

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Civic Center/City Hall Guiding Principles
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Robert L. Olander, City Manager Jesus Sanchez, Civic Center Project Manager

ISSUE STATEMENT:

On July 9, 2007, Council authorized the City Manager to enter into a Predevelopment Agreement (Agreement) with OPUS Northwest, L.L.C. (Developer) for the design and development of the Civic Center Project. One of the first important steps taken by the Developer, the City and Community was to develop a set of "Guiding Principles" for the Civic Center Project.

Council asked that we engage the communities to encourage public participation and solicit input regarding the "Guiding Principles, the design and placement of the Civic Center building, and consider additional shell and core space for future growth capacity. Community meetings were held on March 20th, July 30th and August 21st to solicit input from the public as to the kinds of amenities, functionality, parking, building placement, and future expansion needs they would like to see in the new Civic Center building.

At the July 30th meeting, the Opus Development Team presented to the community, specific building constraints such as, boundary points, foot print of existing site, adjacent roadways, curbing, sidewalk, frontage setbacks etc. Participants were then asked to work with scaled blocks representing building design concepts keeping in mind the constraints pointed out earlier. Although several iterations were created, the frontage corner at 175th and Midvale Ave. North seemed to be the common selection among the work stations as the most critical placement for the civic center. Participants felt that a strong city presence needed to be established at this corner and on Midvale.

Parking was also recognized as necessary but that it should not take up nearly one half of the open space area. As the public participated hands on, by placing model building blocks to configure best possible building and parking scenarios, one common comment that was heard was that surface parking would impact and limit space around the Civic Center Building, and could possibly affect the best configuration for the placement of the Civic Center Building. The surface parking proposed under the current construction estimates was the least liked design, rather there was general agreement that under ground or structured parking is strongly preferred, allowing for more "green space", despite the higher cost. The public also discussed the "Guiding Principles" and provided a number of comments and suggestions which have been incorporated in the final draft for Council review.

On September 4 staff and the development team will be presenting options and recommendations to the Council on:

1. Site layout and design
2. Parking options and relative costs
3. Draft "Guiding Principles"
4. Cost options for added "shell" growth space

Although the attachments to this report contain alternative layout designs for parking, they do not reflect the final recommendations on building layout. These will be presented with models at the September 4th meeting. Staff will be requesting Council decisions and guidance on these issues in order to proceed with the next phase of achieving 30% design documents scheduled for completion by September 30th.

FINANCIAL IMPACT:

The estimated cost to complete structured parking is \$3,556,000 and the estimated cost for an additional 15,000 square feet for future growth is estimated at \$3,100,000, for a total combined cost of \$6,656,000. The City's current budget for the City Hall/Civic Center project assumes the issuance of \$12.7 million in debt. Based on current market conditions, which are always subject to change, the estimated annual debt service for \$12.7 million in debt is \$883,000. If the City were to complete both the structured parking and additional space the amount of debt issued would need to be approximately \$19.3 million, with an estimated annual debt service cost of \$1.353 million, or approximately \$470,000 more than the City's current projected budget. Completing just the additional space for future growth would result in an estimated annual debt service cost of \$1.111 million, or \$228,000 more than the City's current projected budget.

At this time, given budgetary constraints, we cannot undertake to finance both the parking structure and the proposed added growth capacity. Building in the added growth capacity has the highest efficiency outcome both in dollars and planned growth. Taking into consideration a modest 75% occupancy rate at today's lease cost per square feet of \$22.50, the additional space could provide a potential annual revenue stream of \$250,000 to offset the added cost of building another 15,000 sq. ft. of future growth space.

RECOMMENDATION

Staff recommends that Council approve the "Guiding Principles" as the goals for the Civic Center Project; authorize the City Manager to direct the Developer to develop design plans with a strong emphasis on securing the corner of 175th and Midvale North as the prominent location for the civic center, and incorporate additional growth capacity into the building design which would expand the currently proposed 15,000 Sq. Ft. per floor foot print.

Approved By: City Manager  City Attorney _____

INTRODUCTION

Council asked that we engage the communities to encourage public participation and solicit input regarding the "Guiding Principles", the design and placement of the Civic Center building, and consider additional shell and core space for future growth capacity. Community meetings were held on March 20th, July 30th and August 21st to solicit input from the public as to the kinds of amenities, functionality, parking and building placement, and future expansion needs they would like to see in the new Civic Center building.

BACKGROUND

Through the community process, the Guiding Principles for the Civic Center Project were developed and are as follows: People First; Inclusive; Accessible; Connected; Specifically...Shoreline; Civic; Affordable; Sensible; Sustainable; and Low-Impact. These guiding principles embrace the public's valued considerations and are the Project's goals as we begin construction of the City of Shoreline's new City Hall. The principles are further defined in **Attachment A – Guiding Principles**.

Another critical issue discussed at the community meetings was the placement of the Civic Center Building. After the Opus Development team presented to the community, specific building constraints such as, boundary points, foot print of existing site, adjacent roadways, curbing, sidewalk, frontage set setbacks, participants were asked to work with scaled blocks representing building concepts. Although several iterations were created, there seemed to be a common theme at each work station. The frontage corner at N.175th and Midvale Ave. North, was selected as the most critical placement for the civic center. Participants felt that a strong city presence needed to be established at that location.

Parking was also recognized as necessary but that it should not take up nearly one half of the open space area. As the public participated hands on, by placing model building blocks to configure best possible building and parking scenarios, one common comment that was heard was that surface parking would impact and limit space around the Civic Center Building, and could possibly affect the best configuration for the placement of the Civic Center Building. The parking space proposed under the current construction budget was the least liked design, with under ground storage and or structured parking strongly preferred.

DISCUSSION

PARKING

Four parking options are discussed in this document and presented for discussion and direction. The crucial decision, as to which parking option to proceed with, needs to be made at this time, while in the design process. Option 1 is wide surface parking on the north side of the civic center property; Option 2 is narrower linear surface parking on the civic center site, but extending east on to the former Kimm property; Option 3 is similar to Option 1 but located as far east as possible and Option 4 is a two story parking deck at the northeast corner of the former Kimm property.. The authorized

budget for the Civic Center Project allows for surface parking only. A two-story parking structure is outside of the approved budget and would need Council approval.

Parking structures are considerably more expensive on a per sq. ft. construction cost than surface parking. A parking structure for a proposed 180 parking stalls could reach a cost of approximately \$3,556,000 as opposed to surface parking, which may be \$160,000.00 (**Attachment B: Parking Option Scenarios**).

Option 1: Surface Parking Wide

This option allows for a more consolidated parking area near the building, a shorter walking distance for people parking and accessing the building. This is the baseline option that is within the existing budget.

Option 2: Surface Parking Linear

This option allows for more open space fronting Midvale Avenue and arranges parking in a more east-west direction, also allowing more open space around the new Civic Center facility. There is added demolition cost of the north portion of the Highland Park Building of approximately \$60,000. This option can be programmed in the same location as the proposed parking structure in option 3.

Option 3: Surface Parking Wide- Shifted to the East

This option creates the maximum amount of open space north of the civic center building of any of the surface parking options but does impact most of the buildings and tenants on the old Kimm property.

Option 4: 2-Story Structured Parking

This option is to construct a parking structure on the northeast corner of the Civic Center site located at the existing Highland Park Building north portion. There are demolition costs and construction costs to construct a two-level parking structure. The design would take advantage of topography changes to minimize the size appearance to the north residential neighborhood. The garage would preserve maximum open space for the Civic Center site, and would minimize the presence of vehicles on the site. The construction cost is approximately \$3,556,000 if constructed as part of the overall Civic Center Project. The garage would have a capacity of 180 stalls, with the expectation of reconfiguring tighter spaces at a future time to allow up to a maximum of 200 stalls as the need for additional parking requires.

ADDITIONAL BUILDING SPACE FOR FUTURE GROWTH

There was general support and understanding for the need to address future growth capacity. Adding additional shell and core building space either as a single story side adjacency or expanding the current proposed 60,000 square foot building to 75,000 square feet was proposed. A shell and core 5th floor at this time exceeds the city's height limitations. Sound business planning dictates that if an additional shell and core space is needed, it should be configured into the current design process now, creating efficiency in terms of cost. This expansion growth consideration is not part of the original; construction budget and will need council approval to proceed with incorporating that expansion design element. At a shell and core cost of \$160.00 per

Sq. ft., an additional 15,000 Sq Ft., would cost approximately \$2,400,000 dollars. With design and developer fees, the overall cost is approximately \$3,100,000.

With the escalating cost of materials and supplies that our region continues to experience, it would be prudent for the City to include in its Civic Center building growth expansion capacity by either increasing the building foot print of the 60,000 Square foot building to 75,000 square feet or adding a shell and core feature either as a single story unit. A fifth story shell and core proposal would exceed the City's height limit. As mentioned above, both the 15,000 sq. ft. of additional growth space and a two-story parking structure is outside of the approved budget and would need Council approval.

FINANCIAL ANALYSIS

The current CIP budget for the City Hall/Civic Center building is \$19.2 million. The proposed financing for the building is to use \$6.5 million in cash and finance approximately \$12.7 million. The estimated annual debt service for repayment of the \$12.7 million, based on a 25 year repayment schedule and assuming an average interest rate of 4.6%, is \$883,000.

In order to complete structured parking and/or the additional 15,000 square feet of space, the City would need to either increase the amount of cash allocated towards the project or could finance the additional costs. Assuming the City financed the additional costs to complete the structured parking, \$3,556,000, and additional space, \$3,100,000, the amount financed would increase to approximately \$19.3 million. The estimated annual debt service for this level of debt is \$1.353 million, approximately \$470,000 greater than the annual debt service for issuing \$12.7 million of debt. If the City were to complete the additional space only the annual debt service is estimated at \$1.111 million, or \$228,000 more than the debt service for the current City Hall/Civic Center project.

The City's long-term financial projections assume an annual occupancy cost of \$1.3 million for the new City Hall/Civic Center. Occupancy cost would include both debt service and operation/maintenance costs. It is likely that debt service in excess of the \$883,000 would result in total occupancy costs exceeding the \$1.3 million. If this were the case the City would need to address any additional costs as part of its long-term financial planning process to determine if additional operating dollars or Real Estate Excise Tax should be allocated towards the City Hall/Civic Center project.

At this time, given budgetary constraints, we cannot undertake to finance both the parking structure and the proposed added growth capacity. Building in the added growth capacity has the highest efficiency outcome both in dollars and planned growth. Taking into consideration a modest 75% occupancy rate at today's lease cost per square feet of \$22.50, the additional space could provide a potential annual revenue stream of \$250,000 to offset the additional cost of debt service. Additionally, building a stand alone structure for added growth would be more costly since aside from the per square foot construction, the building would need its own stand alone support systems, such as H-VAC, cooling systems, electrical , plenum and conduit ,not counting added design costs.

A parking structure could be added later when a final master planning exercise can cost out a police station and a parking structure together. Removing the asphalt from the planned surface parking at a later time to make way for a structured parking scenario on the Northeast corner of the Kim property will have nominal costs.

RECOMMENDATION

Staff recommends that Council approve the "Guiding Principles" as the goals for the Civic Center Project; authorize the City Manager to direct the Developer to develop design plans with a strong emphasis on securing the corner of 175th and Midvale North as the prominent location for the civic center, and incorporate additional growth capacity into the building design which would expand the currently proposed 15,000 Sq. Ft. per floor foot print. The preferred affordable parking alternative is Option 3.

ATTACHMENTS

Attachment A: Guiding Principles

Attachment B: Parking Option Scenarios

City Hall/Civic Center Guiding Principles

People First.

- Warm and Welcoming
- Intuitive
- Functional/Efficient/Flexible
- Open - Natural Light
- Community "Living Room"
- Inside and Outside
- Community Meeting Space
- Gathering Places, Off-hour Activities
- Minimize Visual, Spatial Impact of Cars

Low-Impact.

- Environmentally Sustainable
- Long-Range Planning (50+ years)
- Connected to Transit and Bike Paths
- Protecting Natural Systems, Resources
- Healthy Environment, Healthy Community
- Avoid Traffic Impacts to 175th, Neighborhood
- Conservation, Water, Energy
- Reduce Paved Areas, Visual Impacts of Parking

Sustainable.

- Environmentally, Socially, Economically
- Focus on Benefits rather than Certification
- Balance Operations Costs with First Costs
- Long-Range Planning (50+ years)
- Durable, Proven Technology, Products
- Establish Clear Environmental Goals
- Use Life-Cycle and Cost/Benefit Analysis

Sensible.

- Modest, Sensible. Not Ostentatious.
- Quality Product, but Within Set Budget
- Incremental Expansion, As Needed
- Long-Range Planning (50+ years)
- Functional/Efficient/Flexible
- Distinctive but Responsive
- Durable Proven Technology, Products

Affordable.

- Quality Product, but Within Set Budget
- Incremental Expansion, As Needed
- Balance Operations Costs with First Costs
- Judicious Choice of Extras, Features
- Use Life-Cycle and Cost/Benefit Analysis to ensure affordable over long- period

Civic.

- Embody Values and Aspirations of Community
- Serving the Community
- Pride and Ownership
- Public Space, Community Amenity
- Community "Living Room"
- Gathering Places, Off-hour Activities
- Long-Range Planning (50+ years)
- Easy to Use and Access all Departments
- Welcoming Outdoor Public Space

Specifically...Shoreline.

- Reflect Unique History and Identity of Shoreline
- Acknowledge Past, Look Toward Future
- Embody Values and Aspirations of Community
- Welcoming all the Diversity of Shoreline
- Modest, Sensible. Not Ostentatious.
- Integrated Regional Art/Culture/Music
- Local Destination
- Reflect Tradition of Educational Excellence

Connected.

- To the Community, Neighborhoods
- Integrate and Reinforce Town Center Projects
- To Transit, To Bike Paths
- To the World
- Long-Range Planning (50+ years)
- Orient to Pedestrian-Friendly Midvale
- Natural Expansion over Time

Accessible.

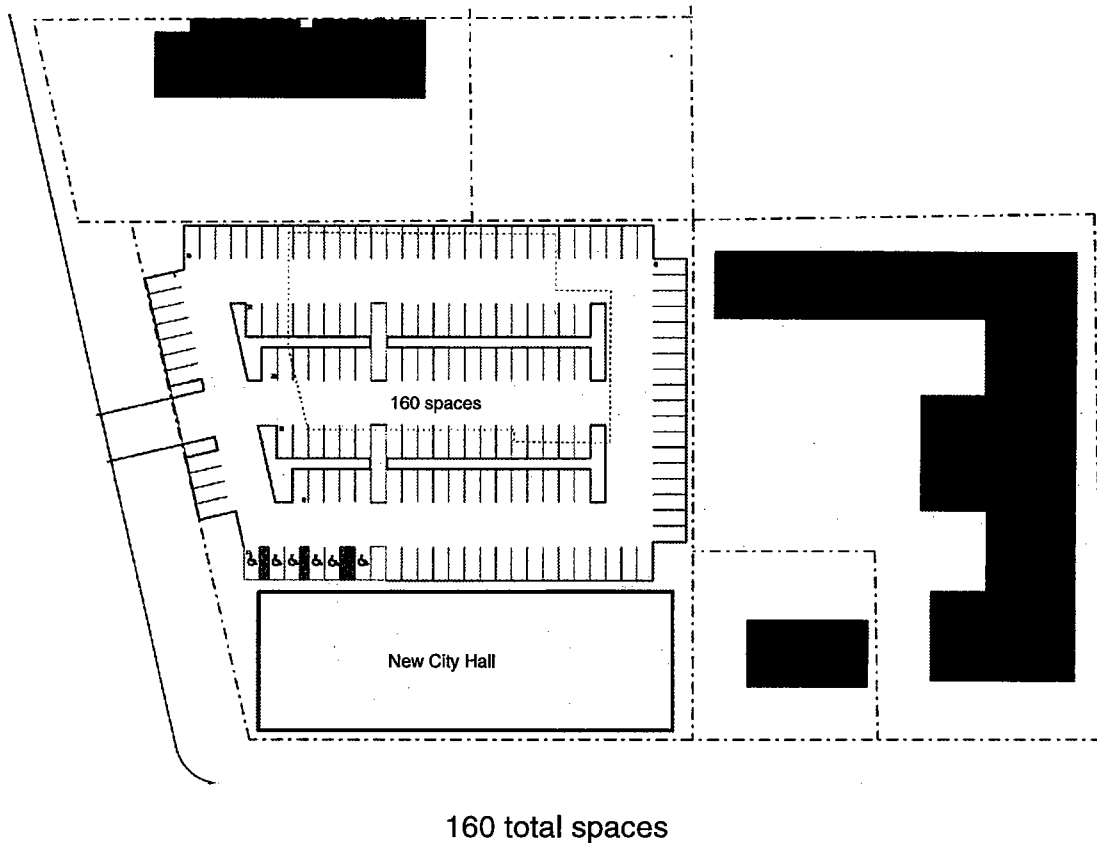
- Warm and Welcoming
- Walkable, Safe
- Convenient
- Connected
- Understandable
- Pride of Ownership
- Future Complex Connected (not disjointed)

Inclusive.

- Public Involvement and Pride
- Welcoming all the Diversity of Shoreline
- Community "Mixing Chamber"
- Flexible, Multi-Purpose
- Integrated Local Art/Culture
- Family-Friendly
- Represent each Neighborhood

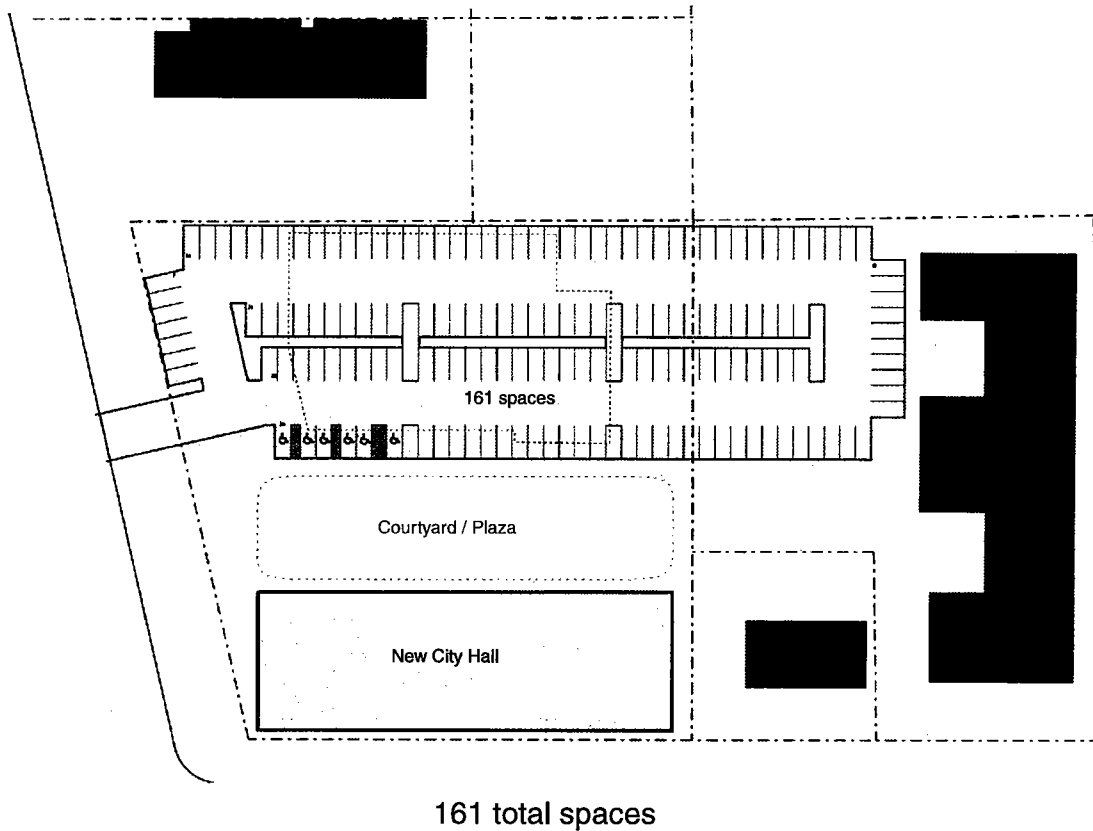
parking

OPTION 1



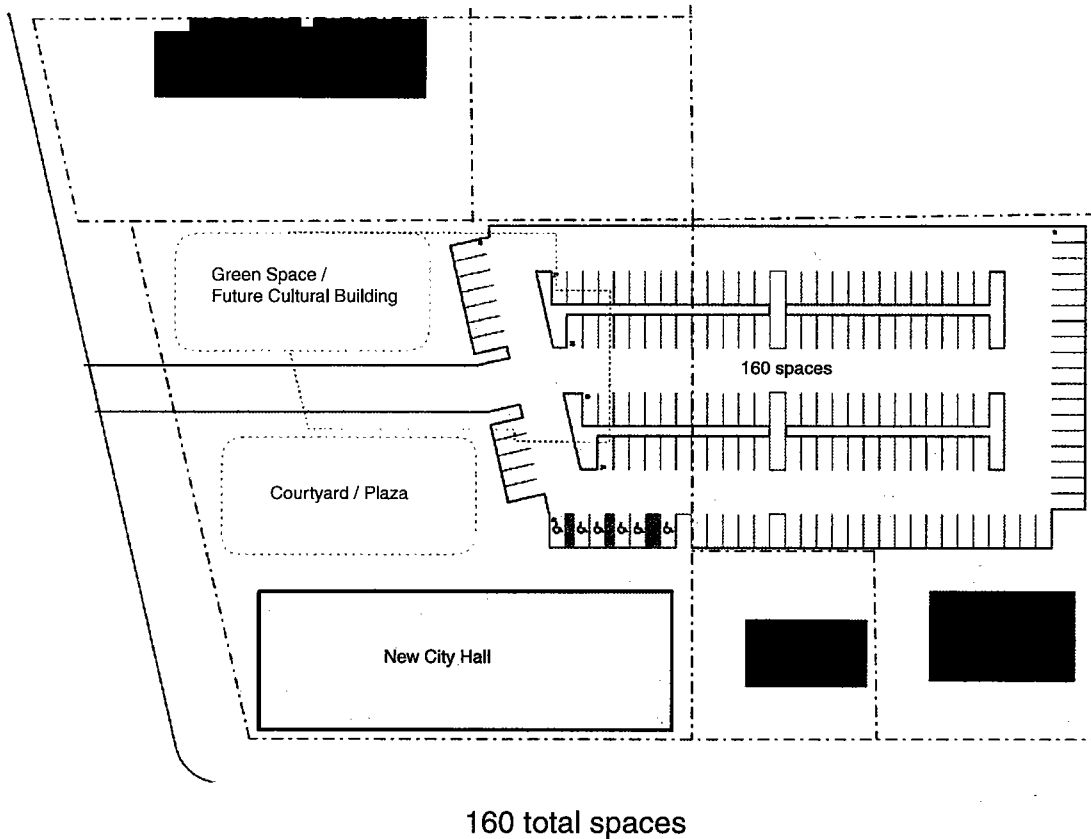
Surface Parking - Wide :

- **entry from Midvale**
- **possibility to push parking back to East site to create more open space on Midvale**



Surface Parking - Linear :

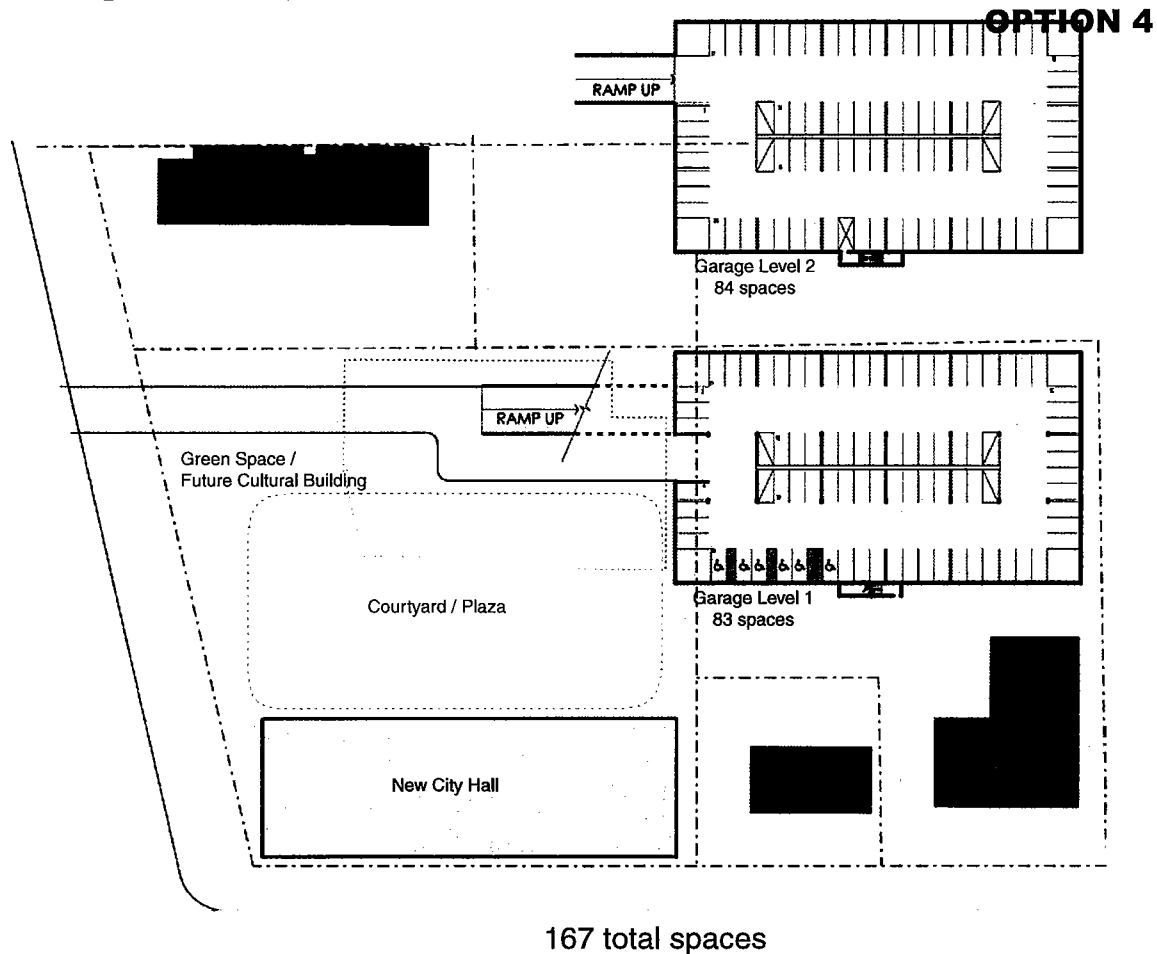
- entry from Midvale
- open space between building and parking
- possibility to push parking back to East site to create more open space on Midvale



Surface Parking - Wide shifted to East :

- entry from Midvale
- pushing parking back to East site to create more open space on Midvale

parking



2 Story Structured Parking :

- **entry from Midvale**
- **ramp up to upper floor parking**
- **open space on Midvale**
- **open space between building and parking**
- **possibility to push parking back to East site to create more open space on Midvale**