



SNOHOMISH CITY COUNCIL STAFF REPORT

Date: April 2, 2024

Agenda Section: DISCUSSION ITEMS

From: Heather Thomas, MPA, MA, City Administrator

Subject: Public Safety & City Services Campus Update

SUMMARY: Staff will provide the City Council with an update on the Public Safety & City Service Campus, including preliminary cost estimates, phasing, timelines, and potential financing options.

BACKGROUND & ANALYSIS: Brief History of City Facilities

The City of Snohomish has had an ongoing struggle for more than 100 years with where to locate its city services long-term. Many of its facilities have been built or relocated multiple times over the last century. Snohomish's first City Hall and a new fire station were approved by voters in the 1920's, with the grand opening in 1927 of City Hall and the police station located at 1009 First Street. Nearly four decades later, it was determined that those facilities were no longer sufficient for the needs of a growing city.

The City looked at options for many years until it purchased the former post office in 1984 and moved City Hall to 116 Union Avenue. City operational needs continued to grow, purchasing properties throughout the area and temporarily leasing space in the Katlin Building. The City now has staff located at City Hall, Engineering Building (112 Union Avenue), Public Works Shop (1801 First Street), and the Wastewater Treatment Plant (2129 Second Street). The Snohomish Police Department also moved around a bit, before an old bank building was purchased and renovated for the "new" police station in the mid-1990s.

Condition Assessments

Multiple planning documents over the last 20 years have highlighted the need for new city facilities. Here are some of the statements made over the years:

- "These facilities have outlived their useful lives, are too small for their current uses, and are functionally obsolete. Their condition affects the City's ability to deliver the quality services its elected officials, staff, and citizens value." 2007 Community Advisory Committee Report
- "Key City facilities (Police, Public Works and City Hall) are buildings that were converted from other uses (bank and post office) and are strained beyond their initial remodel and design limits, suggesting that decisions about the adequacy and future of these facilities should be made along with decisions on new staffing and service levels for the community." - 2008-2013 Strategic Action Plan
- "As a former post office, the facility has an appropriate civic feel and is good quality construction; however, it is not optimally sized or configured for City Hall functions. Size is the most significant issue with the building, which has led to relocation of the Public Works Department. As a former bank, the [Police Department] facility is not optimally sized or configured for Police Station functions." 2008 Facilities Assessment & Master Plan Progress Report

- "Initiative 8: Invest in Snohomish's civic facilities. Appropriate City facilities are needed to provide the efficient, quality services desired by Snohomish residents. Given their age and condition, an evaluation of existing buildings is necessary to identify opportunities to make buildings as efficient, safe, and inviting to the public as possible. Options for co-locating administrative, public safety, and public works facilities should also be explored, as should opportunities to use necessary investment in new or existing facilities as a mechanism for advancing other community or economic development goals." 2014-2018 Strategic Plan

As the newly completed Facilities Condition Assessment by MENG Analysis shows, upgrading deficiencies and ongoing maintenance of the City's existing facilities that are proposed to relocate to a new campus will cost more than \$10M over the next 5-10 years alone. This doesn't account for the fact that the current Public Works Shop site is in a liquefaction zone, presenting significant concerns about the loss of critical equipment and operational capacity in a major earthquake or natural disaster. MENG Analysis estimated that it would cost \$26.2M to relocate the Public Works Shop to "the Pit," the City's property off of Three Lakes Road. They also estimated \$15-20M to relocate City Hall, Engineering, and the Police Department to a new facility. That combined estimate of \$41-46M did not include site acquisition, design, or required infrastructure improvement costs.

Public Safety & City Services Campus

The costs to upgrade facilities to meet current needs approach the costs to build new facilities, even without adding additional capacity for future needs. That notion had been called out in multiple strategic planning documents, as demonstrated above, which is why it was incorporated into the adopted 2023-2024 Council Goals. Under the goal Maintain and Proactively Improve City Infrastructure, Council identified the action of "Evaluate the feasibility of a new civic campus." This coincided with the opportunity to partner with Snohomish County Fire District #4 in a Public Safety & City Services Campus. The combined campus will house new stations for both the Fire District and the Snohomish Police Department, and facilities for other City services.

Building a combined campus will protect taxpayers from the costs of ongoing facility improvements that are projected to support the services the community will require in the coming years. In addition, the new facilities will be designed to be much more accessible, energy efficient, and environmentally sustainable than any of the existing facilities. Once the entire project is completed, there will be a number of metrics available to demonstrate success of the project. Significant cost savings compared to current expenses on energy, maintenance, and operations are expected.

Snohomish Fire District 4 purchased parcels on Pine Avenue, known as the Steuber Property, for \$6.35M. The new campus site is located within walking distance of the Snohomish Boys & Girls Club, Historic Averill Field, Snohomish Library, Snohomish Senior Center, Pilchuck Park, and both the Centennial and Interurban Trails. In addition to much-needed facility improvements for the City, Fire District, and Snohomish Police Department, re-development of these parcels and adjoining infrastructure allows the City to revitalize parts of the Pilchuck District.

The City Council authorized an interlocal agreement regarding property transfers with Fire District #4 on March 21, 2023, as well as consulting agreements for the feasibility studies and preliminary design work. The property transfer was closed October 31, 2023, and property owners/tenants moved out in January 2024. The City agreed to purchase 57% of the property and has completed its payments for its portion of the land with funding that was included in the amended 2023-2024 budget. The City is currently working with Fire District #4 on a boundary line adjustment to consolidate 23 existing parcels into two: one owned by the Fire District and one owned by the City.

Environmental & Geotechnical Testing on the Campus Site

During the feasibility period, the City's geotechnical consultant identified sites with potential arsenic and Tetrachloroethylene. However, the initial consultant was not given full access by the property owners to complete the testing plan as intended and suggested additional testing would be needed. The property

owners hired a separate geotechnical consultant that had access to the full site. Their testing did not show the same levels of contamination. A mediation process allowed for a \$1M “hold-back” from the purchase price to remain in escrow while a third geotechnical analysis was completed.

That testing was completed in February, with a lab results and final report delivered in March 2024 (see link below). Soil samples were analyzed for arsenic, select chlorinated volatile organic compounds (aka CVOCs such as 1,1-dichloroethylene, cis-1,2-dichloroethylene, tetrachloroethylene, trans-1,2-Dichloroethylene, trichloroethylene, and vinyl chloride) or gasoline-, diesel- and oil-range total petroleum hydrocarbons (TPH) based on field observations, the results of field screening, and additional testing requested. Catch basin samples were also analyzed for CVOCs. The final testing did not identify contamination levels that exceed mandatory reporting thresholds or require clean-up at this time. It was recommended that approximately \$150,000 be reserved as a contingency for any further testing or potential clean-up identified during the construction phase. Both the City and Fire District will continue to work with the sellers, as well as Restorical Research to identify old insurance policies with funds that can be recovered, to reimburse for possible clean-up costs.

Work to Date and Pre-Design Cost Estimates

The City has contracted with Lawhead Architects as the design lead, as well as several other consultants for required environmental, critical area, traffic, and geotechnical studies. All of this work completed to date has been covered by a \$700,000 grant through the Department of Commerce awarded through the 2023 Capital Budget, thanks to leadership for the 44th Legislative District.

Lawhead Architects has reviewed multiple planning documents and reports, as well as meeting with staff of the City, Police Department, and Fire District to develop preliminary renderings of the campus site. Those were shared at the Council meeting on January 2, 2024. It should be noted that these are not conceptual drawings of how the buildings or sites will look when constructed, but rather to convey high-level programming and scale.

A pre-design cost estimate for the City's building and onsite improvements was completed by Wiggins Preconstruction Services, as a subconsultant of Lawhead Architects. The full estimate is linked below and on the website. It estimates that the building construction and onsite improvements, at the time of construction in 2026, would be \$42.3M. There is another \$19M in "soft costs," which includes sales tax on all goods and services, consultant fees, permitting, service connections, furnishings and moving expenses, 1% for the arts, and contingencies. These are conservative estimates at a very early stage, and also include some expenses that either have been expended or may not be as high when final design is completed. They have also identified \$4.7M of additional alternates as discrete packages so that the City can add if the budget allows and/or seek specific funding for those items if possible (i.e., green roof, emergency generators, added electrical vehicle charging stations). This "total building and onsite package" comes to \$61-66M.

Planning and Public Works staff also reviewed improvements required for the development, that would have been required of any developer with a similar project, as well as needed infrastructure improvements in the area that could be combined. The required improvements will be split according to the 43%/57% cost sharing agreed to in the ILA with the Fire District. The City's portion of required improvements, as well as some additional sewer and street upgrades, are estimated to be \$5-7M. This portion is being referred to as the "infrastructure package."

Adding the "total building and onsite package" with the "infrastructure package," the total project is currently estimated at \$66-73M. This aligns with the rough estimates done by MENG Analysis of \$41-46M which didn't include site acquisition, design, or required infrastructure improvement costs. It is also in line with costs of similar campus projects that other cities in Snohomish County have recently moved to—or are in the process of developing—including Granite Falls, Lake Stevens, Marysville, Monroe and Mountlake Terrace.

Next Steps and Anticipated Timeline

The City is working with Lawhead Architects on a proposed extension of their agreement to include full design and construction bid documents preparation. As mentioned above, this would be done in two phases: the infrastructure package, followed by the total building and onsite package.

The tentative timeline is as follows:

- April/May 2024 - Recommend Council approval of contract extension with Lawhead Architects
- Q3/Q4 2024 - Final design of infrastructure package
- Q3/Q4 2024 - Development of schematic designs of City building/site (including community input)
- Q4 2024/Q1 2025 - Final design phase of City building/site (including community input)
- Q1 2025 - Bid package released for infrastructure package
- Q2 2025 - Construction of infrastructure package starts
- Q2/Q3 2025 - Finalize construction docs for City building/site
- Q4 2025 - Final permitting for City building/site
- Q1 2026 - Bid package released for City building/site
- Q1/Q2 2026 - Construction of infrastructure package complete
- Q2 2026 - Construction of City building/site starts
- Q2/Q3 2027 - Construction of City building/site completed

FISCAL IMPACT: Staff recognizes that the price associated with a project of this magnitude is high. However, this has been a known need since at least 2007, and one that must be considered alongside the equally high price tag of correcting deficiencies in and maintaining facilities that no longer meet current or future operational needs of the City. Construction of a new facility makes more efficient use of taxpayer dollars. Instead of sinking funds into bringing current City facilities up to required standards--and without capacity for future needs--funds will be better leveraged to build a new campus with a significantly longer life span with reduced maintenance and energy costs. Previous strategic planning documents also realized that investing in a new civic facility was "a mechanism for advancing other community or economic development goals."

Staff have evaluated, and will continue to explore, multiple ways to finance a \$66-73M project, while committing to not increasing taxes to fund the campus. This includes:

- Selling City-owned properties that are not, or will not, be needed. This could bring in \$3.85-4.65M, depending on the market.
- Existing funding included in the 2023-2024 budgeted and forecasted budgets. There was \$3M forecasted for 2025, but staff will be evaluating short- and long-term capacity further as part of the 2025-2026 budget process.
- General Purpose bonds, which are councilmanic bonds that do not require a vote of the public and are repaid over a 20-40-year term with designated funds annually.
- Grants from local, state, and federal partners. Staff will continue to apply for grant dollars to reduce the City's overall obligation.
- Low-interest loans. There are options for specific elements of the project, particularly for infrastructure and green building components, that the City is evaluating.
- New revenue. Staff are exploring the feasibility of creating paid parking at the campus lot on evenings and weekends, which could conservatively bring \$200-300k annually in additional revenue that could be used to go toward loan and/or bond payments.

SUGGESTED COUNCIL ACTION: For Council to discuss and provide feedback to staff on next steps.

REFERENCE(S): www.snohomishwa.gov/817/Public-Safety-City-Services-Campus

[Final Geotechnical Report – March 2024](#)