



**BUSINESS OF THE CITY COUNCIL  
CITY OF MERCER ISLAND**

**AB 6351  
October 3, 2023  
Regular Business**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6351: Closure of Mercer Island City Hall (Resolution No. 1650)	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Approve Resolution No. 1650 to cease operations at Mercer Island City Hall and permanently close the building.	

<b>DEPARTMENT:</b>	City Manager
<b>STAFF:</b>	Jessi Bon, City Manager Robbie Cunningham Adams, Management Analyst
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Resolution No. 1650 2. Staff presentation on City Hall from July 18 Council Meeting 3. Northwest Studio’s presentation on cost estimates to abate and reoccupy City Hall
<b>CITY COUNCIL PRIORITY:</b>	n/a

<b>AMOUNT OF EXPENDITURE</b>	\$ n/a
<b>AMOUNT BUDGETED</b>	\$ n/a
<b>APPROPRIATION REQUIRED</b>	\$ n/a

**EXECUTIVE SUMMARY**

The purpose of this agenda bill is to approve Resolution No. 1650 (Exhibit 1) to cease City operations at Mercer Island City Hall and permanently close the building.

- Broken floor tiles were found in the mechanical room in City Hall in April 2023, which were subsequently confirmed to contain asbestos.
- City Hall was immediately closed to all employees and visitors.
- Extensive testing has resulted in asbestos detection in other locations in the building, including in the HVAC system, although no airborne asbestos was detected in air tests.
- The preliminary cost estimate to abate and re-occupy City Hall is \$10 million with an estimated timeline of nearly two years to complete the work.
- During discussions at the July 18, 2023 City Council meeting, Councilmembers indicated the costs of abatement of City Hall outweighed the benefits of re-opening the building and expressed support for the City Manager to return to City Council with a resolution directing the permanent closure of the building.

## BACKGROUND

In April 2023, staff visually identified broken floor tiles and flooring adhesive in the basement mechanical room at the Mercer Island City Hall. Immediate testing of the materials confirmed that both the tiles and the adhesive contained asbestos. This mechanical room houses one of the building's two primary air handling units, a key component of the HVAC system. To ensure the safety of City staff and visitors, City Hall was immediately closed while further testing was conducted to determine if asbestos fibers were present in other areas of the facility.

### Review of Asbestos Testing Findings

The City hired PBS Engineering and Environmental (PBS) to advise staff, conduct more intensive testing, and ensure that industry best practices were followed in further detection and risk mitigation efforts. Between late April and early July, PBS performed three primary types of tests: air quality, settled dust, and bulk material testing. Testing has resulted in asbestos detection in several locations in the building, including in the HVAC system. No airborne asbestos was detected during air quality tests.

One goal of this wide-ranging testing was to create a comprehensive survey of conditions inside the HVAC system. However, field analysis found that many of the oldest ducts are encapsulated behind heavy plastic sheeting and fiberglass batt insulation and/or multiple layers of ceiling material. The testing inside the HVAC system was taken as far as possible without deconstructing the interior ceiling of the building. A significant destructive investigation (e.g., full removal of the City Hall ceiling) is required to fully confirm conditions.

While the floor tiles and adhesive found in the basement mechanical room alerted staff to the asbestos issue and prompted extensive testing in the building, these items are not likely to be the sole source of asbestos detected in portions of the HVAC system. Additional source(s) of asbestos contamination have not been definitively identified, and likely will not be uncovered by further testing. Based on the varying levels and locations of asbestos identified through the testing completed to date, PBS consultants believe there is a high probability that one or more sources of contamination contributed to the issue over the life of the building.

### Review of Abatement and HVAC Replacement Cost Estimates

Northwest Studios, the City's architect team, prepared preliminary cost estimates for two scenarios for abatement and re-occupancy of City Hall. These cost estimates were for hard costs of replacement of the HVAC system and associated building systems.

The first scenario was a full re-occupancy of City Hall. This work would require abatement of the floor tiles in the basement mechanical room, replacement of the HVAC hydronic and ventilation system, and the replacement of various building infrastructure required associated with the HVAC system (ceilings, light fixtures, cabling, etc.). The preliminary cost estimate to re-occupy City Hall under this scenario is \$10 million with an estimated timeline of nearly two years to complete the work. This cost estimate does not include abatement costs or softs costs such as design, engineering, and project management.

The second scenario was to investigate the possibility of re-occupying the Police Department portion of the City Hall Building for 5 to 7 years while longer-term options were investigated. The team looked at partitioning the existing Police Department spaces from the remainder of the building, abating those spaces, removing the existing HVAC system, and installing a contemporary system to serve this occupancy. The preliminary cost estimate to re-occupy the Police Department portion of City Hall is over \$4 million with an estimated timeline

of 12 to 18 months to complete the work. This cost estimate does not include abatement costs or softs costs such as design, engineering, and project management costs.

### **July 18, 2023 City Council Meeting**

During the July 18, 2023 City Council meeting, staff presented an update on the status of City Hall, the extensive testing for asbestos conducted in the facility, and the estimated costs associated with abatement and re-occupancy ([AB 6308](#)). Upon receiving the staff report, Councilmembers indicated that the costs of abatement of City Hall outweighed the benefits of re-opening the building. During the discussion council members expressed support for the City Manager to return with a resolution directing the permanent closure of the building.

### **Additional Materials**

For more information on testing results, considered re-occupancy scopes of work, and cost estimates of re-occupancy see [AB 6308](#), the staff presentation to City Council on July 18 (Exhibit 2), Northwest Studio's presentation on cost estimates to reoccupy City Hall (Exhibit 3), and [the recording of the July 18 City Council meeting](#).

## **ISSUE/DISCUSSION**

### **Why Close City Hall?**

The Mercer Island City Hall building is at the end of its expected lifespan. The building was originally constructed in 1957 and was last renovated in 1988. City Hall does not meet current energy and structural codes, and multiple building systems are failing or in need of significant maintenance or reinvestment.

Because the building is already past its expected lifespan, the preliminary estimated cost of \$10 million dollars to re-occupy City Hall does not have a high return on investment for such a significant cost. The recommendation is to permanently close City Hall and begin the process of identifying a long-term solution for replacement.

### **Closing City Hall (Resolution No. 1650)**

Resolution No. 1650 (Exhibit 1) directs the permanent closure of the Mercer Island City Hall building until a future decision is made by the City Council on its use or disposition.

### **City Hall Closure Let's Talk Page**

City staff are in the process of developing a [Let's Talk Page](#) for the community to receive further information on the closure of City Hall and the long-term facility planning process. The page is expected to be live the week of October 2, 2023.

## **NEXT STEPS**

The City Manager has organized specific staff teams to address the many issues and work items related to the closure of City Hall. This includes moving personal items out of City Hall, technology transitions, support for work groups that are the most impacted by the closure including Police and Municipal Court, and other matters.

During the October 17 City Council meeting, the Council will review and consider an agenda bill approving an Interlocal Agreement and lease with the City of Newcastle for Municipal Court operations. After an exhaustive search for temporary leased space, the City Manager is recommending leasing Newcastle Council Chambers for court proceedings and available office space in the Newcastle City Hall building for court staff offices.

Staff are also working to address the impacts to the Police Department and are in the process of implementing a plan to place temporary modular facilities in the City Hall parking lot for short-term support of police operations. Staff will brief City Council on the work to re-house the Police Department at a future City Council meeting.

Long-term planning work related to the replacement of City Hall is underway. Discussions with the City Council and the community are planned for 2024.

## **RECOMMENDED ACTION**

Approve Resolution No. 1650, directing the permanent closure of the Mercer Island City Hall building.