

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
April 20, 2023 Page 1**

CONVENE: 8:00 a.m.

PRESENT: Chair Eileen Swarthout and Councilmembers Michael Althausen and Charlie Schneider.

Staff: City Administrator John Doan, Transportation and Engineering Director Brandon Hicks, Water Resources and Sustainability Director Dan Smith, Capital Projects Manager Don Carney, and Administrative Assistant Bonnie Hale.

**APPROVAL OF
MINUTES: PUBLIC
WORKS
COMMITTEE,
FEBRUARY 23, 2023:**

MOTION: Councilmember Althausen moved, seconded by Councilmember Schneider, to approve the minutes of February 23, 2023 as published. A voice vote approved the motion unanimously.

**BRIEFING OF
SERVICE PROVIDER
AGREEMENT WITH
TCF
ARCHITECTURE,
PLLC, FOR THE CITY
OPERATIONS AND
MAINTENANCE
FACILITY DESIGN:**

Manager Carney briefed members on the proposed service provider agreement with TCF Architecture for design of the City's new Operations and Maintenance Facility.

In 2014, the City acquired property at 79th Avenue and Trails End Drive, formerly the Trails End Arena, to construct a Public Works Operations and Maintenance Facility. In 2016, the City contracted with TCF Architecture to develop a Master Plan for the site and complete pre-design work to determine space needs, a preferred site alternative, and a potential park location. Following a series of public meetings and discussions, the location of the facility was changed to the west area of the property. Public works is the only City operation moving to the new facility, as downsizing of the proposal was necessary to reduce the cost of the project. TCF Architecture completed a building layout and identified building sizes, as well as the location for the park. The property is split with Trails End Drive located between the two parcels. The east side will be the location of the park.

Manager Carney displayed an aerial illustration of the proposed layout and access points off 79th Avenue and two access points from Trails End Drive. The layout minimizes the amount of vehicle backing and maneuvering to keep noise limited and to maximize drive aisles and building locations. Buildings will occupy approximately 1.5 acres of the six-acre site. The site will feature a rain garden and buffers to the north and to the west for additional stormwater support. Staff parking is located in front of the building with all maintenance and facility vehicles parked within the lot.

The Office of Financial Management (OFM) provides guidelines for

TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
April 20, 2023 Page 2

architectural and engineering contracts. The Department of Enterprise Services utilizes OFM guidelines exclusively for all construction projects completed by the state. The basic design fee is based on the maximum allowable construction cost (MACC) or the cost necessary to pay a contractor to construct the facility. Contract fees are based on the cost estimate of the project. A percentage of the MACC is the basic fee charge for the contract. The fee is structured on the complexity of the building(s) or the site. The OFM Guidelines provide three different categories of A, B, and C with A serving as the most complicated project. The maintenance facility has been assigned a combination above a C but below a B in complexity. Additional fees outside basic fees include some licensed specialty consultants required for the design or for HVAC work. The contract deliverable is based on a schematic design followed by design development, completion of construction documents, and bid packages. The process entails different phases of the design. The scope of work includes 100% completion of plan specifications with estimates. The contract includes all components on the site with off-site work involving utilities provided by a different consultant.

The proposed consultant fee is \$2,450,000 with basic services of \$1,622,000 and additional services of \$827,000 with a management reserve of \$202,000 for a total contract cost of \$2,450,000. Basic services are estimated at 6.07% of the total contract cost with additional services negotiated between the parties. Funding for the project includes 33% from the General Government Capital Facilities Plan, 33% from the Water Fund, and 17% from the Storm Fund and Sanitary Sewer Fund.

Manager Carney explained that the discussion is only a briefing and not a request for a recommendation based on the review of the fees and scope of service. Staff is ready to move forward following the briefing to the committee.

Councilmember Schneider asked about the status of the funds or whether the City must continue accumulating the funds. Director Hicks advised that the funds are available for the consultant work; however, funds are not available for the utility components. Those costs will be funded by assumption of debt with revenue sources identified to pay off the debt. Although staff originally intended to seek a request for a recommendation from the committee, some recent changes to the agreement prevented a final review by the committee. The request is approval to proceed directly to the Council for action by the Council under Council Considerations during a regular meeting.

Chair Swarthout asked about any specific deadlines for action. Director Hicks explained that the proposal has no established deadline other than the agreement has been delayed for several years as staff and the consultant worked through additional engagement with the public and fine-tuning contracting details. Delaying contracting subsequently increases the cost of

TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
April 20, 2023 Page 3

the project as construction costs are not decreasing within the industry. Staff anticipates completion of the design in approximately 18 months with construction beginning in early 2025. The goal is to present the proposal to the Council at its May 2, 2023 meeting.

The committee offered no additional questions.

**OFFSITE OFFICE
LEASE WITH SOUTH
PUGET SOUND
COMMUNITY
COLLEGE
DISCUSSION:**

Director Smith reported the proposal is the relocation of the administrative division of Water Resources & Sustainability (WRS) currently located at Tumwater City Hall. Staff researched available office locations because more employees are returning to City Hall and parking has exceeded capacity. Additionally, WRS is considering the addition of a program manager and Transportation and Engineering is adding several new employees over the next several months. At this time, space is unavailable for new employees joining the two departments.

Funds were allocated in the budget to accommodate relocation of a limited number of employees. However, following discussions between the two departments, staff believes the WRS team is the most flexible to move as a work unit. The WRS team has limited interaction with the public while Transportation and Engineering employees meet with the public frequently to address development proposals and transportation issues. Most of the public interaction by WRS staff is in the field.

Staff identified potential office space at Town Center East and then learned South Puget Sound Community College (SPSCC) has unused classrooms no longer being utilized that could be remodeled to serve as office space. A partnership with SPSCC and the City creates space to accommodate new staff anticipated to join both departments, as well as free up parking spaces for City Hall staff, fleet vehicles, and the public.

One of the main benefits of leasing with SPSCC is providing public/environmental career opportunities. Siting WRS office space on SPSCC property would support missions of both the college and the City by establishing an internship/mentorship program to promote public/environmental employment opportunities. Another connection to the Water Resources program is Percival Creek, which runs through the middle of the campus. The City's focus on the creek has increased for recovery of salmon, habitat restoration, and improving water quality. The location provides a good opportunity to sponsor internship/mentorship programs by developing programs and activities with students assisting in the collection of data the City needs to assess conditions in the creek. Other benefits include on-site security through SPSCC, dedicated fleet parking, the availability of EV (electric vehicle) charging stations and possibly assisting the college to expand EV charging stations, and furthering the partnership between the City and SPSCC. The proposal with SPSCC is an all-inclusive lease rate. A lease option with the Town Center East location requires the

TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
April 20, 2023 Page 4

City to assume costs for utilities, internet, and janitorial services.

One-time costs associated with the proposal include moving employees and furniture.

Office space at SPSCC would be located in Building 32, the Natural Sciences Building, in rooms 107, 108, 109, and two small spaces for virtual meeting and private meeting space. Director Smith outlined the configuration for workspaces, meeting rooms, and a break room. At this time, eight employees would move to the site. The site would include additional capacity for employees and for others who meet frequently with the WRS team.

The two-year budget approved last year allocated \$65,000 for two years. The lease for one year is approximately \$65,000. Lease costs were similar for other locations explored by staff. The SPSCC lease would be approximately \$61,300 per year with the space at Town Center East several thousand dollars more. The SPSCC lease rate is inclusive while the Town Center East lease would incur additional costs. One-time costs would cover carpet, painting, and new furniture and equipment. The 10-year lease rate includes escalators capped at 3% for the SPSCC lease. An escalator was included in the Town Center East lease as well. A 10-year lease forecast with SPSCC is \$935,000 and \$1.3 million for the Town Center East location.

Director Smith described other challenges, such as the lack of team connectivity with other employees at City Hall. One area of future discussion is maintaining connectivity with City Hall. The team currently hosts many meetings with other staff units for the purpose of training and coordination with other departments.

SPSCC has indicated a willingness to support an internship/mentorship program in conjunction with the City with details of the collaboration negotiated with the college.

Director Smith invited feedback and questions on the proposal. If the committee concurs, staff plans to draft a lease for the committee's review and consideration at its May 16, 2023 meeting for a recommendation to the Council. If approved by the Council, staff would move forward on an office remodel and begin purchasing furniture and equipment.

City Administrator Doan spoke to the Council goal on workforce development, as well as working with LOTT Clean Water Alliance, SPSCC, and other partners to promote workforce development. A lease with SPSCC would assist in helping the City achieve that goal. A lease with SPSCC also addresses a financial structure issue surrounding City Hall. Currently, utilities do not pay rent for space, which would be corrected by moving to SPSCC.

TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
April 20, 2023 Page 5

Councilmember Schneider commented that the lease amounts do not appear to be accurate between the two locations. Director Smith said the difference is because of the escalator rates because the rate of escalation for the Town Center East location was not identified. He estimated a conservative amount of 2% for that location. During preliminary discussions with Town Center East representatives, they indicated the 10-year lease would not necessarily include rates for escalation. As SPSCC is a public entity, the escalation rate was easier to forecast than the Town Center East rate.

Councilmember Althausen noted the information for the Town Center East location indicated a kitchenette and sink. He asked whether the SPSCC location includes a sink and running water. Director Smith replied that the Town Center East location currently does not include a sink with running water. Adding a sink would be in addition to tenant improvements. Funding was identified for the addition to that facility. The budget for the SPSCC site includes \$15,000 for similar types of improvements; however, the spaces were previously used as science classrooms with plumbing and sinks.

Discussion ensued on the natural setting and beauty of the SPSCC campus benefitting employees and their role in promoting environment health and restoration activities.

Councilmember Althausen recommended the committee's recommendation on the proposal should move forward as a Council Consideration rather than as a Consent Calendar item.

City Administrator Doan noted that the budget lacks any funds for relocation costs, which are a one-time cost. The amount of the funds for the lease was only budgeted at one-third of the cost. The budget includes \$65,000 for the biennium, which would only cover the lease for one year. The proposal is more expensive than the estimate included in the budget. The utility accounts could absorb the additional costs.

Chair Swarthout thanked Director Smith for the presentation on the proposal.

ADJOURNMENT: **With there being no further business, Chair Swarthout adjourned the meeting at 8:49 a.m.**