



## EXECUTIVE DEPARTMENT

Date: February 9, 2021  
To: Bainbridge Island City Council  
From: Ellen Schroer, Interim City Manager  
Subject: **Background for Feb. 9 Council Meeting, Police/Court Facility Item**

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### **Purpose**

The purpose of this memo is to provide responses to some of the inquiries the staff have received regarding the Police/Court Facility Project, as well as some additional information and recommendations for Council consideration.

### **What is the schedule for the current Police/Court project?**

The City's project management team expects to have a building permit and be ready to advertise the project for construction bids in approximately the next two weeks.

### **What is the current estimated cost of the Police/Court Facility?**

Land and Building Purchase	\$ 8,983,427
Design	778,620
Permits (95% complete)	45,988
Construction	8,258,270
Pre-Design	415,000
Project Management (estimated)	280,000
Administration	184,137
Contingency (5%)	927,562
<b>Total</b>	<b>\$ 20,000,000</b>

The project status report attached to this memo provides actual costs through February 8, 2021, and shows total costs incurred of \$10,301,176.

**What are the sunk costs associated with the project?**

Harrison acquisition	\$ 8,983,427
Design and permitting	718,612
Project Management	184,137
Pre-design	415,000
<b>Total</b>	<b>\$10,301,176</b>

**Could the City expect to recover any of the costs of the Harrison purchase?**

The City's purchase of the Harrison property occurred through a real estate purchase and sale agreement that was executed on March 13, 2019. The City is not aware, at this time, of a definitive legal basis to claim recovery of costs under that purchase and sale agreement. We do not expect that we could recover any of the costs.

**Could Harrison be repurposed?**

Yes, however, without a defined concept, the costs of any potential repurposing are difficult to estimate.

In addition to facility-related costs, repurposing the Harrison property to a non tax-exempt purpose could jeopardize the interest rate the City pays on the municipal bonds and potentially have a negative impact on the City's bond rating. If the building were sold, the City would need to take action to preserve the tax-exempt status of the bonds which were used to purchase the building.

**Could the City lose its AAA bond rating as a result of re-purposing HMC?**

Maybe. The City's financial advisor has informed staff that the City's AAA bond rating could be affected if the assets purchased with municipal bonds do not retain their tax-exempt status.

**Could an advisory vote be scheduled for the Police/Court project?**

Yes. The soonest that an advisory vote could be held would be August 2021, with a resolution to be passed by May. An advisory vote would cost approximately \$65,000 to \$75,000 not including City staff time. Along with the financial cost, scheduling a vote would require redirecting communications and public works staff from ongoing projects to support public information and outreach efforts during the summer.

**Could a project advisory panel be developed for the Police/Court project?**

Yes, the Council could create a project advisory panel for this project, or for any set of projects as defined by the Council's parameters. If Council chooses to convene a panel, staff recommends using the typical process for community groups, including a neutral and inclusive selection process, and Council adoption of a specific workplan. An advisory panel should be given a specific set of criteria or parameters by which to evaluate projects.

**Could a blue-ribbon panel be developed for the Police/Court project?**

Yes, the Council could create a Blue-Ribbon panel for this project. If Council chooses to convene a panel, staff recommends using the typical process for community groups, including a neutral and inclusive selection process, and Council direction of a specific workplan.

**Managing a Blue-Ribbon panel would require staff resources. What projects could be deferred for this purpose?**

The Blue-Ribbon panel would require staff time from the City's leadership team, in particular from the Executive, Finance, Public Works, and Legal staff. If the panel is established, the following work plan items should be considered for deferral: citywide work plan development/strategic planning, small business grant program development and administration, PSE franchise work, and other franchise work (e.g., Verizon, KPUD).

**Has any outreach been performed to the neighboring community regarding the impacts of having a Police/Court facility next door?**

To date, there has been no outreach to the Yaquina community about the potential for a Police/Court facility in their neighborhood. There is a possibility that there could be significant concerns from the neighboring community about noise, traffic, and other impacts, which would need to be addressed through a public process, including a hearing associated with a Condition Use Permit, which would be required since the project would be located in a residential zone.

**If the Yaquina site was selected for the Police/Court facility, how long would it take to complete?**

Based on the required permitting and estimated design and construction timelines, a project on the Yaquina site could take between three and four years for completion (2025).

**Is the current Police/Court project the most expensive facility of its kind in the country?**

Based on very limited staff research, it does not appear that the currently budgeted Bainbridge Island Police/Court facility would be the most expensive of its kind in the country. The question is difficult to answer without extensive research, particularly since each project and community is unique, and without more time for investigation, only anecdotal costs are available for scrutiny. The following information was documented from a 30-minute Google search:

- This project from 2015 appears to break down to \$1,012/square foot. It appears that land costs would be in addition to that cost breakdown. [https://hanfordsentinel.com/community/selma-breaks-ground-on-new-police-station/article\\_d8d82808-a268-56ed-be02-fc3be3f2eddc.html](https://hanfordsentinel.com/community/selma-breaks-ground-on-new-police-station/article_d8d82808-a268-56ed-be02-fc3be3f2eddc.html)
- This project appears to break down to \$1,371/square foot. It appears that the land costs and the costs of an additional support building would be in addition to that cost breakdown. <https://www.ci.claremont.ca.us/home/showpublisheddocument?id=1667>
- This project appears to break down to \$2,107/ square foot. The project includes a 2-story parking garage that is not included in cost breakdown, and it is not clear if land costs are

included in the total.

<https://www.paloaltoonline.com/news/2021/02/01/despite-budget-woes-palo-alto-approves-construction-of-new-police-headquarters#:~:text=The%20list%20included%20a%20bike,expensive%20project%20on%20the%20list.>

- This project appears to break down to \$808/square foot. The cost of land is not included in the cost breakdown, as it appears to have been acquired in a swap.

<https://www.thecalifornian.com/story/news/2018/09/10/new-salinas-police-station-breaks-ground-cost-56-million/1259525002/>

**The Council was provided with data regarding the cost of police facilities in other communities. What does this data tell us about the cost of the City's project?**

As mentioned previously, with limited time, it is difficult to create an apples-to-apples comparison of police facility construction costs in different communities. This is due to the types of facilities that were built, what elements of the project cost contribute to the totals listed, what year the projects were built, and the cost of construction in those communities.

One relative factor that can be used to put the data in context is the median cost of housing in each of the communities, which provides a consistent and relative figure by which to compare real estate costs between communities. The communities where police facility costs were evaluated and provided to the Council have an average median home price of approximately \$180/square foot. The median home price on Bainbridge Island is more than double at \$431/square foot (realtor.com).

Attachment:  
Project Report as of Feb. 8, 2021

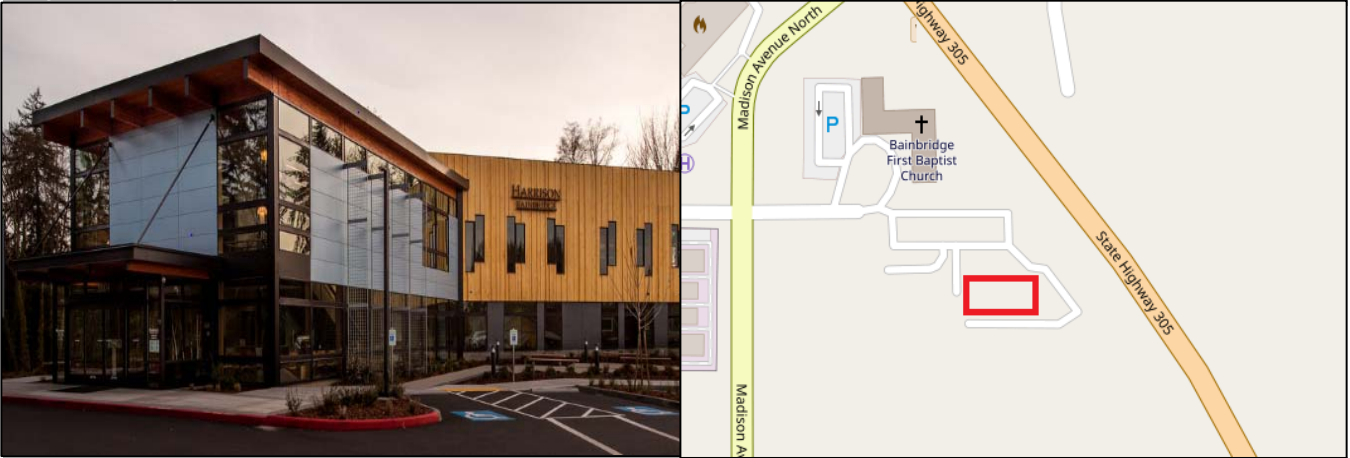
cc:  
Barry Loveless, Project Executive  
Chris Wierzbicki, Public Works Director  
DeWayne Pitts, Finance Director  
Joe Levan, City Attorney  
Joe Clark, Police Chief  
Sara McCulloch, Judge

## Project: Police and Municipal Court Building

Location: Harrison Building

00724

### Project Description



### Scope:

The project provides for a replacement Police Station and relocating the Municipal Court to the Harrison Medical Building. The site includes a 3.13-acre parcel and an existing two-story building with approximately 18,000 square feet of space.

Schedule Milestones:	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Purchase Building Jan 2020					
Dsgn & Permit: Q1 2020-Q1 2021					
Est. Start Construction: Q2 2021					
Est. End Construction Q1 2022					

### Budget

Project Phase	Lifetime Budget	Encumbrances	Incurred to date	Actuals + Encumbrances	Budget Remaining
Renovation	8,258,270			-	8,258,270
Design	728,184	105,995	672,624	778,620	(50,436)
Permits	66,199		45,988	45,988	20,210
Furniture, Fixtures, Equipt	311,133			-	311,133
Contingency	966,214			-	966,214
Land and Bldg Purchase	8,975,000		8,983,427	8,983,427	(8,427)
Pre-Design	415,000		415,000	415,000	-
Technology	-		-	-	-
Administration	280,000		184,137	184,137	95,863

<b>Capital Total</b>	<b>20,000,000</b>	<b>105,995</b>	<b>10,301,176</b>	<b>10,407,172</b>	<b>9,592,828</b>
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Finance Cost Approximately \$500k per/year

Operating Costs Estimated \$100k per/year

### Current Status

The City purchased the former Harrison Medical Building in January 2020. Project Design and permitting in progress. Land Use permitting completed and building permit submitted In October 2020. Advertisement for construction bids planned in the first quarter of 2021.