

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

June 16, 2003
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, and Councilmembers Creighton, Davidson, Lee, and Noble

ABSENT: Councilmember Mosher

1. Executive Session

Deputy Mayor Degginger opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately 30 minutes to discuss one item of potential litigation.

The Study Session resumed at 6:50 p.m. with Mayor Marshall presiding.

2. Study Session

(a) Technical Advisory Committee (TAC) Recommendations for New City Building

City Manager Steve Sarkozy recalled that Council appointed the 11-member Technical Advisory Committee (TAC) with expertise in architecture, design, construction, and finance to offer advice on the most prudent scope, budget, and financing plan for the adaptive reuse of the new city building in downtown Bellevue.

Planning and Community Development Director Matt Terry noted the City originally bought the former Qwest building to address Public Safety facility needs. In March, Council provided direction to consolidate all current City Hall campus functions into the new building. The TAC held approximately 12 meetings since February to discuss all of the elements involved in redeveloping the building for the City's use. Mr. Terry reviewed the following upcoming opportunities for public involvement in the planning process:

- June 25 – Public Open House at City Hall, 6:00 – 8:00 p.m.
- June 30 – Public Hearing on New City Building, 7:00 p.m.
- July 14 – Public Hearing on New City Building.

Information about the project is also posted on the City's web site. Mr. Terry emphasized that discussions to date have focused on establishing a program, scope, and budget based on general design concepts. Council is scheduled to set the initial project scope and budget in late July, which will allow the consultants to complete schematic design work. A final design and refined budget will be presented to Council in November. The final decision point will be in the spring of 2004 when the construction contract method and maximum allowable cost will be established by Council.

Mr. Terry introduced the architectural consultants, Dennis Forsyth and Rick Zieve with SRG Partnership, and TAC members Barton Drake, Court Olson and Clay Wallace to present the TAC's recommendations.

Mr. Forsyth explained that the architects were originally asked to create three development schemes and budgets for the new city building. Each scheme contained a set of common features referred to as constant cost items, as well as variable cost items. Mr. Forsyth reviewed the constant cost items included within all three schemes:

1. Seismic upgrades – Portions of the building must be improved to the level of immediate occupancy following an earthquake or other disaster. Seismic upgrades consist of concrete sheer components connected by steel support structures for both the building and the parking structure. The estimated cost for seismic upgrades is approximately \$12 million.
2. Additional parking – Through several discussions, the consultants and TAC members agreed on the addition of a parking structure on the northwest corner of the site to provide sufficient parking as required by City Code. The estimated cost is \$9.7 million.
3. Public Safety upgrades – New elevators are needed to separate Public Safety use from other City functions and the general public. A new loading dock, sally port, and holding facilities are needed as well. The estimated cost for the upgrades is \$1.2 million.
4. Public Safety tenant improvements – General office tenant improvements are estimated at \$35 per square foot. Tenant improvements for 911 Communications Center are based on an estimate of \$175 per square foot due to equipment and technology requirements. A cost of \$115 per square foot is estimated for the lower floors of the building, which will be converted from mechanical equipment space into office space and shower/locker facilities for the Police Department. The total cost of tenant improvements is estimated at \$12 million.
5. Public spaces tenant improvements – Approximately 26,000 square feet including the main lobby and redevelopment of existing computer floors. Costs are estimated based on an average of \$100 per square foot and include a design contingency, cost increases until the improvements are actually completed, a construction contingency, and sales tax. Total cost estimated at \$3.5 million.
6. General government tenant improvements – Approximately 138,000 square feet of office space on the upper floors, to be developed at an average cost of \$35 per square foot. Total estimated cost is \$7.6 million.
7. Mechanical/Electrical/Plumbing/Infrastructure upgrades – Boilers must be added to compensate for the loss of computer equipment, which formerly heated the building.

Upgrades include improvements to the uninterrupted power system, elevators, and site utilities and the replacement of chillers.

Mr. Forsyth said TAC members discussed the constant cost items extensively and challenged the consultants to identify cost-saving measures. He noted that value engineering analysis will help refine the items further.

Mr. Zieve led a discussion of the variable cost items and the TAC's recommendations for each component:

1. Lobby concourse/Council Chambers/Revised exit stair – Mr. Zieve explained that the building currently has no public lobby. Consultants and TAC members identified the need to replace an exit stair to open up the lobby and to build a new Council Chambers where a cafeteria currently is located. Mr. Zieve demonstrated conceptual design ideas using a model of the building.

Mr. Drake said TAC members recognized the need to draw people into the building and provide lobby service counters as well as public meeting space. The proposed lobby concourse leads to Council Chambers and an overlook toward Mt. Rainier. Mr. Drake said TAC members were excited about this aspect of the building and recommend a Pacific Northwest design theme connecting the inside and outside of the building.

Mr. Olson described tours of two new city halls in British Columbia, which are considered good examples for their lobby concourses and Northwest designs incorporating wood and/or water features. Mr. Sarkozy commented on the goal to improve customer service in City Hall by consolidating public service counters in one area of the building.

2. Exterior walls of computer block floors – Mr. Zieve said several options for opening up the computer block floors were discussed by the consultants and TAC. The TAC recommends opening up three sides of the floors, a wide opening to the lobby concourse, new exterior cladding for these floors, a new skylight, and a new communicating stair.

Mr. Olson said TAC members determined that opening up the floors to natural light will benefit employee morale and productivity as well as the public image of the building. Mr. Wallace noted that public service counters will also be located on these floors. He described the TAC's recommendation for an exterior finish on the computer floors such as masonry or another textured surface.

3. Main building exterior walls – Mr. Zieve said a number of options were discussed for addressing the exterior walls of the building. The TAC recommends new metal skin, fixed exterior shading to control glare, and new clear glass in all existing window frames. Mr. Zieve explained new window technology utilizing clear glass for maximum natural light while also reducing energy costs. TAC members discussed a proposal for a thermal buffer on the south façade, but this element is not included in their recommendation due to its cost.

Mr. Wallace said clear glass is the TAC's top priority in this category of improvements. A new metal skin will eliminate the need to repaint the building periodically, improve the thermal performance of the building, and provide additional structural support for the building. TAC members support the idea of a thermal buffer wall on the building's south side if it can be justified in terms of long-term energy cost savings. Further analysis will be conducted by the consultants to refine the thermal buffer option, which is not included in the TAC's current recommendation.

4. Site Development/Green Roofs/Gateway Corner (NE 4th Street & 112th Avenue) – Mr. Zieve explained that options for site development ranged from minimal development of a northwest plaza, no green roofs, and no changes to existing landscaping to full plaza development, upper and lower green roofs, a prominent gateway treatment, and full new landscaping. The TAC's recommendation represents a combination of elements including full development of the northwest plaza, full development of the south landscape, green roofs on lower roofs only, and an appropriate gateway treatment. The gateway treatment also functions as a screen for the existing parking garage at this prominent corner.

Mr. Olson said TAC members strongly support the development of a park-like plaza on the northwest corner of the site, over the new parking garage and leading to the Transit Center and Pedestrian Corridor. The TAC advocates a friendly, pedestrian-oriented environment on the building site.

Mr. Zieve said the landscaped lower roofs will add insulation, retain storm water, and provide pleasing views for building occupants as well as areas for employee and public access to the outdoors. Mr. Wallace highlighted the TAC's focus on environmental sustainability in terms of choosing design features for the building and site.

Mr. Olson complimented City staff and the consultants for their excellent guidance throughout the TAC's review process. He noted a strong recommendation by the TAC's accounting/audit expert to move quickly in implementing the project to take advantage of a favorable bond market and financing climate.

Joe Guinasso, Finance Assistant Director, reviewed the guiding principles underlying the project's finance plan:

- Maintain City's Aaa bond rating.
- Reserves will be replenished, where required.
- Maintain substantial taxing and debt capacity.
- Minimize impact on existing operating and capital budgets.
- Balanced and diversified revenue sources.
- Readily predictable revenue sources.

Major components of the finance plan include initial interim borrowing through a bond anticipation note (BAN), a short-term note in the form of a line of credit in anticipation of

issuing long-term bonds. The BAN would be issued for one year at an annual interest rate of 1.71 percent. The BAN will be retired with the issue of 40-year long-term general obligation (LTGO) bonds. The first issue is assumed to occur in October 2003 at an interest rate of 5 percent, and the second issue is slated for June 2004 at an interest rate of 5.25 percent. Mr. Guinasso said additional revenue sources include land sale proceeds from the City Hall campus, reserves, and general Capital Investment Program (CIP) funding beginning in 2009. He reviewed a graph depicting General CIP Revenue Usage from 2010 through 2044.

Mayor Marshall thanked the TAC members for their work. Mr. Creighton noted for the public that Councilmembers had a lengthy Special Meeting on the TAC's recommendations on June 10.

Mr. Lee expressed appreciation for TAC members' participation in developing an independent recommendation for Council. He thanked staff for their professional assistance to the TAC.

At 7:45 p.m., Mayor Marshall declared recess to a reception for departing Board and Commission members, to be followed by the Regular Session at 8:00 p.m.

Myrna L. Basich
City Clerk

kaw