

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

September 3, 2002
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, Councilmembers Davidson, Mosher, and Noble

ABSENT: Councilmembers Creighton and Lee

1. Executive Session

Deputy Mayor Degginger opened the meeting at 6:00 p.m. and announced recess to executive session for approximately one hour and 15 minutes to discuss the security of public facilities, one item of property acquisition, and one item of labor negotiations.

The study session resumed at 7:15 p.m. with Mayor Marshall presiding.

2. Study Session

(a) Public Safety and City Hall Site Feasibility Study Update

City Manager Steve Sarkozy noted Council's discussions about public safety facility needs for the past two years. He said the purpose of tonight's agenda item is for staff to brief Council on the preliminary results of the Public Safety/Civic Center Feasibility Study and the potential acquisition of the Qwest building in downtown Bellevue. Council action on the Qwest building acquisition is needed by October 15 in order for the transaction to close by the end of the year.

Planning and Community Development Director Matt Terry reviewed the history of the City's public safety facility needs. In the 1980s and 1990s, interim facility solutions were implemented in anticipation of a more favorable long-term solution. One strategy was to locate the 911 communications center, which serves most of the Eastside, in the basement of Fire Station 3. In addition, the basement of City Hall was remodeled in 1987 to provide work space for police detectives. These were intended as interim measures until a levy could be passed, but a 1992 levy campaign failed. In the 1990s, improvements were made to the 911 communications center and the old library building on City Hall campus was acquired to provide office space for the Police Department in what is now called the Police Annex. In 1994, an evidence facility was

constructed at Bellevue Service Center. Most recently, a holding facility was constructed adjacent to the Police Annex in 2000.

Mr. Terry recalled that Council identified the need for a public safety facility as a priority in 2000. Council authorized the Public Safety Facility Study and initiated a review of overall facility needs.

Police Chief Jim Montgomery said the Public Safety Facility Study identified deficiencies in the regional 911 communications center, which provides police dispatch services for Bellevue and Clyde Hill and fire/emergency medical dispatch for essentially the north half of King County. The communications center is overcrowded with personnel and equipment, housing 58 staff in a space designed for 20. The Police Department is split between six locations with inadequate interview space and locker/shower facilities. Chief Montgomery said the Fire Department headquarters office in Fire Station 1 is overcrowded as well. He noted the City is facing the additional challenge of potentially providing municipal court services within the next few years.

Chief Montgomery said more than 100 people work in the Police Annex which has one restroom and shower. The building suffers from substandard construction and the need for seismic upgrades. The Public Safety Facility Study concluded the Police Department's facilities are 22,000 square feet below basic public safety standards. Chief Montgomery said a consolidated, centralized facility would enhance the department's efficiency and provide a single point of contact for the public. Citizens coming to the City Hall campus are often confused about where to go to speak with someone in the Police Department, particularly since the Police Annex does not provide public access. Also, the Police Department records counter in City Hall does not provide interview rooms for victims who come to report a crime.

Frank Pinney, Facilities Planning & Development Manager, reviewed issues and problems with City facilities overall:

- Aging campus,
- Inefficient square footage distribution,
- Inefficient deployment of City services, resulting in increased operating costs,
- Seismic upgrades are needed in City Hall,
- Aging and obsolete systems (e.g., HVAC),
- Security issues.

Mr. Pinney explained that departments are split between multiple buildings and floors. For example, the Planning and Community Development Department is located on five separate floors in two buildings. This requires two reception areas and duplicate recordkeeping systems. Three departments that work closely with PCD – Transportation, Utilities, and Fire – are all located in buildings other than City Hall, which has the main permit center. The City's use of three buildings on the City Hall campus requires the maintenance of three different sets of HVAC and other systems. There are five public entrances to City Hall, as well as three additional controlled-access entrances.

Additional deficiencies identified in the recent study include:

- Inadequate conference and meeting space for staff and the public (including Boards and Commissions),
- Insufficient public space, both interior and exterior,
- Aging infrastructure – The older portion of City Hall is nearly 40 years old and the newest City-owned building is 25 years old. Mr. Pinney said an aggressive major maintenance and capital program is in place to maintain these facilities. The Leavitt Building’s heating and ventilation system is in need of replacement, and fire code upgrades are needed in City Hall for items such as unprotected wood floors and unprotected steel beams.

Mr. Pinney said a well-designed civic center would have efficient administrative work space, consolidated functions in one building, ample meeting/public space, a clear identity easily accessible to the public, and a one-stop lobby for assisting citizens.

Mr. Terry said staff analyzed several public safety facility options including new construction on the current City Hall campus as well as downtown and suburban locations. The estimated cost of building a new public safety facility is \$60-90 million. Mr. Terry recalled that Council directed staff in January 2002 to determine the best long-term facility investment strategy for the City. Council asked staff to plan for the collocation of public safety and City Hall functions and to examine downtown sites as well as redevelopment of the current City Hall campus. Established Comprehensive Plan policies indicate a goal to ultimately locate City Hall in the downtown area.

Carla Weinheimer, Community Development Manager, said staff initiated a master plan process to:

- Develop more detailed City Hall program recommendations to address public safety and other facility needs.
- Identify prototypical sites for comparison to the current City Hall campus.
- Develop master plan concepts and costs for selected sites. NBBJ Architects assisted in this process.
- Prepare recommended alternatives for City Council’s consideration.

The primary purpose of the Site Feasibility Study was to ensure the City invests wisely in a public safety facility that addresses both short-term and long-term needs at the least cost while meeting City goals and objectives. NBBJ Architects were asked to analyze options with the following key decision parameters in mind: least cost, operational efficiency, and improved public service. Staff also considered value-added opportunities such as creating a catalyst for downtown development, providing civic amenities, and improving employees’ work environment and productivity.

Ms. Weinheimer said the Site Feasibility Study compared the current suburban campus to four prototypes:

- Comp USA site in a lower density central business district neighborhood at Main Street and 108th Avenue. This prototype was considered as a neighborhood transition site.

- Qwest building at NE 4th Street and 110th Avenue, a prototype for an adaptive reuse solution and also a gateway location to the downtown.
- EH Block at NE 8th Street and 108th Avenue, representing a higher density CBD site.
- Summit Building, a new office building, at NE 4th Street and 108th Avenue.

Ms. Weinheimer said the five sites were reduced to three after preliminary analysis, eliminating the EH Block and the Summit Building. The EH Block presented some co-development complications and the highest initial cost. The Summit Building was not considered a good fit due to the City's programs, necessary access, and costs. NBBJ developed master plans for the remaining three sites.

Ms. Weinheimer described the phased master plan for redeveloping the City Hall campus. She said this option did not score very well in terms of district benefits. While it provides a usable facility, it does not add value to the area. The Comp USA site was analyzed as the potential for taking control of an entire city block and creating a park-like environment around City Hall. The building could be phased over time and underground parking could be provided. Positive district benefits include a location on Main Street and the development of a park in an area where it is needed. Turning to the Qwest building, Ms. Weinheimer said the building has two wings which would accommodate City Hall and Public Safety functions. It is adjacent to an open space/plaza area and creates a pedestrian connection to the Transit Center, the Pedestrian Corridor, and Meydenbauer Convention Center. Seismic upgrades and a redesign of the lobby would be needed, however.

Based on the development of master plans, Ms. Weinheimer provided the following estimated costs for each alternative:

Existing campus	\$138 million to \$153 million
Comp USA	\$154 million to \$170 million
Qwest	\$ 90 million to \$105 million

These costs include the sale of existing facilities, property acquisition, construction costs, and other project costs.

Mr. Terry said Qwest approached the City about buying its building while the master plan/site feasibility study was underway. Qwest would like to maintain its data network center in the building if it is sold, but the remaining space is adequate to address all of the City's needs in one building. Staff conducted a fatal flaw analysis to test the following variables/needs: program fit, seismic upgrades, public lobby/building access enhancements, site access/parking, a secure public safety elevator, and accommodations for Council and other public meetings. Staff found that the Qwest option is supported by Comprehensive Plan policies that have been in place for many years including:

- Policy S-DT-7: Encourage major governmental agencies serving Bellevue residents to locate downtown.
- Policy S-DT-8: Consider relocation of Bellevue City Hall to a site in the downtown.
- Policy S-DT-106: Locate public safety/City Hall adjacent to Convention Center.

- Urban design guidelines: Locate activity center at east end of Pedestrian Corridor and Transit Center.

Mr. Terry said the Qwest building represents a smart business proposition with the opportunity to purchase downtown property in a down market. It would provide a gateway property into the downtown and infuse new life into a critical piece of the downtown landscape. The project absorbs office space in a market with a vacancy rate of nearly 30 percent, creates construction jobs, and represents a counter-cyclical investment at a time when the local economy could use a boost. Mr. Terry summarized that the Qwest building is large enough to meet public safety and overall City facility needs at about the same cost of providing a new public safety building on the existing City Hall campus.

Mr. Terry said the letter of intent between the City and Qwest, which was signed today, reflects a purchase price of \$28 million (\$93 per square foot). The transaction would close by the end of the year following a due diligence or feasibility period in which additional issues, such as Qwest's continued occupancy, would be resolved.

Mr. Sarkozy feels the Qwest proposal is a great opportunity for property acquisition in a down market as well as an opportunity to satisfy public safety and general government needs for the community 50 years into the future. Next steps include continued review of the financing plan, resolution of outstanding issues with Qwest, and presentation of the finance plan to Council later this month. Available funds include a \$13 million reserve established by Council in recent years, \$2 million in deferred maintenance expenditures, and proceeds from the sale of current City facilities.

Mayor Marshall thanked staff members for their research and work on this issue. Noting the time, Mrs. Marshall suggested checking with Councilmembers during the break to determine how they would like to proceed with discussion of this item.

At 7:58 p.m., Mayor Marshall declared recess to the regular session.

Myrna L. Basich
City Clerk

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