

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Public Hearing on City Hall Site at Echo Lake
DEPARTMENT: City Manager's Office
PRESENTED BY: Steven C. Burkett, City Manager

PROBLEM/ISSUE STATEMENT:

On December 6, 2004, the City Council authorized the City Manager to exercise an option agreement to purchase property at Echo Lake for a new City Hall. The Purchase and Sale Agreement provides for a 90-day Feasibility Contingency review period to perform "due diligence" to determine the physical and financial suitability of the site. The public hearing scheduled for January 10, 2005, will provide an opportunity for public input on the feasibility of the site for a proposed City Hall.

RECOMMENDATION

It is recommended that the Council accept and consider public comments on the feasibility and suitability of the Echo Lake property for a new City Hall.

Approved By: City Manager  City Attorney N. [Signature]

BACKGROUND

The location and construction of a City Hall for Shoreline has been a long-term priority goal for the City Council (currently Goal No. 6). After an extensive survey we identified 20 potential sites for review and based on Council approved criteria narrowed the finalists to six sites. Of those six, Echo Lake was approved by the City Council as the primary option and Council authorized the City Manager to negotiate and sign a purchase and sale agreement. This agreement was in the form of an option subject to City Council approval, which was granted on December 6, 2004. The agreement provides for a 90-day Feasibility Contingency period. During this time frame, the City will review environmental, soils, title, utility availability, and other normal "due diligence" factors to determine the feasibility of this site for a planned City Hall. We just received the preliminary results of the soils tests which are positive. All of the 10 foot deep test pits encountered undisturbed glacial till, except along Aurora which has about seven feet of fill over burden. No ground water or contamination was encountered. As a result we can expect to utilize regular spread footings and slab on grade construction. In addition, a Joint Development Agreement will be negotiated with the property owner covering the details of common area development, timing, covenants, property uses, etc. At the conclusion of the 90-days, the City Council has the option of whether or not to proceed with the project.

FINANCIAL IMPACT:

The property and interest to be acquired are generally as follows:

1. City Hall site, pad A	86,475 sq. ft.
2. Park area	53,650 sq. ft.
3. 47% of the buffer area	7,990 sq. ft.
4. 47% undivided interest in common area	55,965 sq. ft.
TOTAL	204,080 sq. ft.

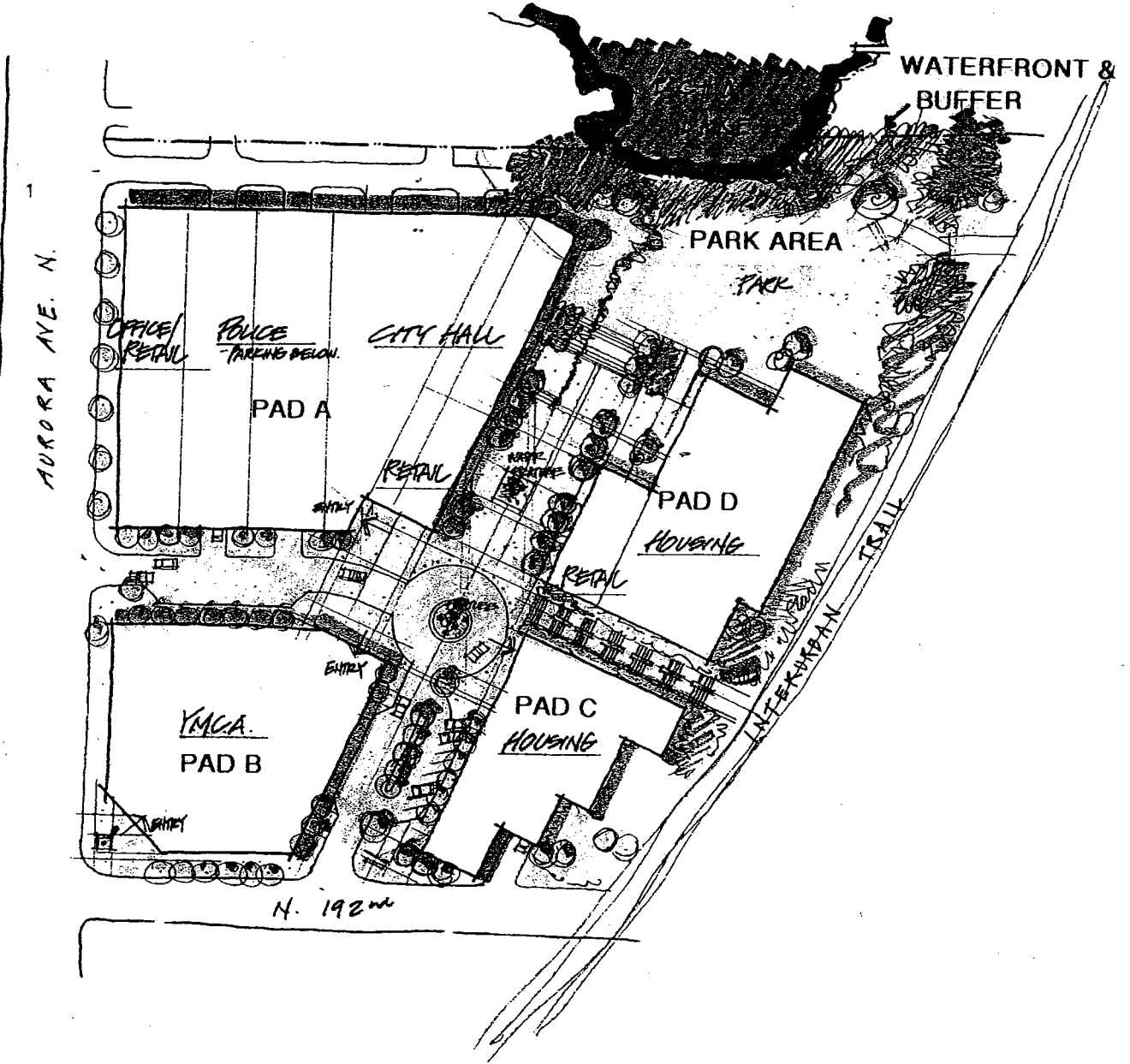
The purchase price is \$23.00 per sq. ft. for a total of \$4,693,840.00.

RECOMMENDATION

It is recommended that the Council accept and consider public comments on the feasibility and suitability of the Echo Lake property for a new City Hall.

ATTACHMENTS:

- A. Preliminary Site Plan
- B. Project Overview



Proposed City Hall Project Echo Lake Site

- Proposal is to acquire the following land at the Echo Lake site
 - One city hall site pad A – 86,475 square feet
 - Park area – 53,650 square feet
 - 47% of the buffer area – 7,990 square feet
 - 47% undivided interest in the common area – 55,965 square feet
 - For a total of 204,080 square feet
 - The purchase price is \$23 per square foot for a total of \$4,693,840.

- Estimated project cost
 - City hall building and related costs - \$20,000,000
 - Purchase of park land and buffer - \$1,417,720
 - Total - \$21,417,720

- Proposed financial plan

The City has accumulated \$11.4 million in savings for a “down payment”
Plan to issue \$10 million in municipal tax exempt bonds and repay the debt service over 20 years. Estimated interest rate is 4 to 5%.

- The majority of the debt service will be paid from our current expenses for rent and other building occupancy costs.

- Ninety-day due diligence.
 - Environmental review
 - Review options and costs to improve water quality in Echo Lake
 - Soils testing
 - Negotiate development agreement with the YMCA and Echo Lake Associates
 - Refine cost estimate

- Proposed site plan involves
 - 53,000 square foot city hall
 - Structured parking
 - Retail space
 - Space for future police station
 - Privately owned and financed housing
 - 50,000 square foot YMCA
 - Common area designed for community events
 - More than 1 ½ acre of park and open space along the Echo Lake waterfront

- Public involvement
 - Public Hearing scheduled for January 10

- Proposed competitive design build process with community involvement

- Comp. plan, site plan process