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MEMORANDUM

TO: Mayor Mike Scott
Members Manzanita City Council

FROM: Carter MacNichol

DATE: July 6, 2020

SUBJECT: Recommendation Regarding City Hall

In the past 24 months there has been considerable discussion on the Manzanita City Council and in the Manzanita community regarding a new City Hall. There is general consensus that there is a need for a new City Hall, especially with the recent closure of the existing City facility. The current temporary location housing City staff is inadequate and creates an additional sense of urgency to complete a new City Hall project.

A critical outstanding decision regarding the project is whether to build a new building at the City-owned Underhill Plaza site or renovate the abandoned school building. To address this question, the City retained expert services from a number of consultants and asked the Public Facilities Advisory Committee to consider the question. Key reports that I reviewed include the following:

- *“Structural Evaluation and Condition Assessment”*, October 22, 2018, WRK Engineers
- *“Need Assessment and Concept Development”*, February 28, 2019, PFAC and Brittell Architecture
- *“Daily Inspection Report, Manzanita Foundation Assessment”*, February 4, 2020, Materials Testing and Inspection
- *“Underhill Plaza Letter Report”*, June 6, 2019, Stricker Engineering, LLC
- Miscellaneous emails and materials shared by Steve Nuttall

Based on the review of these reports and follow-up conversations with Materials Testing and Inspection engineer Dean Ramsdell, the key findings and PROS and CONS of each option are described below.

	PROS	CONS
RENOVATION OPTION	<ul style="list-style-type: none"> • Likely lower initial cost to renovate and occupy the existing school building • There are environmental benefits of reuse of an existing structure • Renovation would preserve an interesting piece of history 	<ul style="list-style-type: none"> • When complete, the renovated school will not be “optimally configured to provide the efficiency, comfort, and economy of operation that is expected of a new municipal facility”¹. • Renovation carries significant cost risk due to: <ul style="list-style-type: none"> ➤ need for foundation to be to be extensively, and perhaps fully, replaced ➤ uncertainty about causes of differential settlement and building cracking ➤ general uncertainty about integrity other building elements ➤ Extent of detailed selective demolition unknown but likely to be significant ➤ High potential for unforeseen conditions • Higher life cycle costs • Costs and/or ability of renovation to meet “Essential Facilities” seismic requirements unknown
NEW BUILDING OPTION	<ul style="list-style-type: none"> • A new structure can be designed to meet the City’s program requirements “perfectly”² • Allows for maximum flexibility; “Long life, loose fit”³ • Environmental benefits of a more energy efficient structure • Lower operating costs • Lower life cycle costs as new building expected to have significantly longer useful life 	<ul style="list-style-type: none"> • Higher first time cost • Requires complete demolition of existing structures

Notes

1. See p. 12, PFAC Report, “Needs Assessment and Concept Development”, February 28, 2019
2. See p. 12, PFAC Report, “Needs Assessment and Concept Development”, February 28, 2019
3. See p. 8, PFAC Report, “Needs Assessment and Concept Development”, February 28, 2019

Summary

- While the WRK Engineers report suggests that renovation is feasible and potentially cost effective, this conclusion came before the foundation assessments by Stricker Engineering and Materials Testing and Inspection. The Materials Testing and Inspection foundation assessment concluded there was “deteriorated concrete throughout the footings...”. This would indicate that the building foundation would need to be to be extensively, and perhaps fully, replaced rather than strengthening the existing foundation as described in the WRK report. This finding leads to considerable cost and schedule risk, and uncertainty.
- Materials Testing and Inspection’s report and subsequent discussions also noted significant differential settlement leading to foundation cracking. The reason for this settlement is unknown, creating further risk and uncertainty about the feasibility and advisability of reusing the existing structure.
- Brittell Architecture concluded that, “It is challenging to accurately predict costs involving remodel work at this stage of a project.” This cost uncertainty is very real, and does not allow for an accurate comparison of the cost of the two options.
- It is likely, however, that a new building will have a somewhat higher first time cost. This front end cost would be offset by lower operating costs and generally lower life cycle costs as a new building is expected to have higher operating efficiencies and a materially longer useful life.
- The City could choose to continue to study the situation. Such studies and further analysis will be time consuming and costly. They are unlikely to change the outcome of the discussion, and they would certainly delay the progress to a replacement City Hall.

Recommendation

After reviewing all the available reports and information, my recommendation is to pursue design and construction of a new City Hall facility following removal of the existing structures on the Underhill site. The City has expended significant resources to retain expert services to evaluate the structures. When considering all that information, the benefits of an efficient and purposely designed City Hall are significant, and these benefits overcome the only benefit of a renovation project which is a marginally lower first time cost. The risks, uncertainty, and challenges meeting the City’s near term and long term program requirements makes the renovation option less viable.