

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session: City Hall Project

Meeting Date: October 27, 2014
Department: Central Services
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Agenda Item Number: A
Staff Contact: Mike Penwell
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ISSUE STATEMENT

The purpose of this work session is to seek the council's direction on several possible additions to the City Hall project and a funding plan before proceeding with detailed design work for those additional project elements.

BACKGROUND

At the September 24, 2014, work session, the council confirmed its direction that Eugene City Hall will be new construction built on a half-block of the existing full-block city hall site. At the October 8, 2014, work session, the council further confirmed that the Phase 1 City Hall project will consist of approximately 25,000 square feet and reflect the current concept design by Rowell Brokaw Architects. In addition, the council directed the design team to continue developing options for a possible fourth floor, options for underground parking, and options for making city hall as energy efficient as practicable. The council postponed consideration of what to do with the council chamber until more information was available.

Council Chamber The council chamber is structurally separate from the rest of City Hall and can therefore be treated differently than the rest of the building if so desired. There is a range of potential reuse strategies for the council chamber reflected in the three options summarized below. Please see the attached memo from the design team (Attachment A) for a more detailed description of the options along with the corresponding cost for each.

Fourth Floor At the July 14, 2014, work session, the design team recommended adding a fourth floor to the Phase 1 city hall building if funding could be identified. The primary reasons are to piggyback on the current project to reduce the cost of adding additional square footage compared to what it would cost in a future phase, to establish a more prominent civic presence on site, provide a more appropriate urban scale to the building for its downtown site, consolidate more functions at the site, and provide more flexibility for what functions could be included in the building during the initial and future phases. The fourth floor would add approximately 9,500 square feet of area to the building and could be accomplished as either shelled space or as finished, ready-to-occupy space as follows:

- Shelled space: \$2.1 million for construction + \$0.75 million for soft costs = \$2.85 million
- Finished space: \$3.1 million for construction + \$1.1 million for soft costs = \$4.2 million

Shelled space would consist of the exterior walls and windows, roof, and floor slab with mechanical, electrical, and plumbing capacity to serve the fourth floor, but no ductwork, electrical distribution system, plumbing fixtures, ceilings, interior partition walls, or floor finishes. Shelled space would constitute the minimum construction required to add the fourth floor at this time and would require additional funding at a later date to have functional City offices occupy the space. Finished space would be ready to move into with no further improvements or additional cost.

Below-Grade Parking After studying a number of underground parking options, the project team recommends an option that stays within the footprint of the new building (see Attachment B). This option not only has a lower initial cost than a larger parking structure extending under the plaza to the south or the landscaping to the north, it also provides the lowest operations and maintenance costs as it avoids the need for an expensive waterproofing assembly that would be required if extending beyond the building footprint. This option would also maintain the greatest amount of flexibility for future phases and could easily be expanded to the north during a Phase 2 build-out. The cost for adding 17-20 underground parking spaces is \$1.4 million.

Project Funding The council established a budget of \$15 million for the project, which includes approximately \$11 million for construction and \$4 million for soft costs such as architectural design work, engineering, staff project management, permits, furnishings, and other related project costs. The council has appropriated a total of \$15 million for this project consisting of the balance in the Facility Reserve, \$2 million from the Telecom Fund to pay for related project costs, and \$2.44 million that is expected to come from future capital project and budget allocations. The council accepted the funding plan for City Hall at the June 18 work session and approved an appropriation of \$750,000 on supplemental budget in June 2013 and \$14.25 million on supplemental budget in June 2014.

The City Council requested that staff identify funding for a fourth floor expansion and underground parking space. Approximately \$4.25 million in additional project funding would be needed. Staff has identified three funding sources for council consideration.

To accomplish expansion of City Hall, it is possible to have Public Works' non-General Funds contribute to the cost of the construction of shelled space as a "down payment" on future space in City Hall that would be occupied at some point by Public Works staff. The specific timing of when that would occur, which staff would be included and where they would be located is not yet determined. Funds identified total \$2.6 million.

Another funding source is the proceeds from the sale of surplus property. The property, located at 8th Avenue and High Street, was previously used by the City as surface lot parking. In May 2013, the council approved the sale to the Shedd Institute. The transaction was completed in March 2014, and \$797,214.50 of one-time dollars were deposited into the City's General Fund. These dollars, as General Fund resources, can be used for any purpose as determined by the council.

In September 2014, the City settled an agreement with a telecommunications provider regarding back payments for franchise fees in the General Fund for \$894,400 of one-time payments. These dollars, as General Fund resources, can be used for any City purpose as determined by the council. Both the surplus property sale and the telecommunications settlement dollars will be included as

FY14 revenues in the City's CAFR and will represent a portion of the Marginal Beginning Working Capital Adjustment included on Supplemental Budget #1 in December.

Together these three sources will provide \$4.25 million of funding for the addition of the shelled fourth floor space and 17-20 underground parking spaces at City Hall. If council decides to approve the additions to the project and the funding set out above, the City Manager would bring project budget approval to council on Supplemental Budget #1.

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

1. a. The council can direct the City Manager to proceed with the City Hall fourth floor expansion for \$2.85 million utilizing the identified funding plan.
- b. The council can direct the City Manager to proceed with construction of underground parking for \$1.4 million located beneath the new City Hall utilizing the identified funding plan.
- c. The council can choose not to pursue either project addition.
2. a. The council can direct the City Manager to disassemble and retain welded steel structure for three years to provide for reassembly at a later time. Estimated cost for disassembling and retaining in storage for up to three years is \$42,000.
- b. The council can direct City Manager to demolish the existing council chamber and salvage and reuse as much as possible. There is no additional cost for this option.
- c. Council can direct the City Manager to mothball the existing council chamber for a cost of up to \$400,000.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends options 1a and 1b.

SUGGESTED MOTION

Move to direct the City Manager to proceed with the addition of a fourth floor and underground parking to the Phase I City Hall project using the identified funding sources, and bring back budget authority on supplemental budget #1.

ATTACHMENTS

- A. Council Chamber Options memo
- B. City Hall Parking design concept

FOR MORE INFORMATION

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