

# EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



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## Work Session: Next Steps in City Hall Space Planning

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Meeting Date: September 8, 2010  
Department: Central Services  
*www.eugene-or.gov*

Agenda Item Number: 2  
Staff Contact: Kristie Hammitt  
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### ISSUE STATEMENT

The purpose of this work session is to provide an update on the City Hall space planning efforts related to non-police functions located at City Hall. The update includes project scope, transition planning, and a proposed timeline for accomplishing the objective of consolidating downtown services in a safe, appropriately-sized facility that will reflect and inspire community pride.

### BACKGROUND

Approximately 11 years ago, the council began to address the issue of renovation or replacement of City Hall. Since then, several planning efforts have included numerous public involvement opportunities for the community to provide input. Since planning efforts began in 1999, a number of projects have been undertaken to achieve the goal of replacing City Hall.

- In 2000, the 9-1-1 Center was relocated from City Hall to a new building at the 2nd and Chambers Emergency Services Complex.
- In September 2001, the council directed that relocation of EPD personnel from the basement of City Hall and relocation of Fire Station #1 should be the first priority projects in the Downtown Space Plan.
- The new Police property and forensics building was completed in 2004.
- The new Downtown Fire Station, which was funded with General Obligation bonds approved by voters in May of 2002, was occupied in 2005.

The replacement of City Hall is the next project priority. In July 2007, the City Council directed that the existing City Hall site be used for the construction of a new City Hall. Since that time the council has made a couple of other key decisions to address space issues at City Hall:

- July 29, 2009, the council authorized the City Manager to negotiate and sign a Purchase and Sale Agreement for the acquisition, design, and construction and move-in of police services at the 300 Country Club site. The City Manager completed this negotiation and purchase in June 2010.
- July 29, 2009, the council directed the City Manager to plan for a future work session with the council to address moving remaining non-police services out of City Hall.

The acquisition of 300 Country Club for police services has changed the space footprint required to consolidate a majority of City services located downtown into one site. In addition, it is likely that the City will continue to occupy existing space in the Atrium Building and on the fourth floor of the Library for the foreseeable future. The estimated space need for City Hall is approximately 100,000 square feet depending on what services are located in the facility.

The cost projection to build a new City Hall on the existing site ranges from \$40 to \$50 million. Projections are based on estimated space needs of City functions in a range of consolidation options. Project costs would include demolition of the existing structure and construction of a new building based on a more compact footprint and efficient layout leaving a good portion of the site as open space that could be utilized for future expansion.

Ultimately, the level of consolidation will depend upon cost, the benefit derived from collocation of various services, and consideration of how the building can best be used to serve the public. The City Hall Master Plan provides a significant amount of detail that can be used to develop a more structured plan.

Although the council had decided that a new City Hall should be built on the existing site, the council also subsequently expressed interest in considering the EWEB Administrative Building site for relocation of City Hall. In May 2009, the council directed staff to send a letter to EWEB to notify them that city officials wish to have first right of refusal for this site if EWEB decides to sell. To-date, the City has not received any information from EWEB regarding their intent to sell the facility.

## **TIMELINE**

The functional, structural, and safety issues at City Hall require development of a short-term plan and timeline to address these problems. In addition to the seismic vulnerability and deteriorating state of the facility, a primary driver for the replacement of the building is the EWEB steam conversion process currently scheduled to be complete by June 2012 (although that date could change). Staff will begin working on plans to vacate City Hall and relocate in temporary space until a permanent City Hall solution is approved and built. This will address safety concerns while addressing a permanent plan for the site.

Funding for the City Hall project is one of several major funding priorities to be considered as part of building a sustainable budget. Consideration of a bond measure for City Hall should take into account other future bond measures such as street bonds, potential new revenue sources, and other funding initiatives proposed within the jurisdiction.

If the council adopts the recommended motion, staff will (a) work on plans for the temporary relocation of City Hall functions consistent with EWEB's planned steam conversion timeline, and (b) return to the council with a concept plan for a new City Hall and a proposed financial strategy.

## **RELATED CITY POLICIES**

The City Hall planning process relates to the council goals of an effective, accountable municipal government, a safe community, and sustainable community growth and change.

## **COUNCIL OPTIONS**

The purpose of this work session is to provide the council with an update on the City Hall planning process, particularly in light of the acquisition of 300 Country Club Road for police services. This work session is an opportunity for the council to discuss concerns or thoughts about the proposed approach and to give direction to the City Manager.

## **CITY MANAGER'S RECOMMENDATION**

The City Manager recommends that the proposed motion be approved.

## **SUGGESTED MOTION**

Move to direct the City Manager to return to the council with a concept plan for City Hall and proposed financial strategy.

## **ATTACHMENTS**

- A. Facility Reserve History
- B. City Hall Complex Master Plan Council Action History

## **FOR MORE INFORMATION**

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## **FACILITY RESERVE HISTORY**

The Facility Reserve was created in FY01 as a way for the organization to save for the repair or replacement of City Hall and a new Police Facility. The intention was that the organization could reduce the amount asked from voters to pay for the City Hall projects by saving money in the Facility Reserve.

Overall, the amount in the Facility Reserve in FY11 is estimated to be \$23 million. Below are brief descriptions of some of the major revenues and expenditures transactions that have occurred in the Facility Reserve since its creation in FY01.

### **Major Deposits into the Facility Reserve**

**Excess EWEB Wholesale CILT:** During FY01, \$7.3 million was earned from one-time CILT payments on wholesale electric sales to California. These funds were deposited into the Facility Reserve during FY01 and FY02.

**Settlement of Telecommunications Lawsuits:** In FY05, the City deposited \$15.4 million into the Facility Reserve from the General Fund and the Telecommunications Fund. The revenues were a result of additional licenses and permits from Qwest and other telecom providers.

**Assessment Bond Fund Residual Assets:** In FY03, council reviewed the residual assets contained in the assessment bond fund reserves and determined how to use the excess funds. At that time, \$2.3 million of the residual assets were deposited into the Facility Reserve to be used for City Hall complex master plan projects.

**Capitalization Component of Facilities Charge:** During FY02, a new component was added to the Facilities Charge for certain downtown facilities. This charge was developed as a way to systematically set aside funds for a new City Hall. Both General Fund and Non-General Fund services have contributed to the Facility Reserve through Facility Capitalization Charges. In FY10, the charge was suspended for one year, and in FY11, the charge was discontinued indefinitely.

**Other Miscellaneous Revenues:** The City deposited other one-time funds into the Facility Reserve from time to time. Examples are proceeds from sale of the Olive Street parking lot (\$350,000), the library asbestos settlement (\$227,000), and return of excess budget for Library construction project (\$100,000).

### **Major Expenditures from the Facility Reserve**

**Police Facility:** In FY10, \$16 million was appropriated to pay for acquisition and renovation of a building at 300 Country Club Road that will serve as a new Police Facility. This is part of the plan to get essential services out of City Hall and into more suitable locations.

**Roosevelt Police Building:** In FY02 and FY03, \$3.9 million was transferred from the Facility Reserve to pay for construction of the Forensic Evidence Unit/Property Control Unit facility at

Roosevelt, which allowed police to discontinue using the basement space at City Hall as regular working areas.

**City Hall Master Plan:** Council dedicated approximately \$3 million to the City Hall Master Plan from the Facility Reserve in fiscal years 2006 through 2009.

**Lane County Revenue Swap:** In FY09, \$4.5 million was transferred to Lane County, so that the funds could be used to pay for jail beds, prosecution services and other high-priority services. In return, the County sent \$4.5 million from their Road Fund to the City to pay for road maintenance, repair and construction.

**Transportation Utility Fund Transfer:** In FY09 and FY10, the City transferred \$1 million each year from the Facility Reserve to the Transportation Utility Fund to pay for street maintenance, including pothole patching.

**Fire Station #1 Costs:** As part of the financing plan for construction of a new Fire Station #1, \$270,000 was transferred out of the Facility Reserve in FY03 to pay for furnishings, fixtures and equipment (FF&E). The bulk of the fire station was built with General Obligation bond funds approved by voters, but the FF&E costs are not eligible for General Obligation Bond funding.

**General Fund Budget Gap:** In FY04, \$900,000 was transferred from the Facility Reserve to fill a budget gap in the General Fund.

**Other Miscellaneous Expenditures:** Facility Reserve contributions were also used to pay for the LRCS Master Plan (\$130,000), the EPD PERF Study (\$35,000), and homeless prevention services (\$150,000).

## **City Hall Complex Master Plan Council Action History**

### **Council Actions**

On May 25, 2005, the council approved the City Hall/Police Building Action Plan (subsequently renamed the City Hall Complex Action Plan) which identifies the major policy issues to be addressed, the overall description of project phasing, the nature of work to be accomplished, resource needs and proposed project outcomes associated with the City Hall Complex Master Plan.

On October 19, 2005, a consultant team led by Thomas Hacker Architects facilitated a council workshop for the purpose of identifying and providing direction on policy issues relevant to the City Hall Complex. Based on pre-workshop interviews with the mayor and council, six project values were presented by the consultant team to which three additional project values were proposed by council members during the workshop. In addition, eight key issues and five sub-issues emerged from pre-workshop interviews with the mayor and council, and were presented during the workshop.

At the November 23, 2005 work session, the council adopted the following project values to serve as a basis for future decision making:

1. Exercise fiscal responsibility
2. Produce government efficiency
3. Be user-friendly
4. Embody environmental stewardship
5. Enhance downtown
6. Inspire civic pride
7. Maximize use of City Hall public spaces by the public and access to government and its representatives
8. Strive for simplicity
9. Plan for the future

In addition, position statements on the four issues with the highest degree of consensus were adopted as follows:

1. Incorporate meaningful sustainable design goals.
2. Utilize a long-term planning horizon of 25 years.
3. Consolidate City services to the greatest practical extent.
4. Develop the project in consideration of the Downtown Plan while not limiting location choices to 8<sup>th</sup> Avenue.

At the December 14, 2005 work session, the council directed the City Manager to proceed with phase 2—the Development Plan Phase—of the City Hall Complex Action Plan for \$1,135,000. This phase includes the technical work and public input required to generate an overall development plan for the City Hall Complex. This phase will also resolve the remaining policy issues from phase 1 and result in a concept plan for the City Hall Complex.

On March 8, 2006, the consultant team facilitated a council workshop marking the beginning of the Development Plan Phase of this project. The purpose of the workshop was to discuss preliminary space needs assumptions, facility implications relative to police service delivery options, proposed site evaluation criteria, and emerging issues from citizen interviews, as well as to preview the first Community Forum. Results from this workshop provided the basis for the Forum.

At the April 26, 2006 work session, the council adopted three different Police consolidation options for use in ongoing planning efforts related to the City Hall Complex: Option B that consolidates all Police functions with the rest of City Hall on a single site; Option C that consolidates all Police functions except patrol with the rest of City Hall and provides for a separate patrol facility nearby; and Option D that consolidates all Police functions except patrol with the rest of City Hall and provides for a separate patrol facility in a more remote location outside the downtown area.

On May 10, 2006, the consultant team facilitated a council workshop that introduced the City Hall Space Requirements Program, presented Renovate, Hybrid, and New options for City Hall, and previewed the second Community Forum which took place on May 25, 2006. Results from this workshop provided the basis for the Forum.

At the July 19, 2006 work session, the council adopted new construction as the preferred option for future planning and design of the City Hall Complex rather than renovating the existing city hall building or doing a hybrid of renovation and new construction. This action reflected a majority of support at the Community Forum for construction of a new City Hall.

On August 9, 2006, the consultant team facilitated a council workshop to discuss and refine the site evaluation criteria for potential sites related to a new City Hall Complex and then apply the criteria to specific sites. The consultant team also received direction from the council on eliciting public input during the third Community Forum held on August 24, 2006. Results from this workshop provided the basis for the Forum.

At the September 20, 2006 work session, the narrowed down to two the number of sites to be carried forward for use in developing concept designs for a new City Hall. The two sites selected were the existing City Hall site and the Butterfly Lot/Rock N Rodeo sites. This action reflected a majority of support for these two sites at the Community Forum, while also acknowledging that a third preferred site—the former Sears—might be a viable site if development plans for that site do not move forward.

On October 18, 2006, the consultant team facilitated a council workshop to introduce to the council principles of architectural design and urban planning that will guide the concept design options for City Hall, discuss factors that will influence decisions about police consolidation and site, and preview the fourth and final community forum. Results from the workshop provided the basis for the Forum.

At the November 20, 2006 work session, the council voted to proceed with planning for a new city hall with police patrol in a separate facility. Then at the December 11, 2006 work session, the council selected the Butterfly Lot/Rock N Rodeo site for use in schematic design and other

planning for a new city hall. This marked the completion of Phase 2, the Development Plan Phase, of the City Hall Complex Master Plan. Both of these council actions reflected the majority opinion from the Community Forum.

At the February 14, 2007 work session, the council requested the Design Team to perform statistical public opinion research to inform future work. The research was intended to understand what elements of a new city hall mattered most to voters and test the initial level of voter support.

At the June 20, 2007 workshop, the Project Team introduced public opinion research, consolidation options, and a conceptual scope of work for the remainder of the Implementation Plan Phase. At that time the council requested additional information on the costs of the police patrol facility, escalated relocation and leasing costs, comparison costs for leasing and purchasing space in the Federal Building, potential City Hall sites other than the existing City Hall and the Rock N' Rodeo/Butterfly sites, deed restrictions related to the Butterfly Lot site, and costs for the remaining Implementation Plan Phase scope of work.

At the July 20, 2007 work session, the council decided to continue master planning efforts for a new City Hall.

At the September 26, 2007 workshop, the project team introduced the Police Patrol Facility site selection analysis, City Hall design progress showing concept options with and without patrol functions, and cost models for police patrol facilities on generic sites downtown, out of downtown, and at a new City Hall. Council requested additional information on site ownership, availability, and owners' willingness to sell.

At the October 17, 2007 work session the council voted to proceed with development of a Police Patrol Facility concept design for site E, a portion of Land Transit District's RideSource site, located near the intersection of Garfield Street and West 2<sup>nd</sup> Avenue. The council also voted to continue to explore acquisition of sites E and F. The council will receive an update on the status of acquisition efforts at the December 12 workshop.

At the November 28, 2007 work session, council voted to proceed with planning for a City Hall/Police Patrol Facility based tentatively on a 2010 ballot measure.

At the December 12, 2007 workshop the council reviewed multiple options on City Hall concept designs and provided feedback that shaped the development of a single concept design. The council also reviewed Police Patrol Facility plans and costs and requested more refined cost analysis.