



## CITY COUNCIL STAFF REPORT

DATE: July 11, 2012

SUBJECT: AUTHORIZE NEGOTIATIONS WITH RAELCORP AND APPROVE THE PURCHASE AND INSTALLATION OF A MODULAR BUILDING TO SERVE AS THE MANAGEMENT AND OPERATIONS OFFICE AT THE PALM SPRINGS SKATE PARK

FROM: David H. Ready, City Manager

BY: Thomas J. Wilson, Assistant City Manager

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### SUMMARY

In October of 2011, the City Council approved an Operations and Management Agreement with Action Park Alliance for the operation and management of the Palm Springs Skate Park. An office facility at the skate park is essential to the implementation of the Operations and Management Agreement.

Staff has evaluated a modular building owned by the Raelcorp to serve as the office facility at the skate park. The modular building was proposed to be the sales office for Raelcorp's Port Lawrence project. The modular was setup on the site but never used. The modular building is approximately 2,400 sq. ft. and with appropriate interior and exterior finishes can serve as the office for the skate park. Staff seeks City Council authorization to purchase the modular from Raelcorp, complete interior and exterior finishes and install it at the skate park.

### RECOMMENDATION:

- 1) Authorize the purchase and approve the installation of a modular building from Raelcorp as the Management and Operations Office at the Palm Springs Skate Park in a form acceptable to the City Attorney.
- 2) Authorize the City Manager to execute all necessary documents.

### STAFF ANALYSIS:

Raelcorp originally purchased the modular for approximately \$160,000. Staff evaluated the current market and received a proposal from a modular structure provider, Pacific Construction Services that proposed a price of \$160,000 for a similar modular building without interior electric, air conditioning or any interior or exterior finishes.

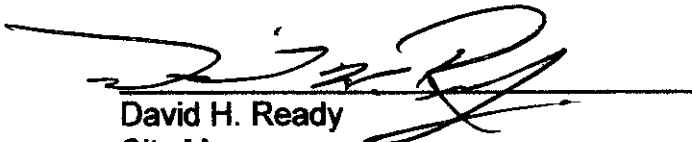
Staff has negotiated with Raelcorp an "as is" purchase price of \$75,000 for the modular structure and seeks authorization by Council to purchase and install the modular structure at the skate park.

Site engineering is near completion for the installation of the modular. Interactive Design Architects has been contracted for the design of interior and exterior finishes.

**FISCAL IMPACT:**

The costs of the complete skate park office project are eligible for funding from the Capital Quimby Fee account. The purchase price of the unfinished modular building is \$75,000. The costs for the following are to be determined after the completion of the design and engineering stages of work:

- Architectural and Engineering Services
- Site preparation and modular installation
- Exterior and interior finishes and improvements
- Site landscaping

  
\_\_\_\_\_  
David H. Ready  
City Manager

  
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Thomas J. Wilson  
Assistant City Manager

  
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Douglas C. Holland  
City Attorney

Attachments

## Tom Wilson

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**From:** Graeme Rael [graeme@raelcorp.com]  
**Sent:** Friday, June 15, 2012 9:59 AM  
**To:** Tom Wilson; 'Lawrence Rael'  
**Subject:** Modular Building

Tom,

Wanted to keep you updated – I have a call into Modtech, the builder of the sales center. They went out of business two years ago but the parent company is doing some research for us regarding title/APN equivalent. I will keep you posted.

You had also asked about our costs. Our cost to date on the center is roughly \$178,000, excluding the permit (I believe it was another \$8-10k).

Please let me know if you have any other questions and I'll keep you updated on the response from the builder.

Thanks and have a great weekend.

Graeme.

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**From:** Tom Wilson [mailto:Tom.Wilson@palmsprings-ca.gov]  
**Sent:** Monday, June 11, 2012 2:37 PM  
**To:** Lawrence Rael  
**Cc:** Graeme Rael  
**Subject:** Meeting --- Port Lawrence Hotel

Gentlemen --- How does Tuesday, June 26<sup>th</sup> at 2p.m. work for you to discuss the project ... TomW

**Tom Wilson**

**From:** Vicki L. Oltean  
**Sent:** Tuesday, June 12, 2012 5:05 PM  
**To:** Tom Wilson  
**Subject:** FW: Modular Building

Here is one of the quotes and it does not include setting the building at grade, no interior walls finished and no plumbing.

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**From:** Stuart Kamstra [mailto:stuart@pacificmobile.com]  
**Sent:** Tuesday, June 12, 2012 5:01 PM  
**To:** Vicki L. Oltean  
**Cc:** Michael thompson  
**Subject:** Modular Building

Vickie,

Below are some budget numbers for a brand new modular building, to be used as office space;

- \$160,000 for a wide open 36'x68' size building, with floor set 30" above grade.
  - ✓ \$125,000 for building (includes basic floor, wall, and roof finishes, 8' tall suspended ceiling, outlets & lighting, exterior doors & windows, and HVAC system)
  - ✓ \$15,000 for delivery, install, pier/pad foundation, and tie-downs
  - ✓ \$6,000 for ramp & steps
  - ✓ \$14,000 for taxes

There would be extra costs if we had to set the building at grade, added interior walls, or added plumbing. The above costs also do not include fire-ratings, sprinkler systems, site improvements, utility connections, or any low voltage systems.

I hope this information helps with your meeting tomorrow morning, and you can always call or email if you have any questions or concerns.

Thanks,



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