# Council Communication
## January 17, 2017, Regular Council Meeting

### Further Action for the Replacement of City Hall

**FROM:**
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**SUMMARY**
As directed by Council, staff hired Ogden Roemer Wilkerson Architecture (ORW) to study the feasibility of replacing City Hall based on conclusions of a previously completed seismic evaluation that identified the need to ***provide a seismically safe City Hall*** for employees and citizens conducting City business. This staff report recommends the next phase of the replacement effort, a decision-making process spearheaded by a citizen task force. Approval of the recommendation in this report will result in the formation of an ad-hoc committee that will provide a recommendation and funding strategy to Council for the replacement of City Hall based on the findings of the feasibility study.

**BACKGROUND AND POLICY IMPLICATIONS:**
The BN 2015-17 budget appropriates $100,000 to study the replacement of City Hall pursuant to the Council's 2014 strategic planning initiative. Planning for the replacement of City Hall was addressed by the City Administrator during the June 15, 2015 study session. The Council requested an updated seismic analyses be performed using budgeted funds prior to moving forward with a feasibility study.

Staff contracted with Miller Consulting Engineers to update the seismic study of City Hall completed in 1994. The updated report was presented to the Council at the February 1, 2016 study session. The report concluded occupants may not be able to exit the building safely following a major seismic event as City Hall is not expect to withstand significant seismic activity such as the impending Cascadia subduction zone earthquake. A seismic retrofit could provide safe egress from the building, but the tremendously high unit cost (approximately $602 per square foot in 2016 dollars)[1] of rehabilitation, plus the further reduction of usable space in a building that is already cramped and dysfunctional, lead the City to explore the feasibility of replacing City Hall. Council recommended staff move forward with the City Hall replacement feasibility study analyzing the current location, the Community Development Building, and the Lithia Way parking lot as the three site-specific options.

In June of 2016, the City contracted with Ogden Roemer Wilkerson Architecture (ORW) to conduct the feasibility study. While the study was motivated by the need to provide a building that ***ensures the safety of employees and customers***, the City and ORW also recognized that any potential replacement must accommodate the City's current and long term (15 years) space needs. Accordingly, a space

[1] The seismic evaluation included an opinion of probable project costs, but did not explore any ancillary costs, including soft costs, temporary facilities for displace employees, and necessary upgrades to MEP systems and ADA access. City commissioned Vitus Construction to develop a total project cost estimate for a seismic retrofit. Vitus's total project estimate of $602/square foot in 2016 dollars was attached to the seismic evaluation report presented to Council on February 2, 2016.

needs analysis was incorporated into the study. The space needs analysis included all departments and functions in City Hall and in the Community Development building in order to verify if consolidation was appropriate based on the site alternatives.

Description of Alternatives

The City's space needs were vetted for seven seismic remediation alternatives at the three site options. The alternatives are described succinctly below. The list also includes two alternatives that were discussed initially following the results of the 2015 seismic evaluation of City Hall (initial alternatives are referred to as alternatives i-1 and i-2 in this staff report). In all nine alternatives are concisely compared herein, including:

| **Alternative** | **Description** |
|---|---|
| i-1 | City Hall (seismic retrofit only) and Community Development (no change), evaluated in January 2016, prior to Feasibility Study |
| i-2 | City Hall (build new, do not expand) and Community Development (no change), evaluated in January 2016, prior to Feasibility Study |
| 1 | City Hall (build new & expand) + department consolidation |
| 2 | City Hall (retain historic façade & expand) + department consolidation |
| 3 | Community Development, expansion + department consolidation |
| 4A | City Hall (build new & expand) and Community Development (some interior remodel) |
| 4B | City Hall (retain historic façade & expand) and Community Development (some interior remodel) |
| 5A | New building at Lithia /Pioneer (dept. consolidation), 20 surface parking + 50 underground parking stalls |
| 5B | New building at Lithia /Pioneer (dept. consolidation), 20 surface parking + 100 underground parking stalls |

Comparison of Alternatives

The nine alternatives are compared in terms of feasibility and modeled costs in Table 1. Feasibility is defined as an alternative's ability to accommodate the City's long-term space needs. While each of the nine alternatives offers seismic protection, not every alternative can provide the space needs of the departments that currently occupy City Hall and Community Development. The costs provided below were based on an assumption that construction would begin 2021.

**Table 1. Comparison of City Hall replacement alternatives**

| Alternative | Total Cost (2021 Construction Schedule) | Cost per Square Foot | Provides City's Long-Term Space Needs? |
|---|---|---|---|
| i-1[2] | $ 6.5 M | $842 | No |
| i-2[2] | $ 4.4 M | $567 | No |
| 1[3] | * | * | No |
| 2[3] | * | * | No |
| 3 | $ 9.5 M | $431 | Yes |
| 4A | $ 8.5 M | $349 | Yes |
| 4B | $ 9.7 M | $395 | Yes |
| 5A | $ 16.1 M | $618 | Yes |
| 5B | $ 19.6 M | $749 | Yes |

Suggested Next Steps

Staff recommends establishing a citizen taskforce (similar to the 2009 Public Safety Facilities Committee) to advise Council on whether to pursue a general obligation bond to replace City Hall. The taskforce's recommendation would address (a) whether the City should request voter approval of a levy; (b) which seismic remediation alternative should be on the levy; and (c) the amount of the levy. Staff suggests hiring ORW to facilitate public meetings to further the vetting process, due to the firm's

**COUNCIL GOALS SUPPORTED:**

Organization (2014)

4. Evaluate real property and facility assets to strategically support city mission and goals.

    4.3 Examine city hall preplacement and other facility needs.

**FISCAL IMPLICATIONS:**

The current budget includes $100,000 to fund a study for City Hall replacement. To date staff has expended $13,000 in engineering fees related to the seismic upgrade evaluation; $55,750 in architectural fees related to the feasibility study; and approximately $1130 in miscellaneous costs (building plan prints, catering, and advertising). Approximately $30,120 remains in the budget for studying the replacement of City Hall. The remaining amount is expected to sufficiently cover the cost of contracting with a consultant to assist the citizen task force.

[2] Cost estimates for options i-1 and i-2 are based on assumptions that are more broad and generic than those used by ORW to model costs for feasibility study. While it is difficult to compare costs based on dissimilar assumptions, this summary attempts to provide a certain level of consistency by adding the cost of photovoltaic systems to i-1 and i-2 and escalating the costs of both options by 5.5% to account for increases in construction costs in the year that has passed since the estimates were provided. ORW estimated the local annual escalation rate to be 5.5% per year. This estimate was based on conversations held with Adroit Construction, the local subcontractor who assisted with cost modeling for the feasibility study.

[3] Cost estimates were not modeled for options 1 and 2 because they were deemed not feasible in the earlier phase of the feasibility study.

CITY OF ASHLAND

**STAFF RECOMMENDATION AND REQUESTED ACTION:**

Staff recommends that Council request the Mayor appoint an ad-hoc committee to advise the City Council on whether to pursue a General Obligation Bond for the replacement of City Hall and to identify which replacement alternative, if any, should be on the levy.

**SUGGESTED MOTIONS:**

I move to recommend the establishment of an ad-hoc committee to vet a replacement alternative and funding mechanism for replacing City Hall.

**ATTACHMENTS:**

Ashland City Hall Replacement Feasibility Study – Final Report
October 17, 2016 Study Session Staff Report
October 17, 2016 Power Point Presentation
June 20, 2016 Study Session Staff Report
February 1, 2016 Study Session Staff Report
Miller Consulting Engineers City Hall Seismic Evaluation
June 15, 2015 Staff Report