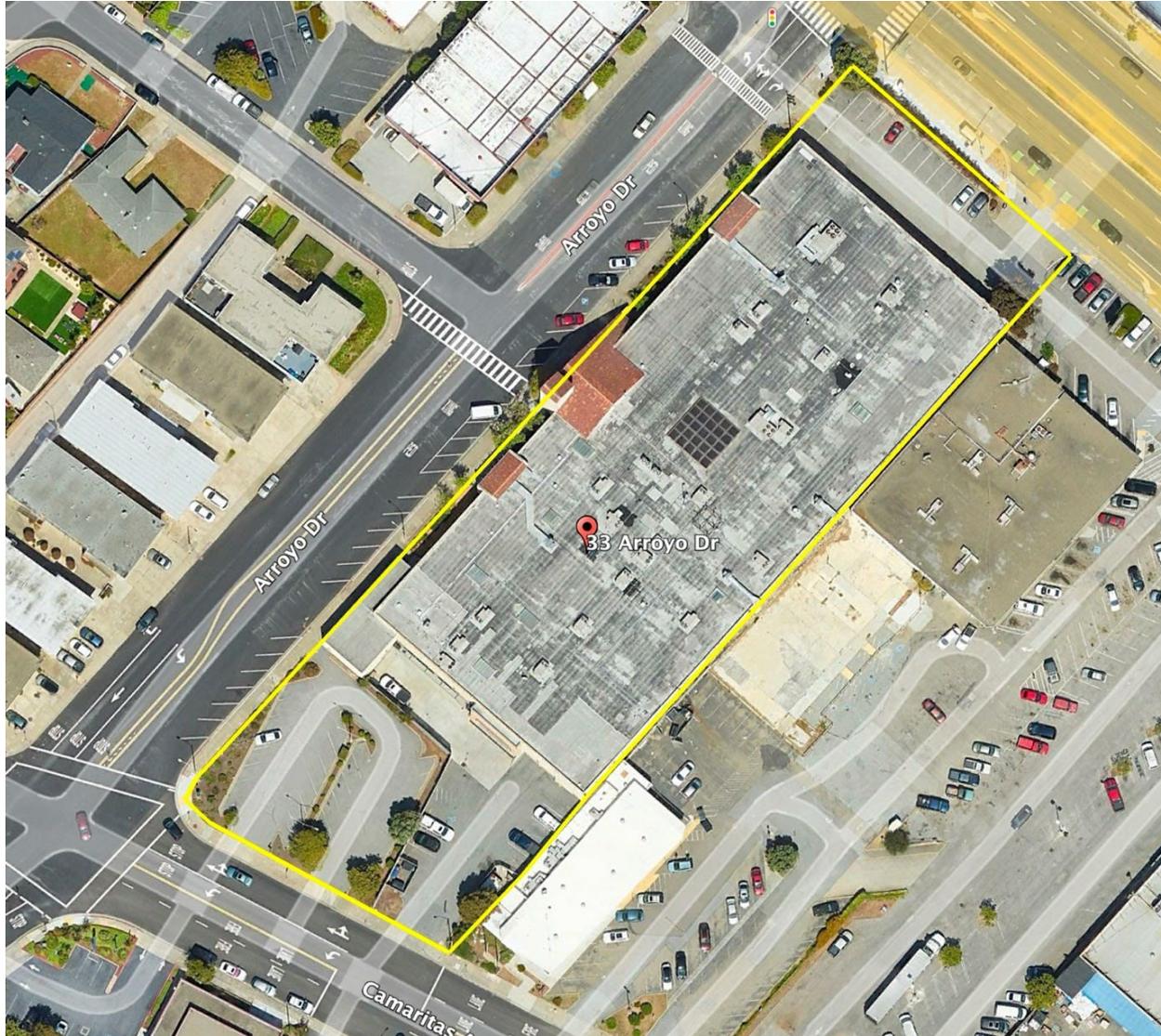
# MSB Facility Condition Assessment



## Summary of Findings

- Based on current costs, facility has a current replacement value of \$142M to replace in-kind with new facility.
- Years 0 -10 capital improvement costs valued at \$41.4M.
- In years 0 – 20: grows \$44.5M (2025 dollars) or \$52.6M (escalated per year).

# MSB Facility Condition Assessment



## Cost Estimate Assumptions

- Public / gathering space on the former Recreation portion of the building.
- Office or other tenant use at PD half of facility. Potentially phased into unknown date in future.
- Fire to remain until a new station is constructed.
- Included full category IV seismic upgrade cost.

# MSB Facility Condition Assessment



## Example Findings of Deficiencies

- New roof: \$3.3M
- Plumbing: \$3.6M
- Fire suppression: \$1.4M
- Fire alarm system: \$1M
- HVAC + ducting: \$3.7M
- Electrical systems: \$5M
- Low voltage: \$2.5M



Bureau Veritas  
Full Renovation  
Cost Estimate

# Full Renovation with Structural Upgrade



- Construction cost: \$44.5M
- Plus contingency: \$13.3M
- **Total: \$57.8M**
  
- Seismic (voluntary): \$7.6M
- **Plus seismic: \$65.4M**



# Group4 | Full Renovation with Structural Upgrade

Cost Estimate

# Full Renovation with Structural Upgrade

GROUP 4

ARCHITECTURE  
RESEARCH +  
PLANNING, INC

voluntary

Project Budget			Budget	
	Units	Cost/Unit	Extended	
<b>Building</b>				
Full Reno 1st Floor	59,000 SF	\$ 600/SF	\$ 35,400,000	
Basement Reno	59,000 SF	\$ 70/SF	\$ 4,130,000	
Structural Upgrade	118,000 SF	\$ 68/SF	\$ 7,980,804	
Contingency	15%		\$ 7,126,621	
<b>Subtotal, Building</b>	<b>59,000 SF</b>		<b>\$ 54,637,000</b>	
<b>Site</b>				
	2.0 Acres			
Site demolition/prep	13,000 SF	\$ 10/SF	\$ 130,000	
Hardscape development	13,000 SF	\$ 25/SF	\$ 325,000	
Landscape development	13,000 SF	\$ 20/SF	\$ 260,000	
Parking Underbuilding (basement)	0 SF	\$ 70/SF	\$ -	
Contingency	15%		\$ -	
<b>Subtotal, Site</b>			<b>\$ 800,000</b>	
<b>FF&amp;E, Signage, and Technology</b>				
Furniture/casework	59,000 SF	\$ 35/SF	\$ 2,065,000	
Technology	59,000 SF	\$ 20/SF	\$ 1,180,000	
Signage	59,000 SF	\$ 5/SF	\$ 295,000	
Contingency	10%		\$ 354,000	
<b>Subtotal, FF&amp;E</b>			<b>\$ 3,900,000</b>	
<b>Construction Budget</b>			<b>\$ 59,337,000</b>	

# Full Renovation with Structural Upgrade

Public Art				
<i>Public Art Allowance</i>	<i>0% of construction</i>		\$	-
Soft Costs				
<i>Design and engineering</i>	<i>10-15% of construction</i>	<i>10%</i>	\$	<i>5,933,700</i>
<i>Special studies and misc.</i>	<i>3-5% of construction</i>	<i>5%</i>	\$	<i>2,966,900</i>
<i>Testing and commissioning</i>	<i>1-3% of construction</i>	<i>3%</i>	\$	<i>1,780,100</i>
<i>Other fees, permits, etc.</i>	<i>1-3% of construction</i>	<i>3%</i>	\$	<i>1,780,100</i>
<i>Contingency</i>	<i>10% of soft costs</i>		\$	<i>1,246,080</i>
<i>Subtotal, Soft Costs</i>			\$	<i>13,700,000</i>

**TOTAL PROJECT BUDGET RANGE, Q2 2025 DOLLARS                      LOW            \$ 73,037,000**

Escalation - add for construction start date in:

2026	3-5%/year	4.0%	\$	75,958,480
2027	3-5%/year	4.0%	\$	78,996,819
2028	3-5%/year	4.0%	\$	82,156,692

NOTES: 1) Conceptual budgets are for planning purposes only. They have been developed on a general cost per square foot basis without detailed site or building information. Depending on project specifics, actual project costs can vary.

2) Conceptual budgets are not necessarily comprehensive and may not include all costs, such as land purchase, demolition of existing structures, structured parking, temporary facilities, etc.

**Minus seismic / structural: \$65 million**

# Group4 | Partial Renovation

Recreation Wing Only  
Cost Estimate

# Partial Renovation – Recreation Wing

**GROUP 4**

ARCHITECTURE  
RESEARCH +  
PLANNING, INC

Project Budget		Units	Cost/Unit	LOW END	HIGH END
				Extended	Extended
<b>Building</b>					
<i>Partial Reno w/ ADA Low End</i>		30,000 SF	\$ 500/SF	\$ 15,000,000	\$ -
<i>Partial Reno w/ ADA High End</i>		30,000 SF	\$ 600/SF		\$ 18,000,000
<i>Underbuilding parking</i>		59,000 SF	\$ 70/SF	\$ 4,130,000	\$ 4,130,000
<i>Contingency</i>	15%			\$ 2,250,000	\$ 2,700,000
<i>Subtotal, Building</i>		30,000 SF		\$ 21,380,000	\$ 24,800,000
<b>Site</b>					
		2.0 Acres			
<i>Site demolition/prep</i>		6,500 SF	\$ 10/SF	\$ 65,000	\$ 65,000
<i>Hardscape development</i>		6,500 SF	\$ 25/SF	\$ 162,500	\$ 162,500
<i>Landscape development</i>		6,500 SF	\$ 20/SF	\$ 130,000	\$ 130,000
<i>Contingency</i>	15%			\$ 53,625	\$ 53,625
<i>Subtotal, Site</i>				\$ 500,000	\$ 500,000
<b>FF&amp;E, Signage, and Technology</b>					
<i>Furniture/casework</i>		30,000 SF	\$ 35/SF	\$ 1,050,000	\$ 1,050,000
<i>Technology</i>		30,000 SF	\$ 20/SF	\$ 600,000	\$ 600,000
<i>Signage</i>		30,000 SF	\$ 5/SF	\$ 150,000	\$ 150,000
<i>Contingency</i>	10%			\$ 180,000	\$ 180,000
<i>Subtotal, FF&amp;E</i>				\$ 2,000,000	\$ 2,000,000
<b>Construction Budget</b>				\$ 23,880,000	\$ 27,300,000

# Partial Renovation – Recreation Wing

## Public Art

<i>Public Art Allowance</i>	<i>0% of construction</i>		\$	-	\$	-
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## Soft Costs

<i>Design and engineering</i>	<i>10-15% of construction</i>	<i>10%</i>	\$	<i>2,388,000</i>	<i>15%</i>	\$	<i>4,095,000</i>
<i>Special studies and misc.</i>	<i>3-5% of construction</i>	<i>5%</i>	\$	<i>1,194,000</i>	<i>5%</i>	\$	<i>1,365,000</i>
<i>Testing and commissioning</i>	<i>1-3% of construction</i>	<i>3%</i>	\$	<i>716,400</i>	<i>3%</i>	\$	<i>819,000</i>
<i>Other fees, permits, etc.</i>	<i>1-3% of construction</i>	<i>3%</i>	\$	<i>716,400</i>	<i>3%</i>	\$	<i>819,000</i>
<i>Contingency</i>	<i>10% of soft costs</i>		\$	<i>501,480</i>		\$	<i>709,800</i>
<i>Subtotal, Soft Costs</i>			\$	<i>5,500,000</i>		\$	<i>7,800,000</i>

<b>TOTAL PROJECT BUDGET RANGE, Q2 2025 DOLLARS</b>	<b>LOW</b>	<b>\$ 29,380,000</b>	<b>HIGH</b>	<b>\$ 35,100,000</b>
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## Escalation - add for construction start date in:

<i>2026</i>	<i>3-5%/year</i>	<i>4.0%</i>	\$	<i>30,555,200</i>	\$	<i>36,504,000</i>
<i>2027</i>	<i>3-5%/year</i>	<i>4.0%</i>	\$	<i>31,777,408</i>	\$	<i>37,964,160</i>
<i>2028</i>	<i>3-5%/year</i>	<i>4.0%</i>	\$	<i>33,048,504</i>	\$	<i>39,482,726</i>

NOTES: 1) Conceptual budgets are for planning purposes only. They have been developed on a general cost per square foot basis without detailed site or building information. Depending on project specifics, actual project costs can vary.



# Operations and Maintenance

Recreation Wing Only

# Operations and Maintenance



## Assumptions

- The City would only operate the former Recreation Wing of the facility.
- Additional costs if the former Police Department was occupied by City programs, offices, or tenant.
- P&R classes operate M-F, 9:00 a.m. – 5:00 p.m.
- Facility rentals on weekends.
- Some fees for classes may be necessary to sustain programs.

# Operations and Maintenance



## Minimum Additional / New Staffing

- Recreation Coordinator: 1 FTE
- Administrative Assistant: 1 FTE
- Instructor (hourly): 2.5 FTE
- Rec Leader – Classes (hourly): 2.0 FTE
- Rec Leader – Rentals (hourly): 0.80 FTE
- Custodian (Day Shift): 1 FTE
- Custodian (Swing Shift): 1 FTE
- Senior Custodian: As needed

# Operations and Maintenance



## Expenditures + Revenues

- On-going Supplies and Services: \$253,425 per year (includes \$180,000 utilities)
- On-going Personnel Costs: \$884,537 per year
- One-time Supplies and Services Startup Costs: \$90,000
- Revenue: ~\$170,000 - \$300,000 per year



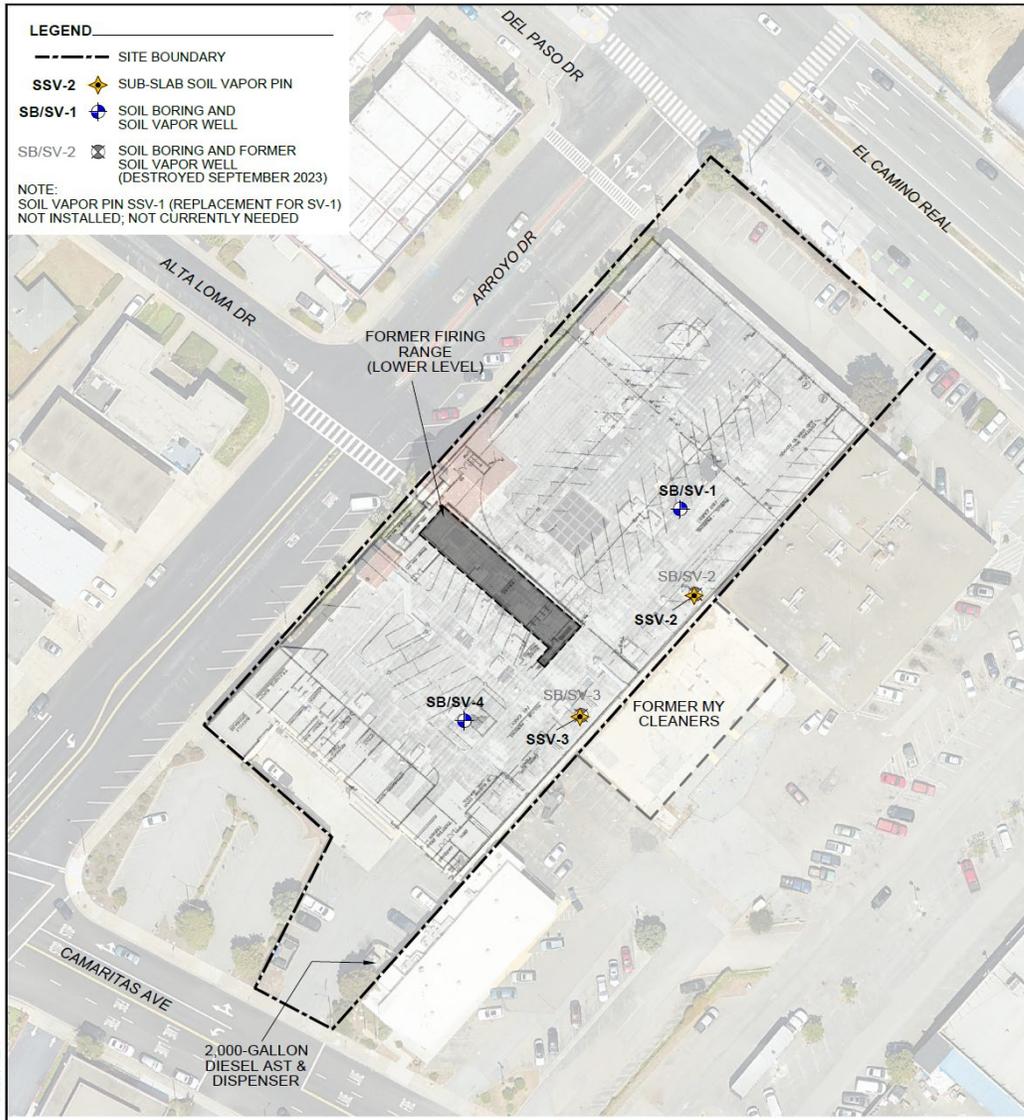
# Environmental Investigation

# Environmental Investigation

## History

- 2021 Environmental Site Assessment Phase 1 --> indicated need for Phase 2
- 2022 ESA Phase 2 --> indicated need for further testing
- 2023 & 2024 ongoing monitoring of sub foundation slab soil vapor monitoring

# Environmental Investigation



## Findings

- Benzene, likely from underground storage tank from former automotive use
- PCE, likely from former My Cleaners next door
- Benzene & PCE above residential thresholds
- PCE, at some points in time, above commercial thresholds

# Environmental Investigation

## Implications for the MSB

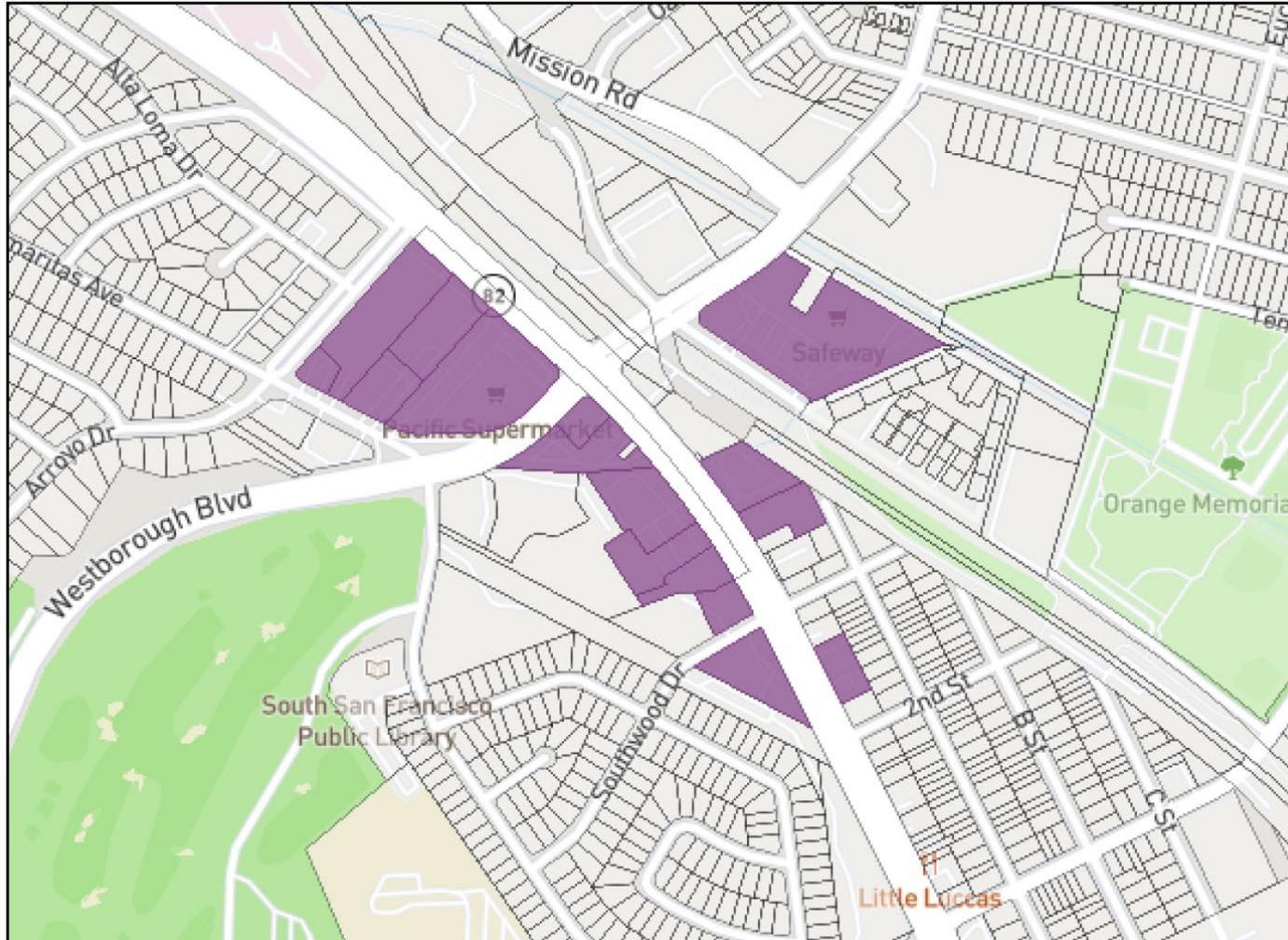
- No hazards to current or past occupants
- Ongoing monitoring recommended whether the building is occupied, or not
- Remediation and ongoing monitoring plan will be needed if the site is redeveloped



# Alternate Housing Element Opportunity Sites

# Alternate Housing Element Opportunity Sites

FIGURE 5-9 EL CAMINO REAL – NORTH CORRIDOR MAP OF HOUSING OPPORTUNITY SITES



- Removing the MSB site from the Housing Element will require a State-approved amendment
- Removing the site will not alter what can be done --> Council can choose to redevelop or not
- Alternate sites are available, but have some hurdles

# Alternate Housing Element Opportunity Sites

## What are we looking for in a site?

- Publicly owned with agency approval or indication they intend to develop the site for housing
- Located in a high resource area (not clustered Downtown or along 101)
- Able to accommodate at least 150 units

As mentioned, the Housing Element identifies four opportunity site corridors to meet RHNA Cycle 6 obligations and they are analyzed in detail below. For simplicity, North and South El Camino Real have been combined:

1. **Lindenville Opportunity Corridor**
2. **S. Airport Boulevard Opportunity Corridor**
3. **El Camino Real (North and South) Opportunity Corridor**

Each one of these corridors will be evaluated individually for the potential conflict between non-residential development and realistic residential development.

# Alternate Housing Element Opportunity Sites

Site Name	Address	Est. Acreage	Est. # of Units	CEQA Action	Estimated Costs
<b>Municipal Services Building</b>	33 Arroyo Dr	1.87	<b>150</b>	Consistent with General Plan EIR	
<b>W. Orange Library (Closed)</b>	840 W Orange Avenue	1.54	<b>58</b>	Requires CEQA Analysis	~ \$100,000
<b>San Mateo Co. Courthouse</b>	APN 011302280	1.20	26	Consistent with General Plan EIR	-
	999 Grand Ave	1.60	35		
	1024 Mission Road	2.54	56		
			<b>117</b>		
<b>SSF BART - Parking Areas</b>	1600 El Camino Real (Parking Structure)	6.00	480	Consistent with General Plan EIR	~ \$50,000
	1500 El Camino Real (fronts Mission)	2.60	208		
			<b>688</b>		
<b>Foxridge School (Closed)</b>	257 Longford Drive	23.00	<b>506</b>	Consistent with General Plan EIR	-
<b>Skyline Blvd Open Space</b>	No Address - Open Space	13.50	<b>297</b>	Requires CEQA Analysis	~ \$100,000

# Options to Proceed

# Options to Proceed



- Pause all discussion of the MSB for a period of 2 to 3 years while the City's budget position stabilizes
- Reopen
  - Two options to proceed
- Redevelopment
- Housing Element Alternate Sites



Option 1: Reopen  
Recreation Wing &  
Operate

# Option 1: Reopen Rec Wing & Operate

## Program

- City-operated community center
- Open Mon – Fri, 9 am – 5 pm
- 20 hours of programming/day
- Facility rentals, as available

## Cost

- \$29 million over 10 years (capital)
- \$1.1 million annually (operations)

## Next Steps

- Assess demand for services and programming
- Identify funding sources / balance other funding needs
  - Impact fees
  - Measure W revenue
  - General Fund reserve



# Option 2: Reopen Recreation Wing and Lease

# Option 2: Reopen Rec Wing & Lease

## Cost

- \$29 million over 10 years (capital), or as can be reduced in the form of a tenant improvement credit

## Potential Lease Revenue

	\$2/SF/Month	\$1/SF/Month	\$0.50/SF/Month
Year 1	\$ 720,000	\$ 360,000	\$ 180,000
Year 2	\$ 741,600	\$ 370,800	\$ 185,400
Year 3	\$ 763,848	\$ 381,924	\$ 190,962
Year 4	\$ 786,763	\$ 393,382	\$ 196,691
Year 5	\$ 810,366	\$ 405,183	\$ 202,592
Total	\$ 3,822,578	\$ 1,911,289	\$ 955,644

# Option 2: Reopen Rec Wing & Lease

## Next Steps

- Assess demand for tenants (unsuccessful RFP for West Orange Library)
- Engage qualified broker to market the site broadly
- Identify funding sources / balance other funding needs
  - Impact fees
  - Measure W revenue
  - General Fund reserve



# Option 3: Explore Site Redevelopment

# Option 3: Explore Site Redevelopment

## **Program**

- Flexible, to be determined by City Council

## **Price (if Market Rate)**

- Approximately \$5 million

## **Cost (if Affordable)**

- Free/discounted land
- \$5 - \$10 million housing funds loan

## **Next Steps**

- Engage economic consultant to test various development scenarios
- Return to Council for feedback to inform a Request for Qualifications
- Issue RFQ

# Housing Element Amendment

# Housing Element Amendment



## SOUTH SAN FRANCISCO HOUSING ELEMENT 2023-2031

Adopted Housing Element with October, 25 2023 Adopted First Addendum  
CITY OF SOUTH SAN FRANCISCO Planning Division

- Staff does not recommend amending the Housing Element to replace the MSB as a Housing Opportunity site
- Not one site that has it all – no easy swap
- Process is costly, time consuming, and largely symbolic
- The action could jeopardize the City's standing with the State

# Conclusion

# Conclusion

- Like many other Bay Area communities, the City is experiencing a structural deficit
- Operating new assets – like the Aquatic Center – will necessitate expenditure reductions and potentially drawing upon reserves
- City would need to consider reduction in City services to accommodate budget impact of reopening the MSB

# Conclusion

- Staff is seeking direction on whether to:
  - Pause discussion of the MSB for a period of time (2-3 years)
  - Reopen the MSB and operate it as a City facility
  - Reopen the MSB and lease the facility
  - Redevelop the site

# QUESTIONS?



Municipal Services Building  
Facility Assessment & Options to Proceed  
City of South San Francisco