

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session: Next Steps for City Hall

Meeting Date: March 16, 2011
Department: Central Services
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Agenda Item Number: A
Staff Contact: Mike Penwell
Contact Telephone Number: 541-682-5547

ISSUE STATEMENT

The purpose of this work session is to provide further policy direction regarding planning efforts for non-police functions currently located at City Hall.

BACKGROUND

Almost 12 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. The City Hall Master Plan process in particular gathered a substantial amount of public input that has informed staff and council decision-making both during and after the completion of that process nearly four years ago. Among the outcomes of this comprehensive planning effort were:

- A vision for a new City Hall as a model of sustainability, reflecting the values and priorities of Eugene.
- A flexible design concept to allow for incrementally moving forward as the City is ready and funding is available.
- A guide for finding innovative ways to solve the space, safety and mechanical challenges facing the existing City Hall.
- A timeline for making decisions about the future of City Hall by early 2011 in order to respond to Eugene Water & Electric Board's (EWEB) shut-down of the distributed steam heat system by June 2012.

Since the first planning efforts began in 1999, a number of projects have been undertaken to achieve the goal of relocating public safety functions out of 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 Eugene Police Department (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 Police property and forensics building on North Garfield was completed in 2004 using Facility Reserve funds.
- The Downtown Fire Station at 13th and Willamette, funded with General Obligation bonds approved by voters, was occupied in 2005.

The replacement of City Hall has been the next project priority. In July 2007, the council directed that the existing 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. Specifically, on 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.
- Plan for a future work session with the council to address moving remaining non-police services out of City Hall.

Because the Police Department was the most difficult piece of the City Hall puzzle to solve, and because EPD occupies over half the useable area in the building, relocating all police functions to the Country Club Road facility makes it much easier to plan for relocating the remaining functions from City Hall either temporarily or on a longer-term basis. Simultaneously, there are opportunities to partner with new downtown development projects (as in the City's commitment to lease space in the Bennett building on Willamette Street) and to benefit from vacant office space downtown. This provides for a variety of potential options for planning and phasing of a new City Hall.

Although the council previously decided that a new City Hall should be built on the existing site, the council also subsequently expressed interest in considering the current EWEB Headquarters as the new location for 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 notification from EWEB regarding their intent to sell the facility.

In September 2010, the council directed that City staff work with EWEB staff to evaluate the feasibility of relocating City Hall functions to the EWEB headquarters property. EWEB and City staff met four times—including a tour of the site—and shared information on space needs and functional requirements. In considering the viability of this site, staff evaluated the physical layout of the buildings, costs to address building deficiencies and necessary tenant improvements, public accessibility to the facility, and proximity to other City facilities. A summary analysis is included as Attachment A and a summary construction cost estimate as Attachment B. The cost for acquiring and renovating the EWEB headquarters site to accommodate City Hall functions is estimated to be at least \$30 million.

Resources and Timing

The functional, structural, and safety issues at City Hall have been well-documented over the past dozen years. In addition to the seismic vulnerability and deteriorating state of the facility, the approaching deadline for termination of EWEB steam heat requires the development of a short-term plan and timeline to address these problems. The City could have approximately \$8 - 10 million available in one-time resources to accommodate relocation of services currently located at City Hall and building the first phase of a new City Hall.

Staff has begun preliminary planning to vacate City Hall and relocate in temporary space until a permanent City Hall solution is approved and built. This would address safety and cost concerns

while addressing a permanent plan for the site. The City Manager is seeking council direction to develop and implement a transition plan for moving all remaining City services out of City Hall by June 30, 2012, and to pursue Phase 1 of a multi-phased City Hall at the existing site utilizing available existing resources.

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 direction to the City Manager to proceed with developing a phased plan for building a new City Hall on the existing site utilizing one-time funding for the project.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends approval of the proposed motion.

SUGGESTED MOTIONS

1. I move to direct the City Manager to develop and implement a transition plan for moving all remaining City services out of City Hall by June 30, 2012, and to develop a phased approach to building a new City Hall at the current site utilizing available resources.
2. I move to direct the City Manager to return with a funding plan for the project.

ATTACHMENTS

- A. EWEB Headquarters Analysis
- B. EWEB Headquarters Cost Estimate

FOR MORE INFORMATION

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EWEB Headquarters Analysis

Evaluation includes review of EWEB Headquarters (North and South Buildings)

Facility Constructed: 1988

Issue	Description	Cost (if applicable)
Facility Cost	Based on two appraisals prepared in 2004 and recent comparable properties, City staff estimate the Headquarters property would have an appraised value of approximately \$15 million.	\$15,000,000 ±
Site Location	During the City Hall Master Planning process the preferred site identified by council and the majority of public involvement participants was the existing City Hall site. The EWEB site is located on the riverfront and outside of the downtown core area as defined by the Eugene Downtown Plan, creating even greater dispersement of City services than currently exists. Moving city hall out of the downtown core also diminishes easy access to other public agency partners (e.g., LCOG and Lane County).	
Available Square Footage and Configuration	EWEB headquarters is approximately 100,000 square feet: North Building is 15,000 sq ft and South Building is 85,000 sq ft. Overall square footage is adequate for core city hall functions, but the current space configuration is specifically designed to meet EWEB's business needs. Most of the South building could be modified to accommodate city functions, but the North building presents some challenges for efficient utilization of space and good public access.	
Building Deficiencies and Tenant Improvements	City staff reviewed an analysis of renovation options and costs commissioned by EWEB in 2009 that estimated the cost of renovating the HQ building at approximately \$12 million (See Attachment B for more detail). Adding associated soft costs would yield a total project cost of \$15-16 million. This analysis used essentially the same assumptions as those used by the City's consultants in analyzing City Hall: renovating to a LEED Gold standard (or higher) and addressing functional and condition deficiencies for continued long-term occupancy. It would likely cost even more to renovate EWEB as a city hall in order to meet the City's specific functional needs. For example, the upper level of the North Building would likely be converted to a Council Chamber or Municipal Courts rather than be retained as a cafeteria.	\$15,000,000 +
Transportation Access	The site has good automobile and bicycle access. The nearest bus service is at 3rd and High. Pedestrian access is challenging from the downtown core, though connections do exist.	
Parking	There is adequate parking on the headquarters site to serve a city hall.	
TBL Analysis:	<p data-bbox="391 1591 1271 1690">- Economic: Relatively high cost to implement; exceeds available resources. Detracts from downtown vitality/economic development. City Hall may not support development goals of riverfront master plan.</p> <p data-bbox="391 1724 1271 1854">- Environmental: Supports short-term sustainability by re-use of existing building, but existing city hall site has higher long-term sustainability potential because of the opportunity to incorporate more green building features. Downtown better supports multiple alt modes of transportation; EWEB site encourages more automobile use.</p> <p data-bbox="391 1887 1271 1986">- Social Equity: Location does not promote pedestrian and mass transit access. Difficult to fully implement universal design in North Building. Promotes a safe and healthy work environment for City employees and public who would use the building.</p>	

EWEB Headquarters Cost Estimate		
Remodel Existing Headquarters Building Downtown		
Summary of potential EWEB Improvements		
CONSTRUCTION CATEGORY	Const. Estimate (Direct Costs)	Description
<i>Demolition</i>	\$400,000	- site work (various) - ceiling, flooring, carpet, some walls, roofing
<i>Site</i>	\$500,000	- site access improvements - revise/upgrade parking lot lighting - rebuild south parking lot, new fencing, gate - changes to landscaping
<i>Structure</i>	\$100,000	- expand mechanical room - new bike parking structure
<i>Exterior Wall + Glazing</i>	\$400,000	- replace glazing on S & E facades, skybridge - re-caulk window systems - add natural ventilation (louvers, controls) - install new doors in skybridge
<i>Roofing</i>	\$450,000	- replace roof (33,000 sf) - add solar hot water panels - upgrade seals under deck pavers (2400 sf)
<i>Interiors</i>	\$2,500,000	- interior remodel, various locations - replace carpet, flooring and repaint throughout - new blinds throughout - refurbish restrooms
<i>Elevators</i>	\$100,000	- repair/upgrade elevator cabs
<i>HVAC</i>	\$1,600,000	- install new gas fired condensing boilers - rebuild/replace existing water pumps - replace valves, controls; rebalance system - replace air handling equipment - update building controls system
<i>Plumbing</i>	\$250,000	- new plumbing fixtures in restrooms/shower area - repair/replace piping as needed - new gas piping
<i>Fire Sprinklers</i>	\$100,000	- relocate, replace sprinkler heads (various)
<i>Electrical</i>	\$2,400,000	- replace lighting, controls throughout - relocate emergency generator - replace distribution panels - new branch wiring for remodeled areas - new mechanical wiring - replace fire alarm system
Subtotal	\$8,800,000	
<i>Contingency</i>	\$1,320,000	- design and estimating contingency @ 15%
<i>General Conditions</i>	\$572,000	- contractor's general conditions @ 6.5%
<i>Profit & Overhead</i>	\$528,000	- contractor's profit and overhead @ 6%
<i>Bonds</i>	\$132,000	- contractor's performance and payment bonds @ 1.5%
<i>Escalation</i>	\$567,600	- construction cost escalation @ 5%
Total Const. Cost	\$11,919,600	
<i>Assoc. Soft Costs</i>	\$3,575,880	- associated project soft costs @ 25-33%
Total Project Cost	\$15,495,480	(2012 dollars)