



Staff Report

DATE: MARCH 19, 2026
TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ROD BUTLER, CITY MANAGER
BY: PAUL TOOR, PUBLIC WORKS DIRECTOR / CITY ENGINEER
SUBJECT: PROPOSED CITY HALL RENOVATION AND EXPANSION OPTIONS

STUDY SESSION CITY HALL RENOVATION AND EXPANSION

RECOMMENDATION

That the City Council provide direction to staff on the preferred project option between the following:

1. Option 1 – Building Renovation and Expansion (Annex Building)
2. Option 2 – Building Renovation, Expansion, and Remodel of Existing Building

BACKGROUND

Since the City's incorporation on July 1, 2011, City Hall operations have expanded to meet the growing needs of the community. City Hall was initially located at De Anza Plaza in a retail storefront. On February 19, 2015, the City Council approved the purchase of the former Sam's Western Wear building to relocate City Hall and establish a permanent administrative facility.

As planning for long-term civic facilities continued, the City Council held a study session on November 16, 2023, to review the Civic Center Preliminary Planning and Needs Assessment. A Civic Center conceptual plan was subsequently developed by Gensler on January 11, 2024, and on August 15, 2024, the City Council awarded a contract to SVA Architects to begin design. On April 3, 2025, the City Council held a preliminary design study session for a potential City Hall annex building.

The existing City Hall building no longer adequately supports current operational needs. Aging infrastructure requires major upgrades, and staffing growth since incorporation has increased demand for workstations, meeting space, and public service areas. Staff has therefore identified essential building improvements and developed project options for Council consideration.

ANALYSIS

The current City Hall facility has aging infrastructure, limited workspace and meeting space, and an inefficient layout that affects daily operations. Long-term planning has identified the need to improve or expand the facility in order to support ongoing City services and future operational needs.

Regardless of the project option selected, several improvements are necessary to maintain building functionality and meet operational needs. These essential improvements include:

- HVAC system expansion or replacement
- Electrical infrastructure upgrades
- Plumbing improvements
- Roof replacement
- ADA accessibility improvements

The estimated cost of these essential improvements is approximately \$8 million and is anticipated to be programmed in the FY 2026–27 budget.

Option 1 – Building Renovation and Expansion (Annex Building) would include all essential improvements and construction of an approximately 20,000-square-foot annex building. This option would require 38 workstations, bringing the total to 113, add three conference rooms for a total of five, provide additional restroom facilities, enhance the public counter and service area, and create approximately 18,000 square feet of exterior event space. The estimated cost for the building improvements associated with Option 1 is approximately \$19 million, with additional offsite improvements required.

Option 2 – Building Renovation, Expansion, and Remodel of Existing Building would include all essential improvements, demolition of the southern portion of the existing building, and renovation, reconstruction, and expansion of the existing facility. The project would add 11 workstations, bringing the total to 86, add three conference rooms for a total of five, provide additional restroom facilities, create a new public counter and service area, and provide approximately 36,000 square feet of exterior event space. The estimated cost for the building improvements associated with Option 2 is approximately \$12 million, with additional offsite improvements required. Temporary staff relocation would be required during construction.



Staff has identified potential funding for the essential improvements to the existing building, which will be reflected as part of the FY 2026–27 budget. Additional funding analysis will be completed once the City Council provides direction on the preferred project option.

FINANCIAL IMPACT

Estimated project costs for the building improvements range from approximately \$8 million to \$19 million, depending on the project option selected. Both options will require offsite improvements, which are not currently reflected in this analysis. Project costs will be further refined as design and funding strategies continue to be developed.



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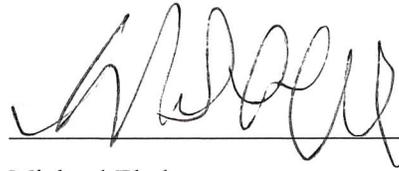
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