

Questions and Answers Town Hall on Capital Facilities' Bond January 22, 2020

On January 22, 2020 the Mayor's Revenue Group held a Town Hall meeting to discuss their proposed capital improvement bond. Staff captured the questions that were asked and those questions and answers are provided below. Many of the questions pertained to the construction of a new City Hall or the renovation of City Hall. To clarify terms used in this document:

"New City Hall" means building a completely new City Hall at the current location.

"Retain Walls City Hall" means attempting to retain the City Hall's walls, building another building within the existing walls and tying the existing and new walls together.

"Build new at new location"

QUESTIONS

CITY HALL

1. In analyzing the relative costs of each option, did the City take into account the net cost savings and efficiencies that could result from consolidating most City departments at the Briscoe site?

The City did look at that option but even with selling the Community Development/Engineering Services building, it was more expensive options than City Hall remaining at its current site.

Option	Total Project Cost, 2019	Total Project Cost, 2024
City Hall, New building, 4-stories	\$12,317,000	\$16,099,000
City Hall, Seismic renovation of original	\$6,065,000	\$7,928,000
Briscoe School renovation	\$15,254,000	\$19,937,000
Civic Center, New building at Courts site	\$18,918,000	\$24,727,000

The building is significantly larger than was the identified need for current and future City operations. Other users could have been contemplated (Parks, other government partners, non-profits, etc but that would put the City in the position of spending additional funds for facility uses that are not core/essential

Also, Briscoe has many of the same deficiencies that are present with City Hall, including seismic, ADA, limited parking, outdated and end of life HVAC, plumbing and electrical systems. All would need to be brought up to current code as part of a renovation.

2. During construction, which of the City Hall options would have fewest negative impacts on Plaza businesses, especially negative impacts on accessibility, parking availability, and tourism generally?

The City recognizes that a project of this size and at this location will have an impact on the downtown experience both for businesses and visitors. Downtown impacts were a driving factor in the decision by the City Council to build a New City Hall. Timeline estimates for a New City Hall compared to the Retain Walls City Hall are below:

New City Hall

Construction of structure 6 months

This will have the most impact on parking, circulation, noise, etc. on the downtown

Construction of inside of City Hall 6 months
Intermittent disruption of circulation

Retain Walls City Hall

Construction of structure 10 months

This will have the most impact on parking, circulation, noise, etc. on the downtown

Construction of inside of City Hall 6 months
Intermittent disruption of circulation

The four-month difference between the New City Hall option and the Retain the Walls City Hall option is significant. It means that the most impactful construction would occur during some summer months.

The City is committed to:

- Meeting with downtown business representatives to discuss the project practices to minimize downtown impacts
- Working on timing the most impactful part of the construction during the winter
- Working with the architect and contractor to minimize impacts to parking areas

3. What is the likely construction timetable for New City Hall and for Retain Walls City Hall?

See question #2.

4. Did the decision not to vacate the current City Hall site take into account a formal appraisal in order to determine the amount of sale proceeds that might be applied to the cost of a new City Hall elsewhere?

A City Council appointed Ad Hoc committee to analyze various locations for City Hall. The following Ad Hoc committee members met 10 times to recommend their preferred alternative for a new City Hall.

Darrell Boldt

Gerry Kennefick

Jac Nickels

Cathy Shaw

Julie DeChiro

George Kramer

Roger Pearce

Barry Thalden

Ed Finklea

Rich Miller

Miewen Richards

The majority of the members recommended to the City Council that City Hall remain at its current location. In addition, the City Council reviewed design and financial estimates for three different locations for City Hall:

- 1) current location;
- 2) Briscoe School; and
- 3) the Service Center (by the Police Station and the Grove).

The City Hall building at 20 E. Main Street can only be occupied for the purposes of a "Town Hall". If the building is not used for "Town Hall" purposes the building reverts back to the donor's heirs. A private investigator was hired 3 years ago to conduct a preliminary search for heirs of the person who donated the City Hall site in the late 1800s; none were located. If the decision were made to try to sell the current site a more thorough (and expensive) search would be necessary as a first step in a "Quiet Title" lawsuit. Unless a decision is made to try to find a buyer for the current City Hall site, the time and expense of undertaking such a search would have little value.

The tax lot that the City Hall property sits on includes portions of the property that is now the plaza and portions of the road/sidewalk in that area. Staff is confident that the means exist to create clean title for City ownership of City Hall and the property that it sits upon. This could occur by means including partitioning off the land City Hall sits on from the rest of tax lot 100.

An appraisal has not been done because (1) for both financial and non-financial reasons, the Ad Hoc City Hall Committee recommended and the Council agreed on staying at the current location; and (2) the cost to get better information (e.g., obtaining an appraisal or a initiating "Quiet Title" lawsuit to try to resolve title issues) about an option no longer under serious consideration could not be justified.

5. **Of the two options for keeping City Hall at its current site, which would have the least cost per square foot; have the least overall cost; and best maximize utility for providing services to the public?**

See answer to #1

6. **What is the cost comparison between retrofit and building a new City Hall?**

The City Council requested information from ORW Architecture on the construction cost of building a New City Hall or Retain Walls City Hall.

Construction Cost comparison –

The City Council considered other variables that not only affected the construction cost but are proposed to minimize impacts to the downtown businesses. For example, it is estimated the building new will save approximately four months of construction of the shell of the building. This is important because construction of the shell of the building will create the most impact to the downtown. Ideally construction of the shell of the building would take no more than six months and occur over the winter. The construction would then move to the inside of the building thereby reducing impacts to the downtown. In addition, with new construction the City would gain approximately 600 square feet by enclosing an open roof that houses mechanical equipment.

Retrofitting a 2-story building and building new can be done for about the same price (about \$7.2M). However, building new provides a shorter construction schedule, a larger structure, and fewer risks that could negatively impact the project budget and schedule. New construction diminishes costs associated with design, demolition, sitework and foundation prep, and contractor's contingency. Moreover, building new eliminates the cost and risk associated with bracing and shoring the exterior walls that would otherwise be preserved for a seismic retrofit. These are just a few of the reasons why building new is considered a more effective use of the project budget, and less disruptive to Plaza uses and businesses.

Costs associated with the two different options have a variety of factors, some of which are difficult to calculate and compare at this stage in the construction design process, some not being known until bid proposals are received and evaluated. (Demolition process/time with leaving exterior skeleton, condition of the exterior skeleton after demolition, custom materials/solutions to fit with existing walls)

7. **How is the firm that performed the seismic study qualified to make their determination?**

The most recent seismic evaluation was completed by Miller Consulting Engineers, Inc. located in Portland, Oregon. Mr. Eric R. Watson, Oregon registered Structural Engineer stamped the report. Mr. Watson specializes in Seismic Evaluation and

Retrofit of Existing Buildings, according to standards established by the American Society of Civil Engineers (ASCE standard no. 41).

8. Would one firm be able to do both the retrofit as well as build a new City Hall?

Yes, the City Council has selected an architectural firm that is qualified to do either.

9. What leads staff to conclude the risk of unexpected cost increases is greater under Retain Wall City Hall than New City Hall?

Risk management is one of the most important parts of any major project. During the early design phase, a team of subject matter experts, including engineers, architects, and staff or other external consultants who are experts in the utilities and systems that serve the building, would identify as many risks as can be expected, and will develop a plan to minimize the impact of each risk, or minimize the probability of the risk occurring, and develop contingency plans should the risk occur. Trying to partially retain the exterior of a 120+ year building while demolishing the interior and roof will expose the project to risks that could be eliminated by full demolition and new construction. Several high-level risks and unknowns associated with seismic rehabilitation that have already been identified and are related to the added risk of bracing and shoring needed to retain three of four existing exterior walls, and the risk of wall decomposition during construction. It is too early to begin a more in-depth risk management process because the City doesn't have a preliminary design, so a list of potential risks and mitigation strategies has not been developed.

10. What is the backup plan if the bond doesn't pass?

The City will remove employees from working in City Hall and work with City Council towards a long-term solution. Plans for re-location of employees/functions to other City facility locations have not yet been developed in detail, but that process will begin shortly.

11. What is the criteria for risk the firm has established for the retrofit?

See answers to #9.

12. What is the cost for the next design phase?

On December 3, 2019 the City Council approved the contract for the design of City Hall. The total contract cost is \$400,000.

The link to the documents of that meeting are:

http://www.ashland.or.us/SIB/files/120319_City_Hall_Phase_2_ORW_CCFinal.pdf
and <http://www.ashland.or.us/agendas.asp?AMID=7436&Display=Minutes>

13. What consideration is being made for the safety of others downtown and not only in City Hall?

The City is responsible for both City employees in City Hall as well as the public who enter City Hall. The primary responsibility for the safety of the tenants, employees and guests of private property owners rests with those owners.

14. What were the metrics used in determining to keep City Hall downtown? Was there consideration to use other commercial areas downtown?

For both financial and non-financial reasons, the Ad Hoc City Hall Committee recommended and the Council agreed on keeping City Hall at the current location. The Ad Hoc committee did consider sites other than Briscoe, the Civic Center site, and the current City Hall site and concluded that no other sites were logistically or financially feasible. Costs, accessibility, and downtown vitality were pre-eminent decision factors, but informed judgment after considerable debate of all identified pros and cons – as opposed to prescribed measurable criteria – most accurately describes the decision-making process.

- Links to the numerous documents below provide more detailed information on the process: Summary of public open house input (March 2017): <https://www.ashland.or.us/Files/Memo%20-%20Summary%20of%20Public%20Involvement.pdf>
- City presentation to Ad-Hoc City Hall Committee on location options and attributes:
- <https://www.ashland.or.us/Files/Staff%20committee%20presentation%20first%20meeting.pdf>
- Report to Council on City Hall options (Oct 2019): https://www.ashland.or.us/SIB/files/101519_City_Hall_Direction_CCFinal.pdf

15. How many cities in Oregon have City Hall downtown? Did the determination to keep City Hall downtown go to the vote of the people?

The Mayor and Council utilized the Ad-hoc committee process to develop community input and a recommendation to Council on the question of the best location for City Hall. There has been no overall city vote. The 2017 Ad-Hoc committee met 10 times, all open public meetings and conducted a public open house for community input. This resulted in a recommendation to Council that assisted Council in making final decisions.

No data is readily available on number of cities in Oregon with City Hall's in their downtown. There are 241 incorporated cities in Oregon, most of which have their City Hall's in their downtown areas.

COMMUNITY CENTER AND PIONEER HALL

- 1. If the Community Center and Pioneer Hall are repair jobs, and there is budget in the current biennium for that, why it is included in the levy?**

The work that needs to be done on the Community Center and Pioneer Hall is more accurately described as substantial reconstruction, and the amounts in the budget for this work are only enough to get it started; finding funds to finish the work in upcoming tight regular budget processes could well take several biennia and delay use of these buildings for years.

- 2. Could the City use the \$450,000 that was budgeted for the design for City Hall to repair the Community Center now and then add an additional \$450,000 to the bond for City Hall for design at a later date?**

The funding for the design is budgeted for the City Hall project and should be spent on that project whether it is funding for design of a new building, should the bond pass, or for relocating City employees out of City Hall into a new City Hall building.

- 3. Could the work that needs to be done on the Community Center be completed by 2022? Could theater groups offer suggestions on features to be included in renovation?**

The City would strive to have the Community Center completed as quickly as possible.

Utilization of any funding provided for the Community Center will focus first on structural repair. The Parks Commission, who operates the building on the City's behalf, has requested some repair and enhancement for general community improvement. Staff has received the initial list of renovation suggestions for the enhancement for community theater use and will review and incorporate them into the project as funding and compatibility with other uses of the building allow. The City Administrator has met with the Ashland Parks and Recreation Commission (APRC) Director to discuss non-structural improvement ideas and funding options and APRC may have funds for non-structural improvements.

BUTLER-PEROZZI FOUNTAIN

- 1. Why don't we use Public Art funds for the Butler-Perozzi fountain?**

The Public Arts Commission has a project plan that relies on the Public Art allocation funds and to alter the funding would take City Council action.

Public Art is an eligible category for the use of transient occupancy tax (TOT) funds. Should Council want to utilize those funds for this purpose, a re-allocation of the

TOT distribution would be needed and other funding categories would need to be reduced to accumulate the necessary funds over a number of years to pay for the fountain repair.

2. Why does the Perozzi fountain cost \$350,000?

The steps, pedestal, basin, and electrical must all be replaced. This project is in the Park's Capital Improvement Plan - [http://www.ashland.or.us/SIB/files/Capital Improvements Program 2019%2D2039 Final\(2\).pdf](http://www.ashland.or.us/SIB/files/Capital%20Improvements%20Program%202019%2D2039%20Final(2).pdf)

SOLAR/MICRO GRID

1. What are the solar projects that are planned?

The project contained within this bond proposal is a solar project but with a focus on resiliency for City and community operations in times of emergency in addition to the general benefit of local renewable energy generation. This project is Phase One of a multi-phased resiliency, micro-grid solution for the Service Center, which houses the operational components of the Electric, Water and Streets Departments, the Ashland Fiber Network central network that houses and connects the City, the School District and other key community partner systems and access to the internet. The project site is immediately adjacent to the Police Station and the City's Emergency Operations Center that is activated when local emergencies arise.

Phase One cost estimates are based primarily on the costs to install and operate solar systems on 3-4 of the roof spaces of the existing buildings in the Service Center campus. It is anticipated that Phase One will also develop the overall site design, switching and future energy storage needs and location, integration with existing back up power sources, complete build out costs and timeline.

GENERAL

1. If one of the projects for which the bond is issued ends up costing more than estimated, could funds be transferred from another project within the bond package to cover that unanticipated cost?

Yes. However, the projects in described in the ballot must be completed. Ballot titles almost never peg particular dollar amounts to particular projects. Instead, jurisdictions follow generally unanimous advice from bond counsel to present ballot titles that authorize a maximum principal amount and list a number of authorized capital projects to be constructed within that amount. The unanticipatable contingencies that typically arise in capital projects stretching over multiple years

make binding allocations of specific dollar amounts to specific projects impractical in terms of construction efficiency, as well as administrative and accounting complexity. In short, tying particular dollar amounts to particular projects is legally permissible --if the ballot title is so worded -- but is not recommended.

2. How are we budgeting for maintenance going forward?

The City budgets for facilities maintenance every year. The issues with City Hall, the Community Center, Pioneer Hall and the Butler-Perozzi fountain are issues of age and structural degradation.

3. How can residents get a picture of all capital improvement costs for the City?

The link to the City's Capital Improvement Plan (CIP) is [https://www.ashland.or.us/SIB/files/Capital Improvements Program 2019-2039 Final\(2\).pdf](https://www.ashland.or.us/SIB/files/Capital%20Improvements%20Program%202019-2039%20Final(2).pdf)

The CIP is updated at least every two years via the City's biennial budget process. The biennial budget contains and approves expenditures for the first two years of CIP projects listed. Additionally, City staff adjust and update both the mid- and long-range projects and obtain Council approval for the full 20-year plan on a regular basis as well.

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