

Council Study Session

September 16, 2019

Agenda Item	City Hall Seismic Retrofit Conceptual Design, Conceptual Costs	
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SUMMARY

Before Council is a conceptual design and conceptual cost estimate for a seismic retrofit of City Hall. This is a continuation of the City Hall discussion that was presented in part on June 3, 2019, but was not completed due to additional items on the study session agenda.

These preliminary findings were developed at the request of Council and are the last of four alternatives evaluated for feasibility as a replacement to the existing City Hall.

Staff is hoping to bring Council a decision item on October 1, 2019 for City Hall within the following options:

1. Rebuild at the current downtown City Hall location at 20 E. Main Street retaining much of the façade;
2. Renovate Briscoe School to include Community Development/Engineering and City Hall personnel and functions;
3. Build new at Council Chambers/Courts to include Community Development/Engineering and City Hall personnel and functions; and
4. Seismic retrofit of existing City Hall as conceptually presented in this item.

POLICIES, PLANS & GOALS SUPPORTED

City Council Goals (supported by this project):

- Goal 1: Develop current and long-term budgetary resilience -- Evaluate revenue streams
- Goal 2: Analyze City departments/programs to gain efficiencies, reduce costs and improve services
- Goal 3: Enhance and improve transparency and communication
- Develop a robust program to engage with Ashland citizens about City priorities and our progress on those priorities...
- Maintain Essential Services
- Continue to leverage resources to develop and/or enhance Value Services

Department Goals:

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Deliver timely life cycle capital improvement projects
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

BACKGROUND AND ADDITIONAL INFORMATION

The City has been discussing the reconstruction or relocation of City Hall for more than 20 years. The building is seismically vulnerable, lacks meeting space and has no room for growth, and all of its utility systems are in need of replacement or update. However, it is the earthquake vulnerability of the building that presents the most

pressing problem. City Hall was built in 1891 and was expanded in 1913. The interior of City Hall has been reconfigured several times since 1913 but has never had any structural improvements related to seismic mitigation and does not meet current applicable codes.

Over the past three decades starting with the Loma Prieta earthquake in San Francisco in October 1989 and the Northridge (Los Angeles) earthquake in January 1994, seismic stability especially in un or under reinforced masonry buildings has been a concern. An initial seismic evaluation of City Hall was conducted in [1994](#) noting that City Hall is vulnerable to earthquake activity. More recently, interest has peaked in the Cascadia Subduction Zone, a long dipping fault that stretches from Northern Vancouver Island to Cape Mendocino California. As part of its 2014 strategic planning initiative, the City Council identified “Examine City Hall replacement and other facility needs” as a priority goal. Council held a study session on June 15, 2015, to begin those discussions, and a second study session on [February 1, 2016](#), to hear the updated findings of the 2015 seismic evaluation. The [January 17, 2017](#), study session updated Council with all actions taken to date for all of the options and special studies evaluated by staff.

In April of 2017, Council appointed an ad hoc City Hall Advisory Committee to review feasible alternatives for the replacement of City Hall. On [October 3, 2017](#), Council heard a presentation from staff and received the ad hoc City Hall Advisory Committee’s Final Report and Recommendations for the replacement of City Hall. The Ad Hoc Committee did not reach unanimity on a recommendation with eight of the eleven members recommending rebuilding City Hall on its current site, expanding the structure to accommodate growth and retaining the community development building. The three remaining members had differing recommendations and were explained in the report. The chair provided Council with the final report and a minority opinion. The [minutes](#) of the October 3, 2017 meeting explained the process and concerns.

During the Council Study Session on [December 4, 2017](#), staff reviewed the ad hoc committee recommendations, distilled the comments made by Council Members and offered a phased plan to develop concepts and costing prior to full design. Council directed staff to proceed to develop a Request for Qualifications (RFQ) proposal for this multi-phased project ([minutes](#) of the December 4, 2017 meeting). Staff were to select a firm with appropriate qualifications (architectural, engineering, site design and planning) to develop a step by step approach to assist Council in selecting a preferred solution. The RFQ outlined four stages of the project:

- Phase 1: conceptual design renderings and conceptual costs for each of the selected alternatives to include risks associated with each alternative; pros and cons of each alternative, and a relative time line. As part of this phase, the contractor will propose a process for selecting a preferred alternative.
- Phase 2: preliminary engineering and refined costs of the selected alternative; detailed staff moves and property options (depending on the site selected)
- Phase 3: final engineering design and plans for the selected alternative and final cost analysis; easements and permitting
- Phase 4: construction management services to assist with any site changes and quality control

Utilizing the RFQ solicitation process, in March of 2018, staff selected ORW Architecture (ORW) as the most qualified proposer to complete Phase 1. Upon successful cost and scope negotiations, Council approved a Phase 1 contract with ORW Architecture on [July 3, 2018](#). ORW was charged with evaluating three alternatives, including rebuilding City Hall in its current location, building new at the current location of Courts/Council Chambers, and retrofitting Briscoe School. All options were evaluated through the lens of projected space needs of the City.

Conceptual site plans and estimates for the three alternatives were presented to Council on [February 5, 2019](#), including a [Power Point](#) presentation by ORW. Council did not support any of the alternatives and

councilmembers expressed dissatisfaction that a seismic retrofit of the existing City Hall had not been included as a fourth alternative. As discussed previously, a seismic evaluation had been performed by Miller Consulting Engineers (Miller) in 2015, but the study had two important deficiencies. Foremost, Miller only explored the minimum upgrades necessary to ensure occupants could safely escape the building following a seismic event. The seismic upgrades detailed in the engineer’s report were not intended to ensure the building would remain functional after a seismic event. The second major deficiency was that Miller only provided an estimate for direct construction costs. The estimate did not incorporate any soft costs, such as temporary office space, necessary system replacements and upgrades, flashing and bracing, architectural and engineering fees, or costs associated with permitting and compliance. These costs are substantial. Without soft costs, it is impossible to compare Miller’s estimate to the alternatives studied by ORW. Consequently, staff was asked to return to Council with concepts and costs of a seismic retrofit alternative that could be compared to the other three alternatives. The charge was specific: present the minimal seismic upgrade necessary to ensure City Hall, which is over one hundred years old, will provide another hundred years of civic use.

Pursuant to this charge, concept and cost estimates were developed. The attached seismic retrofit proposal envisions a building intended to remain intact after a seismic event, provide for the current needs of the City and the community, and deliver flexibility to accommodate changes and some growth in future decades.

FISCAL IMPACTS

The cost estimate for seismic retrofit of City Hall is based on conceptual design. Cost summaries provided below include all four alternatives ORW has explored under their current contract with the City. Greater detail is available in the attached cost estimate spreadsheet (Attachment 1). Notice that the cost summaries incorporate direct construction costs and soft costs.

Alternative	Total Cost (2019)	Area (Square Feet)	Cost per Square Foot
1. Rebuild at 20 E Main	\$12,317,001	15,500	\$781
2. Renovate Briscoe School*	\$15,254,001	32,000	\$477
3. Build new at Council Chambers/Courts*	\$18,918,001	32,000	\$591
4. Seismic retrofit of existing City Hall (ORW)	\$6,065,001	8,600	\$681

* Estimates **include offsets from selling** the Community Development building, **but not City Hall**. City Hall has not been assigned a real market value, so an objective estimate is not readily available.

Note: total costs shown in 2019 dollars; anticipate 5.5% cost escalation each year

To aid discussion, a comparison of the direct construction costs between the seismic retrofits proposed by ORW and Miller is provided below. Please note that Miller’s estimate, which was developed in 2015, has been escalated to accurately reflect 2019 costs.

Designer of Seismic Retrofit Option	Direct Construction Costs Only (2019)
Miller, escalated* (post-event safe exit only)	\$1,765,312
ORW (post-event building remains functional)	\$4,688,000

* escalation was calculated using the published RMS Historical Cost Index for first quarter 2019 (national average), then adjusted for region-specific escalation according to the RMS City Cost Index for Medford, 2019.

Once a preferred alternative is identified by Council, a more refined cost estimate will be developed during preliminary and final design. Funding for the selected alternative will likely need to be obtained via loans or bond issuance.

DISCUSSION QUESTIONS

Staff suggests utilizing this Study Session to evaluate the four alternatives against the decision criteria recommended by ORW in their February 5, 2019 presentation. To assist with the evaluating process, Staff suggests the following steps:

1. Review the decision criteria proposed by ORW (Attachment 2). These are the items that ORW believes may be of importance to Councilors in their evaluation of the best alternative
2. Determine whether any criteria should be omitted from the list or added to the list. Approve a final list of evaluation criteria – a short list of the most important priorities tends to be the best approach.
3. Rank each alternative against the approved criteria. Staff suggests using a scale of 0 to 5 and has provided a ranking matrix, modeled after the evaluation system developed by the ad-hoc City Hall Advisory Committee (Attachment 2).
4. Discuss ranking results, attempt to reconcile differences, and prepare to provide a final recommendation when requested by staff during the Regular Council Meeting on October 1, 2019.

SUGGESTED NEXT STEPS

Staff will bring Council a decision on the final recommendation for City Hall improvements. Funding will be the next challenge as Council and staff review funding options to include loans and bonds. It is recommended that the Council take action to select the preferred alternative for City Hall, then direct staff to participate with Council on funding mechanisms.

REFERENCES & ATTACHMENTS

Attachment 1: Concepts and Conceptual Cost Estimates of Seismic Rehabilitation (ORW Architecture)

Attachment 2: City Hall Replacement Ranking Sheet

References to prior Council meetings and presentations are linked in this document

Project Cost Model - Spring 2019

HARD COST MODELING ASSUMPTIONS (Construction Costs)

General Notes

1. To reflect level of cost specificity for a Concept Design, building and site costs are rounded.
2. All labor rates based on prevailing wages.
3. Concept costs include building upgrades, system replacements, and quality materials reasonable for a 100 year civic building.
4. Structure is designed to meet code, not to essential facility standards.

100 Year Building Renovation

5. The 100 year building approach is a comprehensive renovation that replaces building systems, improves security and accessibility, and creates a flexible floor plate with more equitable access to light and views.
6. The renovation retains and seismically upgrades the exterior building shell. Seismic upgrade includes removing the original demising wall, and replacing the second floor and roof framing assemblies. As a result of this work, all interior walls are removed.
7. The building systems are replaced with new Mechanical Electrical Plumbing (MEP) services. New mechanical system is Variable Refrigerant Flow (VRF) with Energy Recovery Ventilation (ERV). Mechanical equipment to be located on the roof; current area of mechanical well is allocated to occupiable area on second floor. Electrical is all LED lighting and includes 1.5% Solar. Plumbing includes new fixtures and underground services.
8. Building envelope upgrades include new roof, new energy-efficient doors and windows (many upgraded from single-pane), wall patching as required from seismic anchors, and paint.
9. Includes a new 2-stop elevator accessed from an interior public lobby for improved accessibility (appximately \$75K construction cost).
10. Small renovation builds less but includes less economy of scale for costs. Costs include careful demolition for exterior walls to remain, shoring, and protection of exterior building façade. To retain exterior walls, renovation process would construct project from the inside-out which is slower than building new construction. Keeping historic exterior walls limits the extent of glazing to existing openings, which are custom-sized but results in fewer windows to purchase. Location is a tight construction site with limited access, potentially results in +/- 15% higher construction cost. Excludes hazardous materials abatement.
11. Site costs include higher allowance for demolition due to constrained site. Includes rebuilding sidewalk/entry feature to curbs.
12. City Hall renovation costs range from \$400-\$500/SF; cost model based on \$450/SF.

SOFT COST MODELING ASSUMPTIONS (Non-Construction Costs)

13. Solar allowance calculated as 1.5% of Construction Subtotal.
14. For temporary facilities, assume \$1.5/SF/Month for leased space outside of downtown.
15. Move costs based on professional mover (insured, prevailing wages) of \$1.25/SF per move.
16. Other Soft Costs include permits, System Development Charges, design fees, furnishings, survey, geotechnical, and other miscellaneous costs.
17. Project contingency based on 15% for renovations. Contingency is intended to address portions of hard and soft costs, and unforeseen construction conditions.
18. Escalation is currently volatile and difficult to predict over several years. Cost model estimates show escalation over the course of five years calculated at an average of 5.5% per year (compounded).

Project Cost Table

See Note	Location/Building	Unit Cost	Area SF	Build Time (mo.)	Move Time (mo.)	Total Time (mo.)	Construction Cost	Solar Cost (1.5%)	Project Conting'y (%)	Project Conting'y (\$)	Total Construct'n Cost	Temp Space (rent)	Moving (out+in)	Other Soft Costs (%)	Other Soft Costs (\$)	Total Cost 2019	Total Cost 2024	Total Cost/SF 2019
	City Hall Site																	
1-18	New City Hall Building	\$450	8,600	14	2	16	\$3,870,000	\$61,000	15%	\$581,000	\$4,512,000	\$192,000	\$20,000	25%	\$1,129,000	\$5,853,000	\$7,650,000	\$681
	City Hall Site	\$40	4,000	0	0	1	\$160,000	\$0	10%	\$16,000	\$176,000	\$0	\$0	20%	\$36,000	\$212,000	\$278,000	
	City Hall Totals					16					\$4,688,000				\$1,165,000	\$6,065,001	\$7,928,000	

Attachment 2: City Hall Replacement Ranking Sheet

This scoring sheet is a tool to help councilmembers identify the most suitable alternative for replacing City Hall, or at least either narrow down the list of alternatives. Staff suggests the following actions:

1. Review the decision criteria proposed by ORW, below.
2. Approve a final short list of evaluation criteria
3. Score each alternative against the approved criteria. Using a scale of 0 to 5, where 0 = not a priority, or option performs very poorly on this criterion, and 5=highest priority, or option performs very positively on this criterion.

Proposed Decision Criteria	Seismic Upgrade of Existing City Hall	Rebuild at Existing City Hall Site	New Building at Civic Center/	Renovate Briscoe School
1. Project Cost (2019)	\$6.1M Score: _____	\$12.3M Score: _____	\$18.9 Score: _____	\$15.3 Score: _____
2. Proximity to downtown	Highest Score: _____	Highest Score: _____	Low Score: _____	Medium Score: _____
3. Consolidation of staff and services	Low Score: _____	Low Score: _____	High Score: _____	High Score: _____
4. Proximity to public transit/bike	High Score: _____	High Score: _____	Med/High Score: _____	High Score: _____
5. Sustainable opportunities	High Score: _____	High Score: _____	High Score: _____	High Score: _____
6. Outside of the Hosler Dam Inundation Zone	No Score: _____	No Score: _____	Yes Score: _____	Yes Score: _____
7. Parking Availability	Low Score: _____	Low Score: _____	High Score: _____	Medium Score: _____
8. Proximity to Services	High Score: _____	High Score: _____	Low Score: _____	Medium Score: _____
9. Access to views	High Score: _____	High Score: _____	Medium Score: _____	Medium Score: _____
10. Minimizes temporary relocation Impacts	High impact Score: _____	High impact Score: _____	Low impact Score: _____	No Impact Score: _____
11. New Building or Renovation	Renovation Score: _____	New Score: _____	New Score: _____	Renovation Score: _____
12. Other:				
13. Other:				
Total Score				