

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Police Station at City Hall Project Update		
DEPARTMENT:	City Manager's Office		
PRESENTED BY:	Dan Eernisse, Economic Development/Real Estate Manager		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

The Shoreline Police facility on N 185th Street has long been recognized as sub-standard. Following an extensive feasibility study, Council directed that the police station be incorporated into the City Hall campus. Council subsequently authorized staff to proceed with the acquisition of the Grease Monkey property next to City Hall to accommodate this integration. At their June 1, 2015 meeting, Council authorized the City Manager to hire David A. Clark Architects, PLLC, to design the improvements to the first and third floors of City Hall and the addition to the east of the City Hall building for this project.

Since that time, the Police Station at City Hall project design has progressed from a rough schematic to 60% design, and staff intends to advertise for construction bids this summer. Therefore, staff is providing an update to Council on the design, timeline, and budget of the project.

RESOURCE/FINANCIAL IMPACT:

The Police Station at City Hall project is currently projected at \$7.232 million in the adopted 2016-2021 Capital Improvement Program (CIP). At 60% design, the project cost has increased and is now estimated at \$7.761 million. Using the revised project cost estimate, the project funding gap is approximately \$1.4 million. The City Manager is recommending that the remaining funding be covered using General Fund Fund Balance. The project budget will be updated to reflect more final numbers as part of the CIP budget process this year.

RECOMMENDATION

Tonight's update is for information only and does not require Council action.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

The Shoreline Police facility on N 185th Street has long been recognized as sub-standard. While the police facility has been incrementally upgraded through small remodels and renovations, the building is considered unworthy of comprehensive improvements. To appreciate the condition of the facility, the City Council toured the facility in the past and acknowledged that the station was a cramped and outdated facility.

In early 2013, Council directed staff to conduct a feasibility study of options to upgrade the police facility. For its 2013-15 Council Goals, Council included an action step under Council Goal 5 to “Complete the police station feasibility study to determine if operational efficiencies can be gained between City and police operations, police neighborhood storefronts, and police volunteers.” Aided by the availability of seizure funds, staff conducted a feasibility study of alternatives for an improved police station, including:

- Option 1 - a new police facility on the current N 185th Street site,
- Option 2 - a new facility on a new site, and
- Option 3 - an integrated facility on the City Hall campus, which was recommended by staff.

On May 13, 2013, Council received a progress report at a Council Dinner Meeting and directed staff to give preference to Option 3, moving the police onto the City Hall campus. The articulated plan was for the Police Department to occupy the first floor of City Hall after its current uses, which primarily includes the City’s Planning and Community Development functions, are moved to a built-out third floor. The additional space and parking for police required the acquisition of the Grease Monkey property just to the east of City Hall.

Additional background on the Police Station at City Hall project is as follows:

- On August 5, 2013, Council received a progress report as part of the 2014 Capital Improvement Project (CIP) update explaining the sources of funds (seizure funds, proceeds from the sale of the current police facility, facility funds from the original City Hall bond reserved for the 3rd floor) as well as a general design and construction timeline of two to three years.
- On September 23, 2013, staff presented its findings more formally as an agenda item at a Council Business Meeting. Justification for the City Hall campus option was presented along with an estimated project cost of approximately \$5.5 million, with a \$2.1 million shortfall in funding.
- On November 18, 2013, Staff answered questions that emerged from the September 23rd meeting at Council’s Dinner Meeting, as well as explaining the process for acquiring the Grease Monkey property.
- On December 9, 2013, Council adopted Ordinance No. 680 authorizing the use of eminent domain for the acquisition of the Grease Monkey property for the Police Station at City Hall project. In addition, the staff report for this ordinance adoption answered questions regarding alternative locations and on-campus parking.

- On June 16, 2014, during the 2015 CIP update, the allocation for the Grease Monkey acquisition was increased from \$1.1 million to \$1.5 million to provide a larger contingency. It was also recommended that the Police Station project's gap in funding be made up using short term financing that would be paid back with the sale of the current police station property and future treasury seizure funds. The total project estimate adopted in the 2015 CIP was \$5.58 million.
- On June 1, 2015, Council took action to authorize the City Manager to execute a contract for professional services running through 2017 with David A. Clark Architects, PLLC, for design and construction management services to complete the build-out of the third floor and addition of a Police Station at City Hall in an amount not to exceed \$405,405. At the same meeting, staff provided an update on the project's timeline and budget, specifically indicating that the project completion was projected for Q4 2017 and that the budget would have a \$2.52 million shortfall in funding. Tonight's discussion will touch on the same subjects as well as update Council on the 60% design.
- During the Budget and CIP discussions during the fall of 2015 that resulted in the current project estimate and CIP document (<http://shorelinewa.gov/home/showdocument?id=22237>), staff updated the overall cost of the Police Station at City Hall project and the projected funding gap. Due to design and internal changes, such as increasing the contingency to 20% and expensing internal staff time, the overall project budget was increased to \$7.232 million. After a commitment of \$1 million from the General Fund to the project, the spending gap was estimated between \$1.4 and 1.6 million.

DISCUSSION

Project Design Update

The general concept for the project remains the same in that the City staff currently occupying the first floor will move to a remodeled third floor while the police department staff will leave their current N 185th Street Police Station building to occupy the first floor of City Hall plus an addition on the east side of the building. However, through the course of design, refinements have been made, and staff has grouped the refinements to coincide with the attached site plans. Listed below are highlights of the attached (Attachments A – E) site plans:

Non-police use of the first floor (Attachment A)

- The City Clerk's Office team will remain in the same location and will continue to receive visitors in the City Hall lobby. Their space will be improved with glass from counter to ceiling that provides better security as well as air-conditioning control.
- The fireplace in the lobby will be removed in order to provide more contiguous space for events.
- The current staff restrooms will be remodeled to add shower stalls for staff use, replacing the current showers in the mud room. The interior area along the plaza will be a staff-only area, and staff will use the existing doors into the current lunchroom as a secondary entrance and emergency exit.

Police use of the first floor (Attachment B)

- While the entrance to the police station remains in the same location, staff on upper floors will no longer use the police lobby as an emergency exit.

Police addition (Attachment C)

- The addition to the east of City Hall has changed shape, and it now extends further east/west along N 175th Street and less north/south along the existing building. This change provided better circulation and avoided expensive improvements to the fire, water, and electrical utilities that serve City Hall.
- The addition to the east of City Hall also grew in size to accommodate added non-police uses on the first floor in area that initially had been planned for police use – specifically the City Clerk’s Office, the staff hall, the emergency exit path, and the non-police shower rooms.

Third floor improvements (Attachment D)

- The move to the third floor will allow Planning & Community Development (PCD) to enhance customer service. Led by the City’s Permit Services Manager, the staff permit center team toured multiple permit centers and together decided that permit applicants will be better served by changing operational practices. In short, rather than applicants being shuttled from place to place, applicants will now be directed to a single station and staff members will come to them as needed. Each station will be equipped with a shared computer station with a screen arranged so that applicants can see and follow along as permits are managed.
- The permanent wall between the two northern existing conference rooms will be replaced with a movable wall that allows flexibility for larger meetings. In addition, several conference rooms will be available for weekend or evening use by the public.

City Hall Campus (Attachment E)

- The Highland Park Center (building to the east of Grease Monkey) is owned by the City and for many years has housed an office and Jersey’s Bar and Grill. Since the City acquired the property, both tenants experienced significant issues stemming from the low-quality, aging building, especially involving roof leaks. Staff obtained estimates on bringing the roof structure up to code and resurfacing the roof and found that making the roof dependable for at least ten years will cost approximately \$250,000.
- As reported earlier, the medical office space is needed for storage that replaces the function of the current ‘mud room’ on the first floor of City Hall and the empty third floor space that will be lost to other uses. The medical office tenant vacated the space recently. Due to costs associated with roofing and altering the space, staff has concluded that rather than the medical office section of the building serving as the storage space, this section should be demolished to provide space for a new storage-only building. Cost estimates indicate that a new building will be marginally more expensive than fixing the existing space and will provide much better function.
- Staff is also reviewing options for the space occupied by Jersey’s Bar and Grill. The options are being discussed with the owners and include early termination of

their lease if a mutually-beneficial alternative space can be identified. Cost estimates for roof replacement of this building are \$160,000 to \$200,000. The existing lease with Jersey's expires in the fall of 2017. Costs related to the roof repairs for this building are not included in the City Hall/Police Station project budget as this was not a cost related to that project. The roof replacement is not currently budgeted as it was an issue that came to staff's attention in the last few months.

Project Timeline Update

The timeline for the Police Station at City Hall project has had minor changes over the past year. The turnover date for the Grease Monkey property has been set for September 1, 2016, and its demolition is now planned just prior to the start of building construction. Demolition will be treated as a separate contract so that the building contract is not contingent on that process. The current timeline is as follows:

- Q2 2015 – Q2 2016 Complete design and receive permits
- Q3 2016 – Q4 2016 Bid and award demolition contract
- Q4 2016 Demolition and grading
- Q3 2016 – Q4 2016 Bid and award construction contract
- Q4 2016 – Q4 2017 Construction
- Q1 2017 Employees move from first to third floor
- Q4 2017 Police move into City Hall

Please note that the period of construction and the actual dates for delivery of the third floor and the police station addition will only become firm after a building contractor is secured.

Project Cost Update

The 2016-2021 CIP update placed the total project cost at \$7.232 million with a projected \$1.5 million funding gap. The most recent cost estimate provided by DA Clark Architects based on the 60% design documents was increased to \$7.761 million. The increase was driven primarily by an unexpected \$260,000 increase in the price of exterior aluminum siding to match the council chambers and the need for a \$130,000 stormwater vault. In addition, until recently the City has not been able to perform a survey of the Grease Monkey property. The recently completed survey indicates that more soil will need to be removed than previously estimated to bring the site to the correct grade. Staff has yet to complete a value engineering process with the architect to determine if there are opportunities to reduce the project costs.

DA Clark Architects suggested that the 20% contingency could be reduced to 12.5% given that the design is now at the 60% level, but staff opted to maintain a 20% contingency in light of the unknowns still inherent in the project, namely:

- The amount of the mediated settlement for the Grease Monkey acquisition, given escalating property valuations in Shoreline.
- The amount of contaminated soil on the Grease Monkey site. As expected, recently completed borings indicate oil contamination on the former fuel station site; however, the Phase II site analysis was not completed before this report was written. Staff will provide an updated report during its presentation tonight. Geotechnical analysis is also being performed to determine the type of support

needed for the foundation of the addition. The contract has been executed, and the report is expected at the end of May.

- Hazardous Material Assessments need to be made on the Grease Monkey building and Highland Park Center building. A scope of work is currently being developed, and staff expects to have the analysis completed by the end of May. This will help determine the appropriate methods for demolition.
- It is still unclear what storm water detention will be required and how it will be handled. Staff is working internally to devise a cost-effective solution.
- Costs associated with the evaluation of options for the space occupied by Jersey's Bar and Grill have not been incorporated in these estimates.
- Finally, staff will conduct a value-engineering exercise to see if savings can be found in the overall project cost.

Fund Sources Update

Current funds available for police facility improvements will come from the following sources:

- Treasury Seizure Funds: Approximately \$2.8 million in treasury seizure funds are committed to the project, which represent the Shoreline police department's portion of seized funds from successful convictions in which its personnel contributed.
- State and Federal Drug Seizure Funds: Approximately \$475,000 in seizure funds are committed to the project which represent the Shoreline police department's portion of seized funds from successful drug convictions in which its personnel contributed.
- Sale of Current Building (Estimated): Staff has estimated \$1.265 million as the current value of the N 185th Street police station property. The property was assessed at \$1,065,000 in 2013 by the King County Assessor, but due to a change in state law (RCW 84.40.045 and 84.40.175) by the 2013 Legislature, revaluation of government owned parcels was eliminated. However, commercial properties in the vicinity of the police station increased in value by roughly 10% in the same period. That value seems appropriate given that the King County assessment is typically below market, that property is well-located with attractive Town Center zoning, and that the area has experienced escalating values. Staff intends to present a staff report to Council this summer proposing that the property be designated as surplus and proposing an appropriate method to dispose of the property; once designated as surplus and appraised, staff will begin marketing the property.
- Residual City Hall Capital Funding (Available): \$278,000 is available in the General Capital Fund for the original City Hall project's third floor improvements.
- REET Over Collection: In 2015, the City also experienced a significant over collection of Real Estate Excise Tax (REET) revenues from some extra-ordinary sales. Approximately \$264,000 of this revenue in the General Capital fund was dedicated to this project.
- General Fund Contributions: The 2016 CIP anticipated \$1.0 million contribution to the project from the General Fund. An additional \$280,000 will be available as a result of replacing the General Fund contribution to the Roads Capital Fund with REET over collections that are required to be dedicated to the Roads Capital fund.

Given these funding sources, if the total project cost is \$7.761 million and the current police facility sells for \$1,265,000, the project will have a \$1.4 million funding gap. Staff proposes that the funding gap be covered using General Fund Fund Balance. The General Fund will still have a remaining fund balance substantially greater than required policy levels.

RESOURCE/FINANCIAL IMPACT

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RECOMMENDATION

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ATTACHMENTS

- Attachment A: Non-police Use of First Level Floor Plan
- Attachment B: Police Use of First Level Floor Plan
- Attachment C: Police Addition Floor Plan
- Attachment D: Third Level Floor Plan
- Attachment E: City Hall Campus Site Plan

CONSULTANT

OWNER



City of Shoreline 17500 Midvale Ave. N. Shoreline, WA 98133

PROJECT Police Station at City Hall Project 17500 Midvale Ave. N. Shoreline, WA 98133

JOB NUMBER 0715

DRAWN BY SB

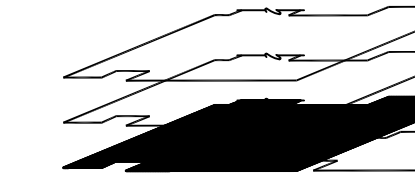
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DRAWING DATE March 1, 2016

REVISIONS & PRINT DATE

30% REVIEW - 01/29/16 60% REVIEW - 03/14/16

KEY PLAN



SCALE

4937 REGISTERED ARCHITECT

DAVID A. CLARK STATE OF WASHINGTON

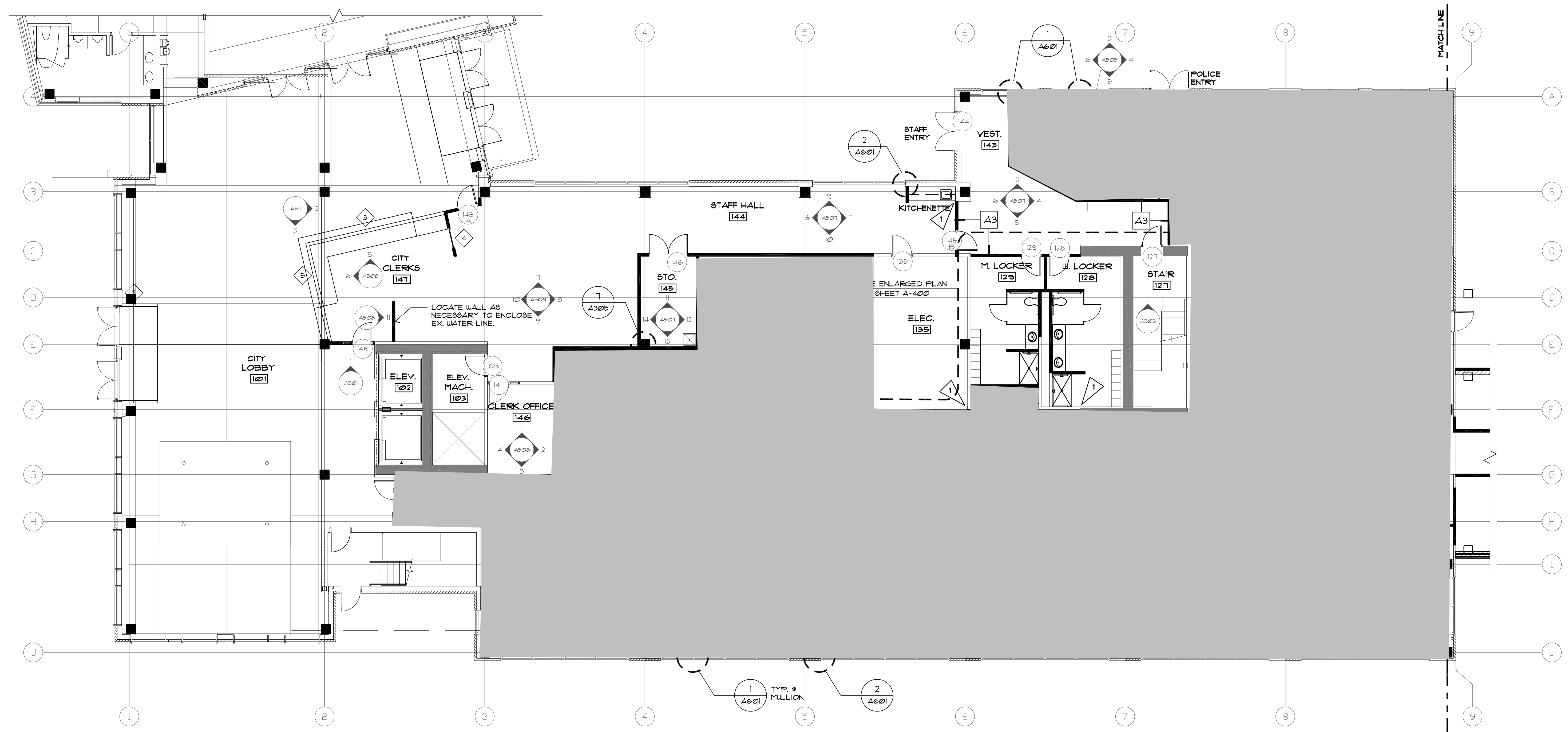
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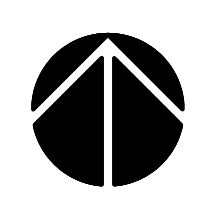
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FLAG NOTES:

1 ALIGN NEW STUD WALL FRAMING FOR FINISHED GUB TO ALIGN W/ EXISTING FINISHED GUB.



FIRST LEVEL FLOOR PLAN 1/8"=1'-0"





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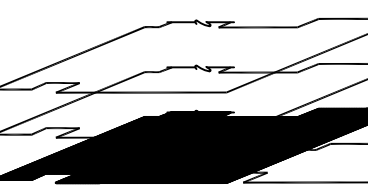
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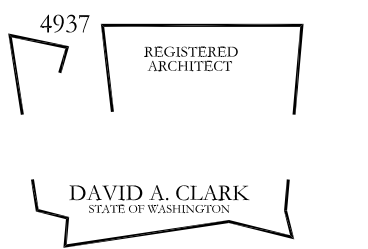
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30% REVIEW - 01/29/16
60% REVIEW - 03/14/16

KEY PLAN



REGISTERED ARCHITECT



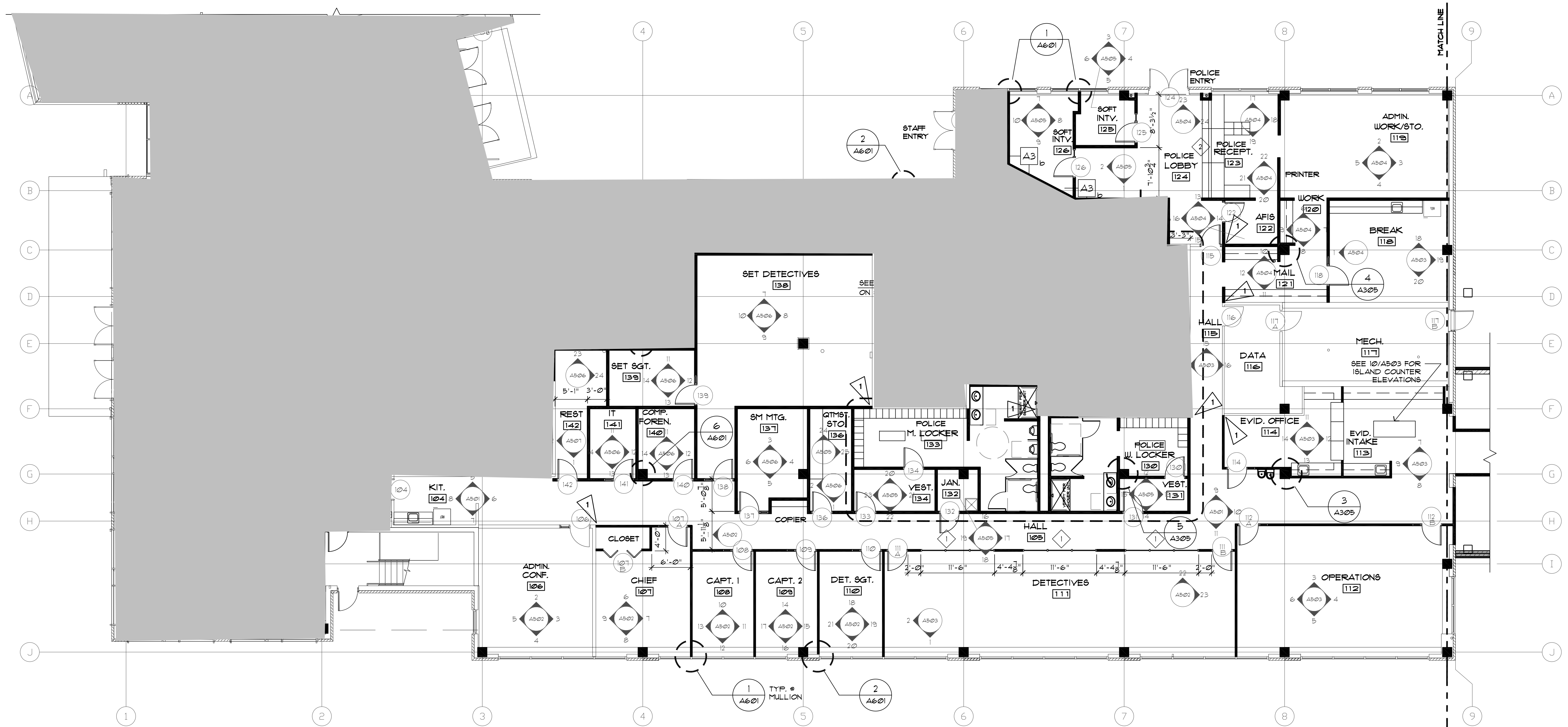
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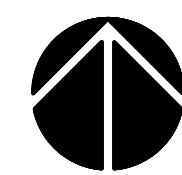
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FIRST LEVEL
FLOOR PLAN 1/8"=1'-0"



GENERAL NOTES

1. xxx

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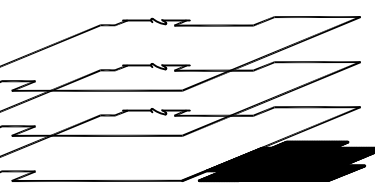
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REVISIONS & PRINT DATE EXIST

30% REVIEW - 01/29/16
60% REVIEW - 03/14/16

KEY PLAN



STAMP AREA

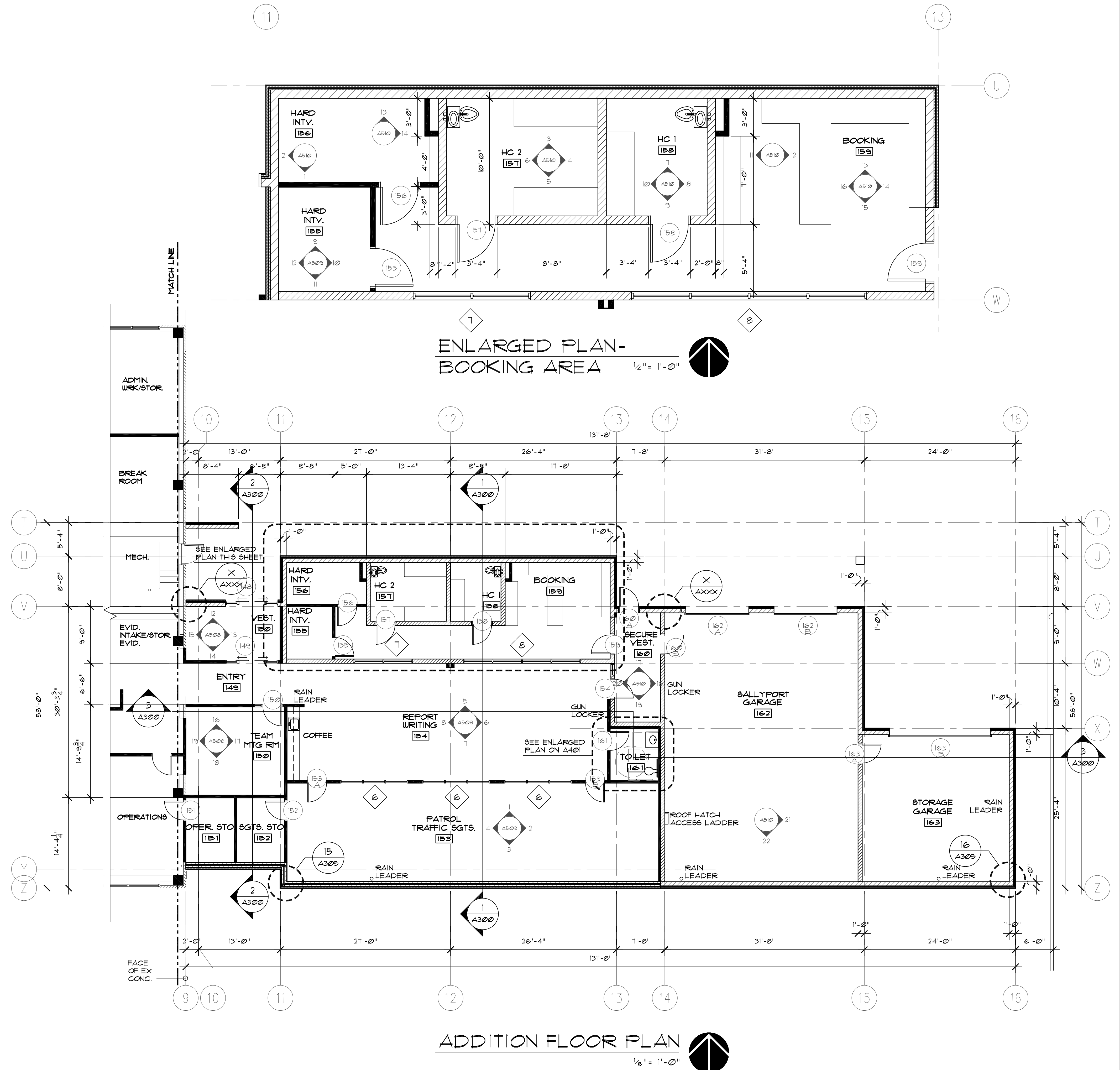


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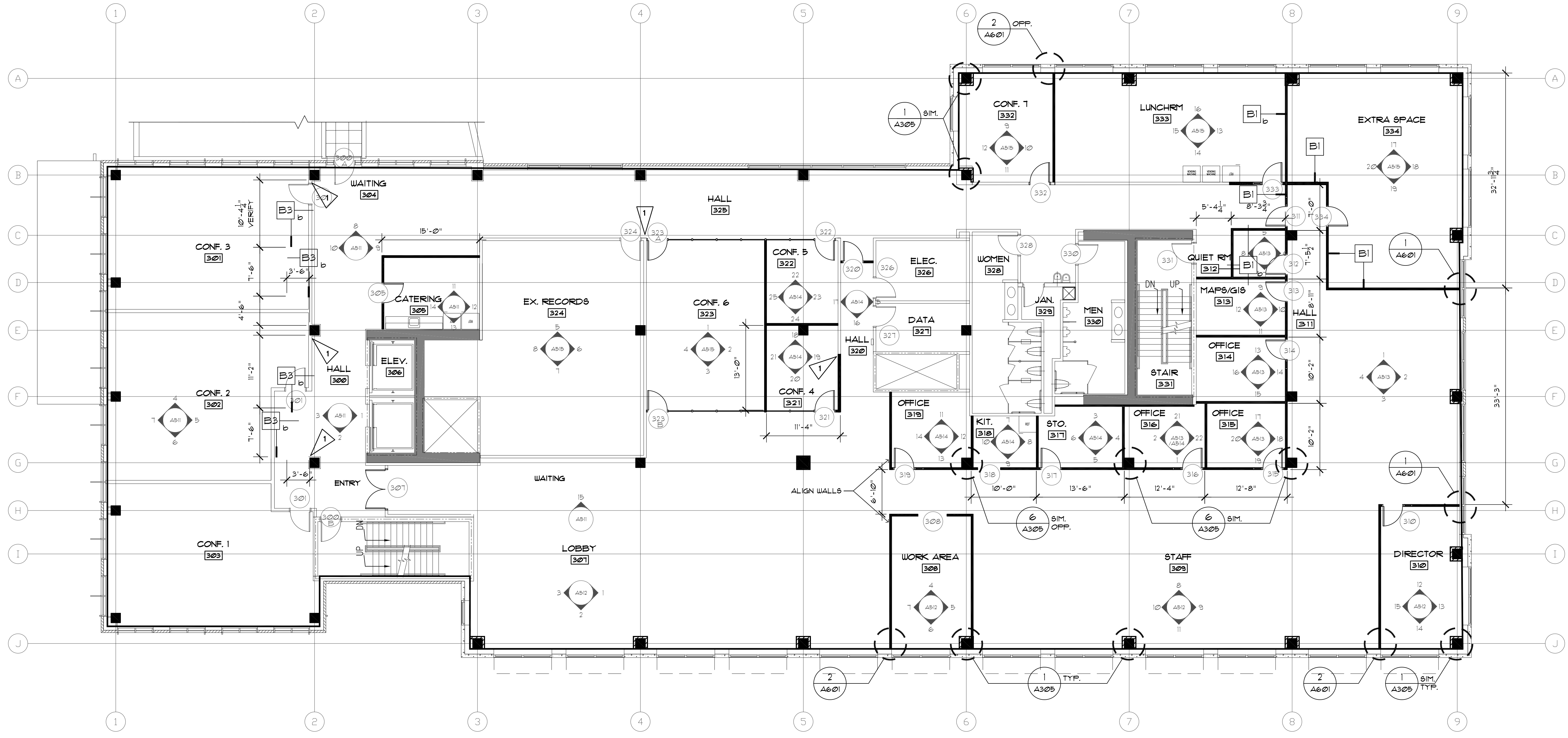
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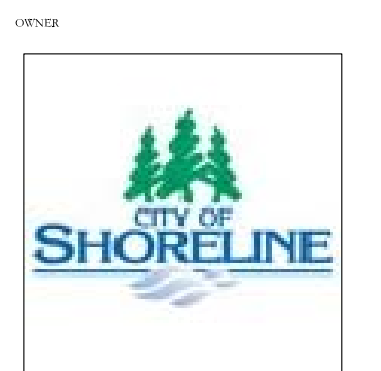


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THIRD LEVEL FLOOR PLAN 1/8" = 1'-0"



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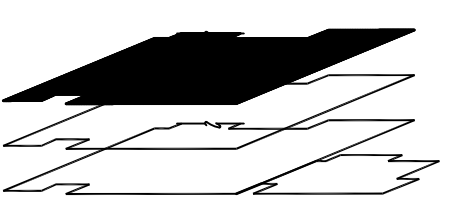
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DATE
March 28, 2016

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DAVID A. CLARK
STATE OF WASHINGTON

DRAWING TITLE
Third level floor plan

SCALE
1/8" = 1'-0"

DRAWING NUMBER
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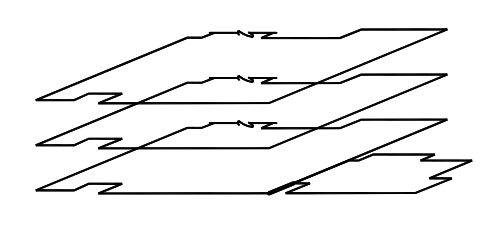
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February 1, 2016

REVISIONS & PRINT DATE
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60% REVIEW - 03/14/16



4937
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ARCHITECT
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STATE OF WASHINGTON

DRAWING TITLE
Architectural site plan

SCALE
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DRAWING NUMBER
A-011

