



City of Stevenson

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To: Stevenson City Council
From: Leana Johnson, City Administrator
RE: Fire Hall
Meeting Date: July 19, 2018

Executive Summary:

The Fire Hall is currently in need of replacement and there have been multiple studies and reports conducted since 2013 on how to construct a cost-effective building for the community. The current proposal in front of council will further the project that was identified as a #1 priority at the council retreat this winter.

Background:

In 2011 there was a minor collision at the Stevenson Fire hall which took out a corner of the building and revealed that it lacked reinforcement. Originally built in 1967, the need for a new fire hall became more apparent.

In 2013 the City conducted a feasibility study to determine if it would be practical and cost effective for the City of Stevenson Fire Department, Skamania County Fire District #2, Skamania County Department of Emergency Management and Skamania County Hospital District to share in the building of a joint facility. The study looked at the current and future needs of the agencies and the result was that a building with 20,870 square feet would result in a cost savings and the cost estimate, including land acquisition, was \$10.5 million dollars. A link to the complete report can be found on the city's website at <http://ci.stevenson.wa.us/government/emergency-services/fire/>. The project as presented did not move forward and the Hospital District has since withdrawn their participation.

Beginning in 2015, the remaining agencies participated in a strike team to find land suitable for a new fire station. The needs listed in the 2013 report were reviewed with the team and a conceptual footprint was created. A final report was presented in 2016 and resulted in the purchase of property on Rock Creek Drive in 2017. The report can also be found on the city website at <http://ci.stevenson.wa.us/government/emergency-services/fire/>.

At the February 8, 2018 council retreat the Fire Hall project was listed as the number 1 priority for 2018 and 2019 (outside of the wastewater project). A timetable was presented and discussed at the retreat. The timeline included having preliminary design documents completed by the fall in order to apply for funding at the end of the year. Completion of the project is currently scheduled for the summer of 2020.

A proposal from Mackenzie for the design phase of the project was presented at the June 21st council meeting which had a base cost of \$98,590 and an all-in cost of \$127,070. Council directed staff to outline the funding options and work with Mackenzie to reduce the cost of the proposal. City staff discussed the design elements and determined that there should be three designs to choose from: 1) a building similar to Cascade Locks 2) a building with similar design elements to Rock Cove Assisted Living, the Columbia Gorge Interpretive Center and Skamania Lodge and 3) a building with design elements between 1 and 2. With this direction, staff and Mackenzie removed the following items from the original proposal:

- Task 3-Facility Tours \$4,250
- Task 7-Building Performance \$6,500
- Task 8-Visioning/Public Outreach \$8,600 total (\$5,100 base and \$3,500 optional)

There has also been discussion about the geotechnical report and there was an analysis completed prior to purchasing the lot which may satisfy that requirement. If not, the city can contract for this service on their own and save the overhead Mackenzie would charge. The revised base proposal cost is now \$81,490 and the all-in cost is \$107,720. The final document will remain at 20% design completion.

While the Visioning/Public Outreach task was removed, this task will still need to be completed by city staff. The recent experience with the lack of public involvement with the wastewater plan has demonstrated the need to ensure the public is brought in early in the process, especially for large financial undertakings such as this.

One of the design styles staff pointed to was the fairly straight forward design of the Cascade Locks firehall. That structure cost \$1.7 million to construct in 2011. Due to the Cascadia earthquake requirement for an essential facility, the cost to build a pole barn type of structure versus a brick and mortar building is similar. While construction costs continue to go up, this provides a ballpark of the construction cost of a nearby facility.

Overview of Funding Options:

Staff has reached out to the partnering agencies regarding the various funding needs for the project. Below is a list of possible avenues for completing the project, these have not been confirmed. Until a more detailed design is completed, the overall cost is unknown. Staff is using the range of \$3-5 million as an estimate.

Skamania County Fire District #2 will enter into a lease agreement with the city for the fire hall. The basis of the cost distribution can be on assessed valuation, square footage, or other metrics as agreed upon. Using the example of assessed valuation, the split is roughly 70% City and 30% FD2 for 2018.

The contributions from the Skamania County Emergency Management Department would be in the form of in-kind services for on-going and some capital costs, access to grants for emergency management services and access to donors/partners.

Other sources of funding include:

- USDA Rural Development Community Facilities Loan/Grant program.
 - Grant assistance ranges from 15-75% depending on the income levels of the area. With the county being part of the construction, the service area includes all of Skamania County.
- Washington State Capital Budget.

- This would be a direct grant ask from the state legislature. Projects must be shovel ready and they recommend not asking for more than 25% of the project cost.
- Williams Pipeline
- BNSF
- Use of Reserves. The current balances for the reserves are below. Council will need to decide what an appropriate reserve balance is for the General Fund and the remainder can be used towards one-time projects such as the Fire Hall or Wastewater Upgrades.
 - General Fund Reserve Balance \$1,021,846.80
 - Timber Harvest Balance \$1,052,034.82
 - Capital Improvement Balance \$59,345.13
- Bond Measure. The City, Fire District and/or county can run a levy to fund the construction of the joint facility. A distribution of costs would need to be determined ahead of time to ensure that each taxing district is paying a fair share of the costs if this route is determined. If a bond measure is chosen there will need to be a greater level of public outreach conducted to get more buy-in on the final project.

Possible Project Cost Breakdown:

	2013 Study Est.*			
	DEM	Fire		
Land Acquisition	\$ 200,000	\$ 200,000	\$ 384,446	Actual Cost
Site Prep	\$ 100,000	\$ 100,000		
Site Development	\$ 300,000	\$ 300,000		
Building Construction	\$ 600,000	\$ 2,400,000		
Sales Tax	\$ 100,000	\$ 200,000		
Project Expenses	\$ 400,000	\$ 400,000		
Contingencies	\$ 200,000	\$ 200,000		
Total Project Budget	\$ 1,900,000	\$ 3,800,000	\$ 5,700,000	
O&M Monthly Costs	\$ 2,700	\$ 5,400		

* Skamania County Hospital District removed.

Funding Scenarios:

There are multiple funding packages that can be calculated for the construction of the Fire Hall based on the options available. A few cases are outlined below. In each case, the conservative USDA RD grant percentage of 15% was used. All cases are also optimistic in assuming a successful grant application directly from the Washington State Capital Budget.

Case 1

This assumes the total project cost of \$5.7 million based on the estimate from the initial 2013 project study, without inflation. It assumes a 40-year loan at the rate of 4.38%, the same as the city's current Outfall loan. It assumes no other grant funding or capital contributions.

Total Project Amount	\$ 5,700,000
<u>Funding Sources:</u>	

Direct State Funds (25%)	\$ 1,425,000
USDA RD Grant Amount	\$ 855,000
USDA Loan Amount	\$ 3,420,000
Total Annual Loan Payment	\$182,549.68

Case 2

This calculation has the same assumptions as Case 1 with a total project amount of \$3 million.

Total Project Amount	\$ 3,000,000
<u>Funding Sources:</u>	
Direct State Funds (25%)	\$ 750,000
USDA RD Grant Amount	\$ 450,000
USDA Loan Amount	\$ 1,800,000
Total Annual Loan Payment	\$96,078.78

Case 3

This is the most optimistic calculation with a project cost of \$3 million, an additional grant and donation amount of \$150,000 and using \$750,000 of City reserve funds.

Total Project Amount	\$ 3,000,000
<u>Funding Sources:</u>	
Direct State Funds (25%)	\$ 750,000
USDA RD Grant Amount	\$ 450,000
BNSF Grant	\$ 50,000
City Reserves	\$ 750,000
Additional Donations/Grants	\$ 100,000
USDA Loan Amount	\$ 900,000
Total Annual Loan Payment	\$48,039.39

Conclusion/Action Needed:

There is a demonstrated need for this project to move forward. The current building housing the fire department is in need of a new roof and if a new building is not on the horizon, there are some maintenance items that will need to be addressed. A very rough estimate for the items needed total almost \$30,000 and a detailed list is below.

Re-roof plus fix damage to structure	\$ 20,000
Paint	\$ 6,500
Gutters-Low Est	\$ 500
Gutters-High Est	\$ 1,500
Re-caulk Windows	\$ 1,500

Staff requests that council determine whether or not to move forward with this project at this time. If council direction is to hold off on this project, then staff will work on making the necessary repairs to extend the life of the current building. If council direction is to move forward with the design phase, staff recommends approving the proposal in the amount of \$81,490.