

COUNCIL MEMBER VIEW

By Ron Peltier 2/13/19

Is There a Connection Between Adequate Funding for a New Police Facility and a Lack of Funding for Non Motorized Infrastructure?

Last week a message sent to the city council by a prominent Bainbridge Island biking organization expressing concern over a lack of funding for non motorized infrastructure. The message linked that shortfall to the funding planned for a new police and court facility. It was an opinion not well received by at least one of my colleagues who let that be known in a tersely worded response.

Here's a timeline that might shed some light on the connection between adequately funding a new police facility and not adequately funding non motorized infrastructure:

2014: Offer by Fire Department to collocate BIPD with new BIFD station #21:

In 2014 the Bainbridge Island Fire Department generously offered to work with the City to co-locate a new police facility within their new station #21 on N. Madison near SR305. This option was compared to three other sites by the City's consultant, Mackenzie Architects, and given the lowest score because of the following deficiencies:

1. Did not meet parking standards.
2. Would require an intergovernmental agreement between BIFD and the City.
3. Too far from City Hall.
4. Too far from the City Center.

The three other sites considered in the 9/17/19 Mackenzie report were,

1. A site consisting of three combined properties just North of City Hall.
2. The property just South of City Hall where Island Fitness is located, and
3. A site adjacent to Station #21.

In spite of receiving a lower score in the matrix prepared by Mackenzie, co-location was supported by the community. In a poll paid for by BIFD 70% of those who responded preferred co-location at station #21, as did the City's Chief of Police, Matt Hamner. A stakeholder group assembled by McKenzie also preferred co-location at BIFD station #21 over the other three options. This is from the 9/17/14 McKenzie report (condensed):

... The stakeholder group included the Public Works Director, three City Police staff (including two from patrol and one from administration) and three citizens to provide a cross section of different opinions and interests regarding which of the sites were best suited for a new police facility.

"... The ranking discussion occurred in an open forum to provide opportunity for the participants to provide reasoning behind their ranking and create dialogue amongst the participants. This gave participants the opportunity to challenge others' assumptions or even challenge or confirm their own.

... The consensus among the participating stakeholders was that locating the police station at Station 21, co-developed with the fire department, was favored. There was a close scoring between the ranking of a standalone police facility located downtown with

that of a standalone police facility located remote from downtown (Site 4). Our assessment is that the stakeholders saw value in the proximity of the two emergency services agencies being co-located, especially if there were a cost benefit (not discussed during site ranking meeting,) but that beyond co-locating, there was a slight preference to the Police Facility remaining downtown.”

The estimated cost for the co-location option was **\$7.5 million**, which I believe did not include “soft costs”. Those costs would typically be things such as: architectural and engineering; construction/project manager; sales tax; furnishings; permits; contingencies; etc. Some of these costs would have been shared with BIFC and would have resulted in efficiencies when compared to a full-on City project. Realistically, though, **\$10 million** might be a reasonable estimate for co-location with BIFD with soft costs included.

Link to the 9/17/14 McKenzie Report prepared for COBI:

<http://www.bainbridgewa.gov/DocumentCenter/View/3987/September-17-2014-Mackenzie-Final-Report-PDF>

Rejection of Co-locating our Police with BIFD by the City Council:

For those who want more insights into why co-location was eventually rejected by the city council, it was discussed at the September 23rd and October 7th council meetings in 2014. You can view and listen to those meetings on the City’s website. The co-location offer was officially rejected by the Bainbridge Island City Council at the 9/23/14 city council meeting at 7:49pm. The motion to decline the offer passed by a vote of 5-2 with council members Blossom and Townsend voting no.

2015: Proposition 1 Failure in 2015:

Co-location with the Bainbridge Island Fire Department at Station #21 was turned down in favor of building on sites just North of City Hall. Building a new police and court facility directly adjacent to the existing City Hall was envisioned by its supporters as a “city campus” where all the City’s departments would be located. The city campus plan was placed on the ballot as Proposition 1 in 2015 as a \$15m bond measure. For what it’s worth, I’ve been told the final amount to fully fund this option would have been higher, with the additional amount to be made up with other funding sources.

As the election neared, many voters were mindful of the city council’s recent decision not to accept the Fire Department’s generous offer of co-location and were not happy with the cost or the proposed location of the new facility in the middle of Winslow. Another factor was news about contamination from a former dry cleaner on one of the three properties North of City Hall. In a crushing defeat for the City, Prop I failed with 75% against and 25% in favor. In the meantime the Fire Department had moved on with planning for Station #21 and accommodating a new police facility in those plans was no longer an option.

2016: New Police Facility Site Selection Process:

In 2016, the year I began my term on city council, the City tried to dust itself off and start a new process for identifying a new police and court facility site. The new process was led by city manager Doug Schulze and first focused on a commercial building on

Erickson Avenue. That option was fairly quickly ruled out. Some time after this Coates Design was hired to help evaluate a list of possible sites, including the existing police station location and several others.

Spring 2017 Site Selection Matrix

In the Spring of 2017 the City worked with Coates Design to evaluate six sites and Coates prepared a site selection matrix. On May 2nd of 2017 Coates Design presented their evaluations to the city council. The presentation can be viewed here:

<http://www.bainbridgewa.gov/DocumentCenter/View/10373/050217-City-Council-Presentation>

Here's a summary and how the sites were scored:

1. Existing Police Site: 129
2. Vineyard Lane Site: 131
3. Madison Avenue (directly across SR305 from Baptist Church): 93
4. Yaquina Site: 101
5. New Brooklyn Site (Coultas Property): 134
6. 249 Winslow Way Site (Columbia Bank bldg.): 101

May 2nd 2017: Selection of the Coultas Property for Siting a New Police and Court Facility

At the same meeting that Coates Design presented their May 2nd matrix, the city council voted to select the New Brooklyn property owned by the Coultas family. The City announced this selection, and began preliminary designs and cost estimating, based upon the understanding that Tom Coultas senior was amenable to selling the property. During the process of planning and negotiating, however, Tom Sr. died and his heirs rejected the City's offer to purchase the property.

Before Tom Coultas passed away, and before the deal to acquire his property fell through, the cost of a new facility on that site was estimated at \$30m. This amount was reported in the newspaper and sent a shock wave through the community. It was an amount twice as much as Prop I, which had failed spectacularly just two years earlier, and about three times the estimated cost of collocating a new police only station in Fire Station #21. The city council, it seemed, was being walked up the ladder of more and more expensive facilities with a majority of council members seemingly ready to go along with it. One council member commented at a council meeting, "You can't put a price on public safety."

2017 Police Facility and "Infrastructure" discussed in the context of debt capacity:

Some time probably in 2017 the city council saw a presentation from the city manager and staff on the general subject of funding and debt capacity, with a focus on councilmanic bonds. At this time council members were talking about the need for a big package to fund non motorized improvements, while also mindful of the need to fund a new police facility. I don't remember any decisive votes to endorse a particular approach but comments from other council members made it clear that they wanted no part of another ballot measure for funding of a new police facility.

The upshot of the debt capacity presentation and discussion was that the City had enough capacity to fund a new police and court facility with councilmanic bonds but not enough to also fund a non motorized infrastructure package (councilmanic are bonds approved by the city council and then serviced through the general fund). Nobody came right out and said it but the distinct impression that I got from my colleagues was that the police facility, being less likely to be supported by voters, needed to be funded with councilmanic bonds and a non motorized package, seen as relatively popular, should be funded by a ballot measure.

Another council member view might be that funding for policing is a core government service while building non motorized facilities is not, and that voters would much rather vote on non motorized improvements as opposed to having them funded through councilmanic bonds. I'm not so sure about that. I see policing and adequate bike lanes both as public safety issues and part of the core services the City has a responsibility to fund. An additional distinction might be in order, though, between non motorized improvements that actually improve safety and those that do not.

2017 Proposal for an infrastructure ballot measure.

In 2017, with discussions about siting and funding a new police and court facility ongoing, the city began discussing an infrastructure ballot measure. Using councilmanic bonds for non motorized infrastructure had essentially been ruled out in favor of using them for a new police facility. Initiated by Mayor Val Tollefson, the idea was to package a funding request to voters combining non motorized improvements and a parking garage. They would be bundled together under the umbrella of an *infrastructure ballot measure*. It didn't strike me the best idea I'd ever heard of but a majority of the city council liked it and a task force was created. This is from the task force page on the City's website:

Purpose

The City Council has created an Infrastructure Ballot Measure Task Force for the purpose of developing and delivering to the City Council the best recommendations possible for an infrastructure ballot measure, which means a ballot measure that includes funding for both Island-wide non-motorized improvements and some version of a Town Square project.

Council's expectation is that the recommendation(s) of the Task Force will include around \$15,000,000 for NMT improvements and that the MMTAC (Multimodal Transportation Advisory Committee) will take the lead role in defining what is included in the NMT portion of the Infrastructure Ballot Measure. The Task Force will recommend a preferred way to fund this combined project, which may include some combination of voter approved funds (bonds or a levy lid lift), creation of a Local Improvement District, and City General Fund support.

November 2017: CHI Franciscan offers to sell Harrison Building to City

In November of 2017 CHI Franciscan approached the City offering to sell their new medical facility just South of the Baptist Church on Madison Avenue near SR305. The idea, of course, was to retrofit their medical building to serve as a police and court facility for the City.

2018: New site evaluation process

At the beginning of 2018 three new members joined the city council and the City began a new round of site evaluations for a police and court facility. The new search included two properties near BIFD Station #21 and the Baptist Church: the Rosenbaum property on Yaquina and; a property owned by CHI Franciscan just south of the Baptist Church (the new Harrison medical Building). On March 6th of 2018 Coates Design presented cost estimates for building a new facility on the Yaquina property and for renovating and retrofitting the Harrison building. The full presentation can be seen at:

<http://www.bainbridgewa.gov/DocumentCenter/View/10241/3618-Study-Session-Presentation>

Here's a summary of estimated costs:

Yaquina Property (with court and tactical proficiency facility)

- Construction escalated to Feb. 2020 \$21,776,012
- Soft Costs @55.8% \$12,151,015
- Total Excluding Land Cost **\$34 Million**

Yaquina Property (without court and tactical proficiency facility)

- Construction escalated to Feb. 2020 \$16,017,891
- Soft Costs @55.8% \$8,889,929
- Total Excluding Land Cost **\$25 Million**

CHI Harrison Site (with court and without tactical proficiency facility)

- Construction escalated to Feb. 2020 \$15,859,678
- Soft Costs @55.8% \$9,666,474
- Total (Excludes Property Acquisition) **\$25.6 Million**

CHI Harrison Site (without court and tactical proficiency facility)

- Construction escalated to Feb. 2020 \$9,504,331
- Soft Costs @55.8% \$5,792,889
- Total (Excludes Property Acquisition) **\$15.3Million**

“Councilmanic bonds won’t make your property taxes go up”

As we were presented these higher estimates for a new police and court facility in the general price range of \$30m, we were being told that the City had the capacity to fund projects of this size using councilmanic bonds, with debt service coming from the general fund. At various meetings we were also told that councilmanic bonds “would not make people’s property taxes go up”. What we weren’t told was, yes, councilmanic bond debt is serviced from the general fund, but taking money from the general fund for that purpose leaves less money for everything else, some of which may end up prompting a funding request to voters.

One of those other things was non motorized improvements, which apparently could not be funded adequately from the general fund, and for which we were being told there was

not enough debt capacity to use councilmanic bonds. The result of this thinking would later be a ballot measure that if approved WOULD raise property taxes.

I see this as part of an attempt to soften up and prepare council members for the higher price tags associated with building a new police and court facility, the main message being, “don’t worry, we can afford it. The true impact to our overall budget was being glossed over in what amounted to a huge budget decision that would be felt for years to come.

My solution would have been, and still would be, to scale back our plans for a new police and court facility making it much smaller and more basic, perhaps even eliminating the court and continuing to rent a space for that function. The current police facility, which is 6480 sq ft in size, is not adequate for a number of reasons but that hasn’t prevented our police department from doing great work. We do need to replace the existing facility, but do we need to replace it with one that is 20,000 sq ft in size? Seems to me only if you envision it serving twice the size of our current population.

I believe that something in the 14,000 sq ft range would be adequate for a police and court facility on Bainbridge Island. It would be much less expensive and could leave significant resources for the City to catch up on much needed non motorized safety improvements.

2018 New Strategy for the Harrison Building.

Right after the March 6th presentation by Coates Design for the Yaquina and CHI properties, a majority of the city council was not favoring either site. Basically a majority of the city council was opposed to spending more than about \$20m on a new police and court facility, and that essentially left us at an impasse. As a possible solution, a new plan was proposed to hire Coates Design for \$40K to identify and estimate the cost of minimal modifications needed to make the Harrison Building suitable as a police and court facility. The target amount for retrofitting the Harrison building was \$10m.

Initially this minimalist approach, and another \$40K payment to Coates Design, lacked the necessary support on the city council while at the same time the city council was mulling other possibilities. One of those possibilities, raised at a city council meeting, was the use of condemnation, or eminent domain, to acquire property from an unwilling owner (assumed to be the Coultas family). This was reported in the local newspaper and resulted in a public outcry that rattled council members. The proposal to spend \$40K on further evaluations of the CHI Harrison property was then approved by the city council on April 24th.

Coates Design was hired to do the work and came back about three months later with the specifications and an estimate for a little under \$10m to retrofit the Harrison building to minimum specifications for a combined police and court facility. Coates Design’s July 17th presentation to the city council can be viewed here:

<http://www.bainbridgewa.gov/DocumentCenter/View/10930/Police-Court-Update-CC-17-July-2018-Updated-002>

\$10 million in surplus general funds earmarked for a new police facility

Some time in 2017 a plan emerged to earmark surplus revenues of about \$10m from the City's general fund to be specifically reserved for funding a new police and court facility. That would be combined with money from a councilmanic bond (\$10m?) to support an unspecified budget. I don't remember a big discussion about this, just that City revenues had been higher than expected in part from of a surge in new development on the Island. However it came about, the decision to earmark \$10m in surplus general funds represented a deliberate choice on the part of the city council towards funding a new police and court facility with safe money and by default funding non motorized improvements with a relatively modest amount of general funds plus a big voter approved bond or levy.

So what if a ballot measure to fund non motorized improvements had not been in the mix as part of the discussion regarding an "infrastructure ballot measure"? In that case I believe the city council would have had to in some way admit that when it came right down to it, building a big new police and court facility was more important to them than building out our non motorized infrastructure. To me the infrastructure ballot measure, with the task force and all that, was partly a way of avoiding that uncomfortable discussion. Again, if it were up to me I would have explored a minimalist approach to addressing the deficiencies of the current police station.

Negotiations with CHI Franciscan. On July 24th of 2018 the city council authorized the city manager to pursue a letter of intent with CHI Franciscan for the possible purchase of the Harrison Property.

2018 Infrastructure Ballot Measure

In early 2018 the Infrastructure Ballot Measure Task Force made its recommendations and the city council began work on what would end up being called the SAFE mobility levy. A lot can be said about how well the levy was put together, and why it eventually failed but the city council, staff, and others put a considerable amount of effort into preparing it for the ballot. As the November election neared there was optimism on the part of many on the city council.

Fall of 2018 Biennial Budget Process

The draft 2019-20 budget that was presented to the city council by the city manager in late October did not include what many would regard as adequate funding for non motorized improvements. I'm tempted to say that's partly because the budget was built upon the assumption that the SAFE mobility non motorized levy was going to be approved by voters but I don't know that for a fact. I'm also tempted to say that expected approval of the SAFE levy was also the general feeling on the city council as we began work on the budget, but I also don't know that for a fact. It was just my impression at the time.

What ever the case, when the SAFE levy failed we were most of the way through a meticulous process of identifying new items to be funded and ones to be rejected. With a

long list of priorities, we had already invested heavily in a budget process that did not include a significant increase for non motorized improvements.

To have started the biennial process out differently would have signaled to everyone that the city council didn't expect the SAFE Mobility levy to be approved by voters. To be fair to everyone, the timing -- as it related to non motorized spending and our budget discussion -- couldn't have been worse. To understand the position the city council was in during the recent budget process I think you need to go back to the beginning of this timeline. Yes we could have found a few things to cut in favor of non motorized improvements but we were really in kind of a budget box created by consecutive city councils, including us.

Grumblings from the biking community

As reality sunk in that the LEVY had failed and there would be no significant additional funds for non motorized improvements, some members of the bicycling community became increasingly angry. For some, the long promise of catching up on our plans to build out our non motorized infrastructure was once again betrayed. There would be enough money for a new police and court facility, for additional officers, cars and equipment, but precious little left over for non motorized improvements. A handful of people questioned the need for a new police facility at all.

The Visconsi option

In 2016 the Visconsi Corporation, who had developed the site at the NE corner of High School Rd and SR305, offered to work with the City to locate a new police and court facility at their development. Their proposal, however, was barely given any consideration during the City's evaluation of potential sites from 2016 to 2018. Development of the Visconsi site had been highly controversial on Bainbridge Island. In an interesting twist, some of those who had defended Visconsi's right to develop their property were amongst those most opposed to giving it serious consideration for a new police station.

Stalled negotiations with CHI Franciscan

I can't say much about this, just that negotiations with CHI Franciscan for the purchase of the Harrison Building had reached somewhat of a stalemate in late Fall of 2018.

Private development partnership for constructing a new police and court facility

In 2006 Dana Weber prepared a needs assessment for the City of Bainbridge Island to inform the process of siting and building a new police and court facility. One of the recommendations was to consider partnering with a private developer. This is an approach that was never seriously discussed during my 3+ years on the city council. From the Dana Weber report:

Consider using a private development partnership to fund and construct the project.

- *The project could be constructed in the manner of a private development rather than a public project. Traditionally, the ratio of project cost/construction cost for a private project is considerably lower than a public project:*

- *Private project- 1.35/1*
- *Public project- 2/1*

Late approach to Visconsi

Just after Christmas I took the initiative to contact Brad Goldberg to talk about potentially locating the City's police facility on Visconsi's property. Brad was very eager to work with the City.

City and CHI Franciscan agree on price for Harrison Building

During a 1/29/19 special meeting regarding potential acquisition of property, it was publicly announced that the City had tentatively agreed on a price of \$8,975,000 for CHI's Harrison building.

Visconsi Proposal also discussed by the City Council on January 29th of 2019

Also discussed at the January 29th meeting was a quickly assembled proposal from Visconsi Corp for building a police and court facility on their property at the NE corner of High School Rd and SR305. This was in response to a request from me Brad Goldberg to have an alternative to the CHI Franciscan deal on the table for possible consideration by the city council at the 1/29 special meeting. The total amount for the proposal was a bit over \$18m, plus a year's rent, making the cost comparable to the estimated \$20M cost of purchasing and retrofitting the Harrison medical building owned by CHI.

My motivation for encouraging the city council and Visconsi to get together was for us to have a viable alternative to the CHI Franciscan property. It felt like the responsible thing to do, as opposed to letting CHI dictate a price knowing we were locked into their property as our sole option. It had also occurred to me that there was the potential for a more economical approach to building a new police and court facility that had not been given serious consideration. Any savings that could be gained through a private/public partnership, and hopefully a scaled down facility, could leave additional funds and debt capacity left over for non motorized infrastructure.

Conclusion: a long chain of decisions and events

My head is spinning a bit as I proof read all of this. One thing that could have changed all of the this would have been the passage of the SAFE mobility levy. Its failure has been attributed by some to "voter fatigue" as the result of rising property taxes. With the results from the February 12th 2019 special election rolling in, with a \$15 million request from the School District and a permanent levy for EMS services proposed by the Fire Department passing by over 60% in favor, I think we need another explanation for why the City's SAFE levy failed

Basically, the SAFE levy was considered so important that it was rushed to the ballot before it was ready. At one city council study session last Summer, with members of the Infrastructure Task Force participating, a member of the city council dared to express the opinion that the ballot measure was being rushed onto the ballot before it was ready. She was admonished by a member of the task force, saying that the need for non motorized

funding was too urgent for us to wait and needed to be on the November ballot. That was wrong. In fact, the need for non motorized improvements was too important for us to rush a ballot measure onto the ballot before it was ready.

The proposed levy lift should have been more specific as to how the additional revenues would be spent. We heard this even from bike advocates while discussing the ballot measure but we plowed ahead, anyway. If we had been specific about how the non motorized funds were going to be used, and had dispensed with the complicated after the fact process, I believe there's a very good chance the Levy would have been approved.

Having said all of that, this dilemma is about more than one failed levy: it's the accumulative result of many decisions by consecutive city councils, and to some extent by the voters. I'm tempted to hold up the city council's 2014 rejection of the offer by the Bainbridge Island Fire Department to co-locate our police facility in their new fire station #21, perhaps the seminal event that has now left us over \$10m short of funds for non motorized infrastructure. It's probably much more complicated than that, though.

Maybe it all comes down to this: we've allowed ourselves to accept a false narrative that supports building a larger police and court facility than we really need. Part of that is the desire by some to drive development and density on Bainbridge Island by building a police and court facility appropriate for twice the current population: "build it and they will come". It might also be a desire to build something grand that we can point to as part of our legacy. Ultimately I agree with Squeaky Wheels that providing safe roads for all users is also a public safety issue and a core responsibility of city government.