



**CITY OF KIRKLAND**  
**Department of Finance & Administration**  
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**www.kirklandwa.gov**

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Deputy City Manager  
Chris Dodd, Facilities Services Manager

**Date:** May 21, 2015

**Subject:** CITY HALL REMODEL PROJECT

### **RECOMMENDATION:**

City Council provide feedback on the schematic design, approve the funding strategy and a two-phased construction approach, and pre-authorize the City Manager to sign a Public Works construction contract for the City Hall Renovation Project Phase 1, provided the lowest responsive bid price received from a bidder deemed responsible to perform the specified work for the Project is in an amount not greater than 5% over the engineer's estimate.

### **BACKGROUND DISCUSSION:**

At the City Council retreat on February 21, 2014, City Council directed staff to move forward with the renovation of City Hall. At that meeting, City Council provided project goals that included moving the Human Resources and Parks departments from the 505 Market Street facility to City Hall, complete deferred maintenance, improve the customer experience, make the Council Chambers a more flexible space, create a dedicated space for an emergency operations center and improve exterior signage.

At the July 25, 2014 City Council meeting, staff asked the City Council for their feedback on how the renovated Council Chambers should look and function. The priority of the Council was to ensure the changes enhanced service to the public. Key factors identified included ease of interaction between the community and the City Council, comfortable public seating, audio/visual/technology enhancements, better visual displays for the audience and adding natural light.

#### *Chamber/Lobby/Customer Service Center Schematic Design*

During the past 6 months, ARC Architects (ARC) and staff have met directly with specific user groups in focused workshops. It was in these workshops that staff, customers and community members were able to interact directly with staff and ARC and provide input into the functionality and design of the facility.

A meeting with the development community took place at City Hall this past March. During this meeting, developers had a chance to walk the facility and offer input directly to the schematic design team. Participants were encouraged to comment on the proposed floor plan for the new lobby and customer services counters, provide ideas on how to improve customer service elements, and identify what the City could do to enhance the overall customer experience.

ARC has created a schematic design that is shown in Attachment 1 (upper level) and Attachment 2 (lower level). In addition, the conceptual design for the Customer Service area is shown in Attachment 3. The architect is still developing conceptual designs for the Council Chamber. Those will be sent separately or brought to the Council meeting. The designs address the needs identified through this process and envisions a phased construction approach.

The scope of services of the next phase of work to be provided by ARC includes architecture and design, a complete plan of the facility including construction phasing, building lifecycle cost analysis, and addressing deferred maintenance including electrical, plumbing, ingress/egress, current ADA accommodations, exterior stucco, water proofing, roofing, audio/visual and signage. This phase will result in the creation of bid specifications for each phase of the project.

Phase 1 of the project includes rehabilitation of the roof structures, creating a new Peter Kirk Room, finishing out a staff surge space for phase 2, creating a dedicated EOC space, and building out a dedicated audio/visual suite and dedicated electrical room.

Phase two of the project would rehabilitate the City Council Chambers (including flattening the floor, all new audio/visual/technological components, new dais and supporting staff areas and enhanced community interaction), enhancing the customer service areas and reclaiming some of the space in "Main Street", and reconfiguring, painting, and carpeting the staff areas.

It is anticipated that Phase 1 will go to bid in late June, with construction to begin in September, 2015. Phase 2 is anticipated to begin after the second November 2015 Council meeting, with construction completion in the 2<sup>nd</sup> quarter of 2016.

Design elements such as architecture, fit and finishes and a more detailed schedule will be brought before the Council during a project update in August.

#### *Funding and Cost Estimate*

As part of the annexation planning process, a total of \$10 million in funding sources was identified for use in the City Hall renovation. The current funding breakdown for the project is summarized in the table below.

<b>Project Funding Sources</b>	<b>Amount</b>
REET 1	\$ 502,574
GF Cash	\$ 631,407
Bld & Prop Reserve	\$ 1,566,019
Facilities SF	\$ 695,424
Deferred/Closed CIP	\$ 101,314
505 Bldg Sale	\$ 1,500,000
Debt Issuance	\$ 5,003,262
<b>Total Funding Identified</b>	<b>\$ 10,000,000</b>

The 2013 space needs study estimated that a project budget of over \$20 million would be needed to meet the ideal needs identified, which was not feasible to fund. City staff worked to scale back those needs and focus on key priority areas as described above. The current cost estimate for the construction project, incorporating these items, is summarized in the table below.

<b>Project Estimate</b>	<b>Amount</b>
Construction Cost	\$ 6,768,000
Wiring (include EOC)	
EOC Shell	
Council Chamber Remodel (including A/V)	
Preventative Maintenance	
Carpet/Paint/Restroom Refresh	
Architect Feasibility Contracts	\$ 230,000
Architect Design Contract	\$ 759,000
Permit Fees (estimate)	\$ 150,000
Contingency (15% project budget)	\$ 1,500,000
One Percent for the Arts	\$ 100,000
Sales Tax on Construction Elements (9.5%)	\$ 794,960
<b>Total Estimate</b>	<b>\$ 10,301,960</b>

Note that this cost estimate includes finishing of the EOC shell, including the associated costs of wiring. In earlier discussions, the expectation was to identify a location for a fixed EOC, but not build out the space. However, there are economies of scale associated with finishing the shell during the construction project, which adds approximately \$400,000 to the cost estimate. Finishing the shell means that a fixed EOC could be set up using the existing EOC furniture and equipment stored in the Peter Kirk Room. This space could also be used for City training. Grants could then be pursued for new or additional EOC elements.

In addition to these project elements, there are two new elements that are recommended:

- **Replacement of the roof** – The current facilities sinking fund has replacement of the City Hall roof scheduled for 2018. Because of the extensive work that will be occurring on the roof as part of the deferred maintenance, staff recommends making the replacement of the roof part of the City Hall renovation. There is \$500,000 set aside in the facilities sinking fund toward the roof replacement and those funds should be sufficient to fund the addition of this element to the project.
- **Upgraded fire suppression for the Server Room** – The current IT server room uses a dry standpipe system to provide fire protection, which means that in the event of a fire, water would be used to extinguish the fire. This system has been sufficient in the past, but if it was activated, it would result in substantial damage to the servers and downtime for the City. Current fire suppression technologies instead remove the oxygen from the room, preserving the equipment. This type of system is installed in the Kirkland Justice Center (KJC). Staff evaluated moving server equipment to the KJC, however, significant cost would be incurred to be able to operate all systems remotely. The cost of installing an updated fire suppression system in the server room is \$200,000.

These additional elements increase the project budget by \$700,000, which taken with the \$300,000 increase to the initial cost estimate, takes the total budget to \$11 million. Based on a

detailed review of the Facilities Fund cash balances, staff has identified the following resources for these items:

<b>Other Funding Sources</b>	<b>Amount</b>
Potential Roof Sinking Fund	\$ 500,000
Facilities Working Capital	\$ 500,000
<b>Total Funding Identified</b>	<b>\$ 1,000,000</b>

The working capital in the Facilities Fund that is identified as an available funding source is due in part to lower than estimated operating costs for the Kirkland Justice Center in the first year of operation (2014). The budgeted operating costs were based on an estimated cost per square foot in 2012 (during the 2013-2014 budget process) and actual costs were less based on actual needs and the actual timing of the KJC opening. The KJC costs have been adjusted to more realistic levels in the 2015-2016 budget.

Note that the purchase of furnishings for City Hall is being treated as a separate project. The space needs study estimated that brand new office furniture system would cost \$2.3 million. Staff had concluded that new furnishings would not be feasible to within the \$10 million project budget. Staff continued to look for a creative solution to accomplish the goal of making the floor plan as efficient as possible in order to accommodate staff growth due to annexation and consolidating facilities. On December 9, 2014, the City Council approved purchasing a reconditioned furniture system to meet the City Hall needs for a total estimated cost not to exceed \$600,000, including storage, shipping and installation. This purchase will be funded using working capital in the facilities fund and is treated as a separate capital project. In addition, the cost of furnishing the Council Chambers, lobby and customer service area is estimated at \$180,000 and could be funded with the remaining reserves associated with the rental properties (after the cost of demolishing the structures).

Lastly, the Facilities Services Manager will spend a considerable amount of his time orchestrating this project. Staff is recommending that a consultant be engaged to augment and backfill this time, the cost of which will be paid from the facilities professional services budget.

#### *Pre-authorization of Phase 1 Bid Award*

The current construction strategy for the City Hall Renovation Project, if approved by Council, is two-phased: the initial phase would re-roof, create a staff surge space in the former Kirkland Police Department space, build a new Peter Kirk Room, add a dedicated video suite and create a dedicated emergency operations center.

This work is essential to be completed in a timely manner as these spaces are crucial in continuing to providing excellent customer service while limiting the disruption to the public and staff all while taking advantage of the summer weather for exterior work.

Under more typical bidding and contract award processes, the amount of time between a bid opening and City Council award can add between 2 to 4-weeks to the schedule. This item was originally intended to be scheduled for consideration at the May 19 Council meeting which was cancelled due to the Joint Meeting with Bellevue, the Council retreat and the Community meetings in May.

As a means of saving time and helping to expedite the construction phase, staff is seeking pre-authorization from City Council to allow the City Manager to enter into a contract on behalf of the City if the following criteria are met:

- 1) multiple responsive and responsible bidders submit bids and,
- 2) the total cost to the City from the lowest responsible bidder to perform the specified work for the Project is in an amount not greater than 5% over the cost of the construction estimators estimate of \$2,600,00.00.

If the criteria listed above are not met, staff will return to City Council with the results of the bid opening and an appropriate recommendation for moving Phase 1 of the Project forward.





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**KIRKLAND CITY HALL REMODEL**  
123 5TH AVE  
KIRKLAND, WA 98033

PRE-DESIGN

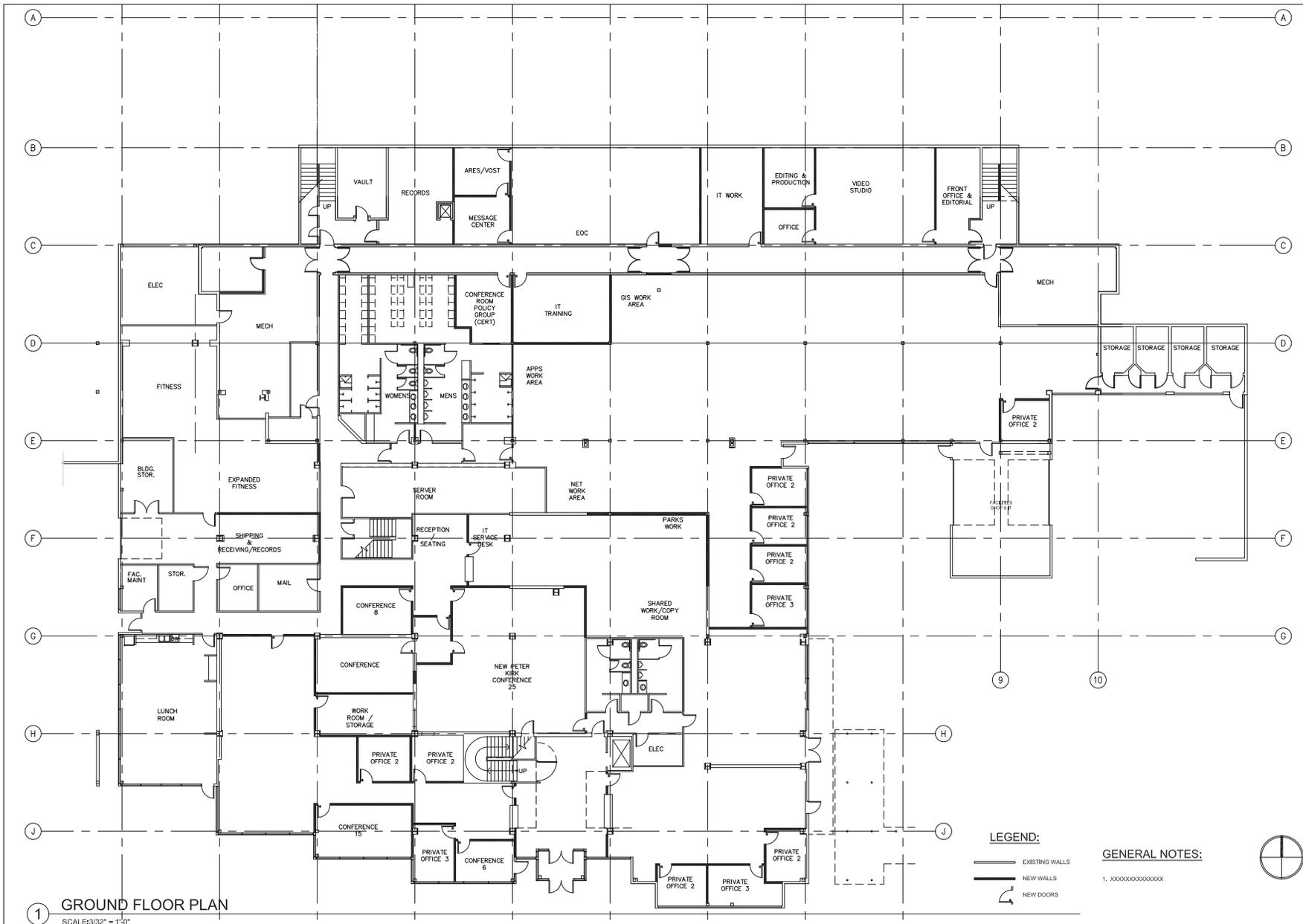
ISSUE DATE:	DATE
MARK	DATE DESCRIPTION

**CONTENTS:**  
**GROUND FLOOR PLAN**

SCALE:	3/32" = 1/8"
DRAWN:	JW
CHECKED:	RLB
PROJECT NO.:	201924.00

SHEET:

**A2.0**



**GROUND FLOOR PLAN**  
SCALE: 3/32" = 1/8"

**LEGEND:**  
— EXISTING WALLS  
— NEW WALLS  
↷ NEW DOORS

**GENERAL NOTES:**  
1. XXXXXXXXXXXXXXXX



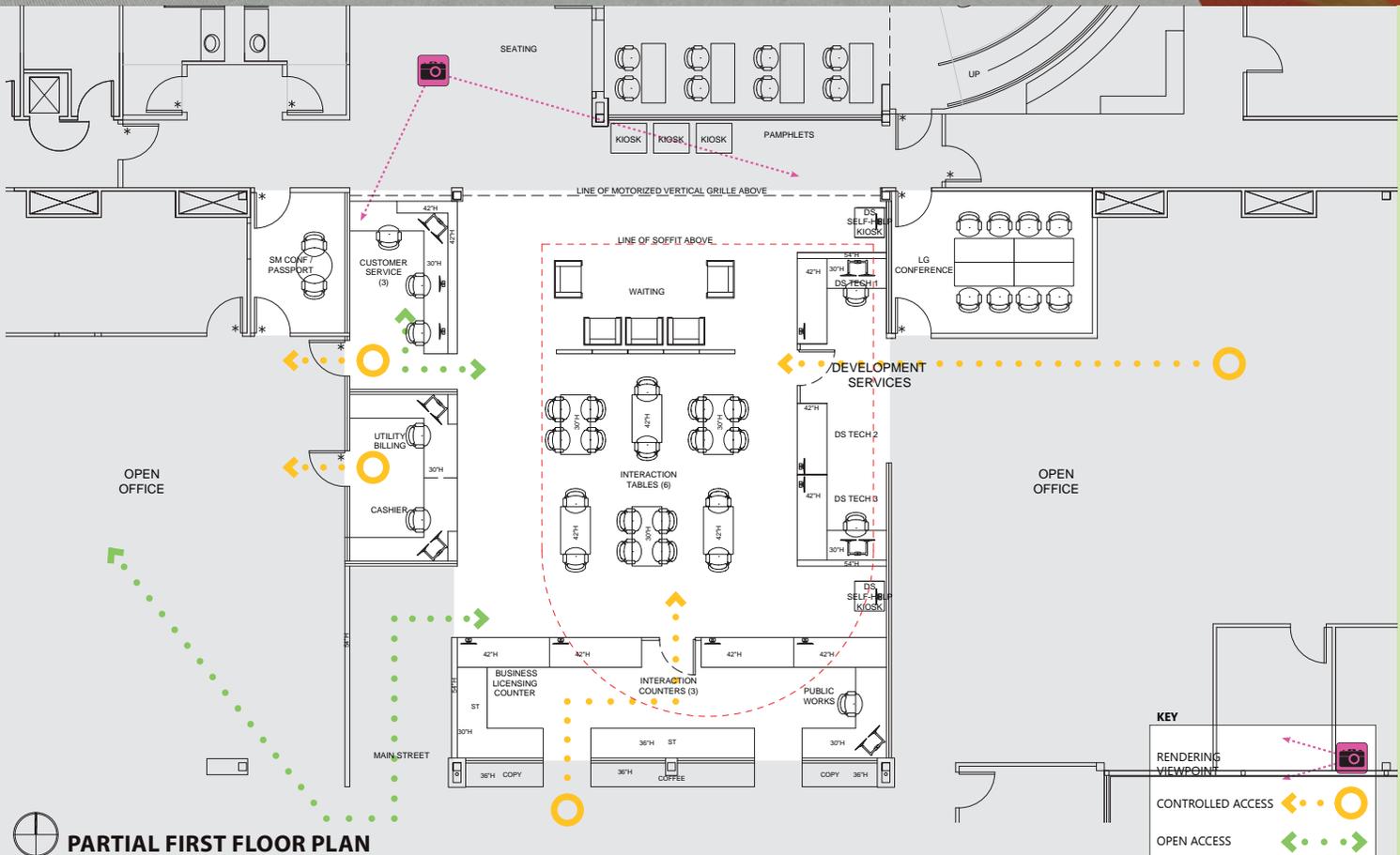
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## HIGHLIGHTS

- ALL COUNTERS HAVE DIRECT ACCESS TO THE FLOOR
- OPEN ACCESS / IMPLIED PERIMETER (MINIMAL SECURITY)
- BOLD CARPET / LIGHTING @ MAIN STREET FOR PRIMARY WAYFINDING TO CSC
- DEVELOPMENT SERVICES CENTER COLOR / SIGNAGE EMPHASIZES SECONDARY WAYFINDING
- FULL HEIGHT GLAZING @ CASHIER + UTILITY BILLING TO DELINEATE WORKSTATIONS FROM CSC
- INTERACTION COUNTERS @ PERIMETER W/ STORAGE AREA BEHIND
- KIOSKS WITHIN VICINITY OF DS TECH COUNTERS
- 2 (OF 3) DS TECHS HAVE SMALL 30" H WORK AREA, SIDE FACING (TO PUBLIC)
- HALO LIGHTING AS SUSPENDED FEATURE (NON-ACOUSTIC)
- TINTED CLERESTORY GLAZING FILM
- ACOUSTIC WOOD SLAT CEILING
- VISIBLE CONFERENCE ROOMS
- SMALL SCALE SIGNAGE LOW (@ FACE OF COUNTER)



 DEVELOPMENT SERVICES VIEW FROM ENTRY



 PARTIAL FIRST FLOOR PLAN

**arc**  
ARCHITECTS

**KIRKLAND CITY HALL REMODEL**  
DESIGN DEVELOPMENT SKETCHES 2015.04.24

