



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

**AB 6174
November 1, 2022
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6174: Luther Burbank Boiler Building Acceptance of Department of Commerce Grant	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the City Manager to accept and sign Department of Commerce for Boiler Building Phase 1 Design	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations Paul West, CIP Project Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Boiler Building Phase 1 Design Contract
CITY COUNCIL PRIORITY:	2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ 82,450

EXECUTIVE SUMMARY

City staff are seeking authorization to accept a 2022-2023 grant award from the Department of Commerce, Local Government Division.

- In early 2022, the 41st legislative delegation led by Senator Lisa Wellman included a Local and Communities Project request in the Washington State 2021-2022 supplemental budget for the Boiler Building Phase 1. This request was partially funded.
- On March 3, 2022, City Council approved the Luther Burbank Docks and Waterfront Project 30% Design Recommendation ([AB 6021](#)) which coordinated the docks and waterfront project with the Boiler Building project.
- The \$82,450 grant will cover eligible expenses from July 1, 2021 until June 30, 2023 and will partially fund the design of Boiler Building Phase 1.
- Boiler Building Phase 1 design work began in April 2022. It is expected to be completed before the expiration of the grant agreement in June 2023.

BACKGROUND

The 2006 Luther Burbank Park Master Plan identified the 1928 Boiler Building for reuse as a non-motorized watercraft facility. A 2017 study of the Boiler Building established the feasible reuse of the building for this purpose. It also outlined Phase 1 improvements which would stabilize the Boiler Building and renovate the 1974 restroom annex. Improvements include installing a steel reinforcement framework inside the building and the chimney, pinning masonry cladding to the concrete structure, installing a new roof membrane, and providing basic renovations to the restrooms and concession stand. The top ten feet of the 80-foot chimney is unreinforced masonry and is cost-prohibitive to retain and will be removed.

The Boiler Building Stabilization Project is part of the City's 2021-2022 budget. In early 2022, the 41st legislative delegation led by Senator Lisa Wellman included a Local and Communities Project request funding in the Washington State 2021-2022 supplemental budget for the Boiler Building Phase 1. This request was partially funded at \$85,000. The Washington State Department of Commerce administers the grants from this program and has issued its standard agreement (Exhibit 1). The Department of Commerce deducts a 3% administrative fee, resulting in a net grant amount of \$82,450.

ISSUE/DISCUSSION

Partial funding for the stabilization portion of Boiler Building Phase 1 was included in the City's 2021-2022 budget. During the development of the Luther Burbank Park docks design, the Parks and Recreation Commission began to consider a more comprehensive approach to the waterfront. The renovation of the restroom annex was initially part of the waterfront project scope ([AB 5868](#)). At 30% design, it was recombined with the Boiler Building stabilization scope. This packaged all building construction together for more efficient bidding and construction phasing. This approach was supported by City Council at the 30% design phase ([AB 6021](#)).

NEXT STEPS

After receiving authorization to accept this grant, staff anticipates fully executing the grant agreement and submitting invoices for reimbursement starting in late November of 2022. Since this grant straddles two City budget cycles (2021-2022 and 2023-2024), staff also anticipate including unused award funds in the City's budget carryover request at the end of 2022 to be used for completion of the design work in 2023.

Staff expects the project to bid in Q2 2023 and begin construction in Q3 2023, pending adoption of the City's 2023-2024 budget. In anticipation of this, City staff has applied for Washington State Historical Society (WSHS) Heritage Capital Program funding for construction of the Boiler Building Stabilization project ([AB 6049](#)). WSHS has recommended to Governor Inslee this \$513,000 grant as part of a funding package for the Washington State 2023-2024 budget. Staff expect the governor to submit this funding request to the Washington State legislature in December, 2022. If funded, the WSHS grant would become available after July 1, 2023.

RECOMMENDED ACTION

Authorize the City Manager to accept and sign the Department of Commerce Luther Burbank Boiler Building Grant contract (see Exhibit 1) in the amount of \$82,450 to fund the design of the Boiler Building Phase 1 project.