



INFORMATIONAL MEMORANDUM

TO: Public Safety Committee

**FROM: Jay Wittwer, Fire Chief
Peggy McCarthy, Finance Director
Rachel Bianchi, Communications and Government Relations Manager**

CC: Mayor Ekberg

DATE: May 31, 2017

SUBJECT: Public Safety Plan Fire Station Programming and Budget Implications

ISSUE

The City of Tukwila has committed to rebuild three fire stations through funding included in the voter-approved Public Safety Bond that was a component of the overall Public Safety Plan. Two consultants have been hired to assist with this endeavor; Shields Obletz Johnsen (SOJ) Consultants and Weinstein Architects + Urban Designers (WAU). With assistance from these two groups and a committee formed with members from the Tukwila Fire Department the programming phase has taken place.

The programming phase of any major capital projects effort is where specific assumptions of the preliminary planning efforts are tested, particularly as it relates to budget implications for a building or overall program. As has been experienced with other City projects, and by our neighboring jurisdictions, cost escalation in the region – particularly in construction costs – is affecting the implementation of Tukwila's Public Safety Plan.

BACKGROUND

Programming Phase

The programming phase is a process to understand the need the community has for a group of fire stations that will service the community for many years. A very comprehensive process has been used to better understand these needs and include the following points:

- Engagement with fire fighters and other personnel that will use these fire stations
- Evaluation of how current stations are used and identified ways to improve processes in new stations
- Tours of a number of newer fire stations in the region and soliciting pros and cons from crews working at those stations
- Identified all wants and needs
- Future projections, including staffing
- These efforts have created the following plans (by year).
 - 2040 – provides for the square footage outlined in the Public Safety Plan passed by Council in 2016 and facilities to meet Tukwila's needs through 2040
 - 2060 – facility needs projected out to serve the community through 2060
 - 2080 – facility needs projected out to serve the community through 2080

Programming Update

At the end of the Programming phase, there were a few changes:

- 1) Overall square footage of the stations stayed similar (net increase of 158 sq ft)
- 2) The Headquarters station is planned to be at the new Station 52, since it will be more centrally located than Station 51.
- 3) The average size of the smaller stations increased to better meet the needs of a fully functioning station and the headquarters stations slightly decreased.
- 4) Station 52 and 54 are now planned to be built at the same time, opening in 2020. In previous plans (RFA), Station 54 had been planned to open as late as 2024.

Square Footage Estimates

	Station 51	Station 52	Station 54	Total
Bond Assumptions - 2016	17,950	6,567	8,228	32,745
Programming Update - 2017	9,426	14,190	9,287	32,903

Budget Phase

In the preliminary planning for the Public Safety Plan, which began in 2013, reasonable assumptions were made regarding various budget-related factors, of which construction cost escalation is a good example. While a 3% escalator was included in the overall plan for construction costs, the realities of the past 18-months have actually shown a 6% - 15% per-year increase due to market conditions. Our proximity to the fastest growing big city in the United States has significantly driven up construction costs in the area.

The City assumed \$375 per square foot costs, including construction and site work, based on the facilities study effort but significantly informed by the Kent RFA during the Regional Fire Authority Annexation Review process. An analysis provided by WAU illuminates the realities of cost increases specifically associated with fire station construction:

Year		Square Ft	\$/Square Foot	Annual Increase
2015	Burien HQ - #28	24,330	\$373	
2016	Kent/SeaTac - #45	7,579	423	12%
2017	Shoreline #63 - in design	16,249	553	24%

The City of Tukwila is not alone in this experience. A review of recent bid openings in the Daily Journal of Commerce show low-bids coming in more than 20% over the estimates for projects. The Tukwila School District recently had the same experience when opening bids for facilities in their bond projects, and staff are hearing similar experiences from colleagues throughout the area.

As construction costs go up, other project costs increase as many of them are a formula based on total construction costs. At this point, we estimate that there is a difference of \$8.4 million between the funding associated with the Public Safety Plan for fire stations

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and what it would take for us to build the three fire stations as outlined in the Plan. \$6.7 million of this total represents construction costs alone.

This \$8.4 million needed to complete the fire stations program can be achieved by using existing City resources and our commitment to Tukwila voters can be retained. In order to do this the City would utilize a two-pronged approach that would include:

- *Fire Impact Fees* – Fire Impact fees have not been reviewed or increased since 2012. During the year-long investigation regarding joining the Kent Regional Fire Authority, it was made clear that Tukwila's Fire Impact fees need to be adjusted to keep up with continued growth. It is anticipated that the City can raise \$4 million over 15 years through revised impact fees, charged only to new development.
- *Cash flow management* – The City has the opportunity to address the remaining difference through careful cash-flow management associated with fire equipment and apparatus funding that is a part of the Public Safety Plan. Because the \$29 million fund for fire equipment and apparatus is required over a 20-year period, and not immediately, the City can front-load the additional \$4.4 million needed for the fire stations from this fund. Staff analysis shows that the City would then need to reimburse the apparatus and equipment fund \$295,000 per year for 17 years. This can be achieved by using specific revenue opportunities not currently budgeted, which include:
 - *Land sales and/or long-term leases* of the old fire station 53, and existing 51, 52 and 54 properties. Even if the City wanted to use one of the old stations for a city use, other funds (such as REET) could be used to reimburse the apparatus and equipment fund.
 - *Additional REET funding* dedicated to reimbursing the equipment and apparatus fund above what is budgeted. Since the economic recovery the City has seen significant increases in REET funds, which have come in between 25% and 600% above budget since 2010.
 - *Dedication of revenues above budget* to backfill the apparatus and equipment fund. This would include fund balances of general fund dollars not spent in a calendar year.

It is reasonable to assume that the funds highlighted above will be more than adequate to make the apparatus and equipment fund whole over the next 15 years.

RECOMMENDATION

Weinstein A+U requires direction as to final programming so that they can work with sub-consultants and cost estimators to achieve the final program and begin schematic design. Staff recommends that they be directed to fulfill the 2040 program outlined in the attachment and that the City address the funding gap through revision of impact fees and careful cash flow management as described above. The Council is being asked to provide consensus on the above approach at the June 12, 2017 Committee of the Whole meeting.

ATTACHMENTS

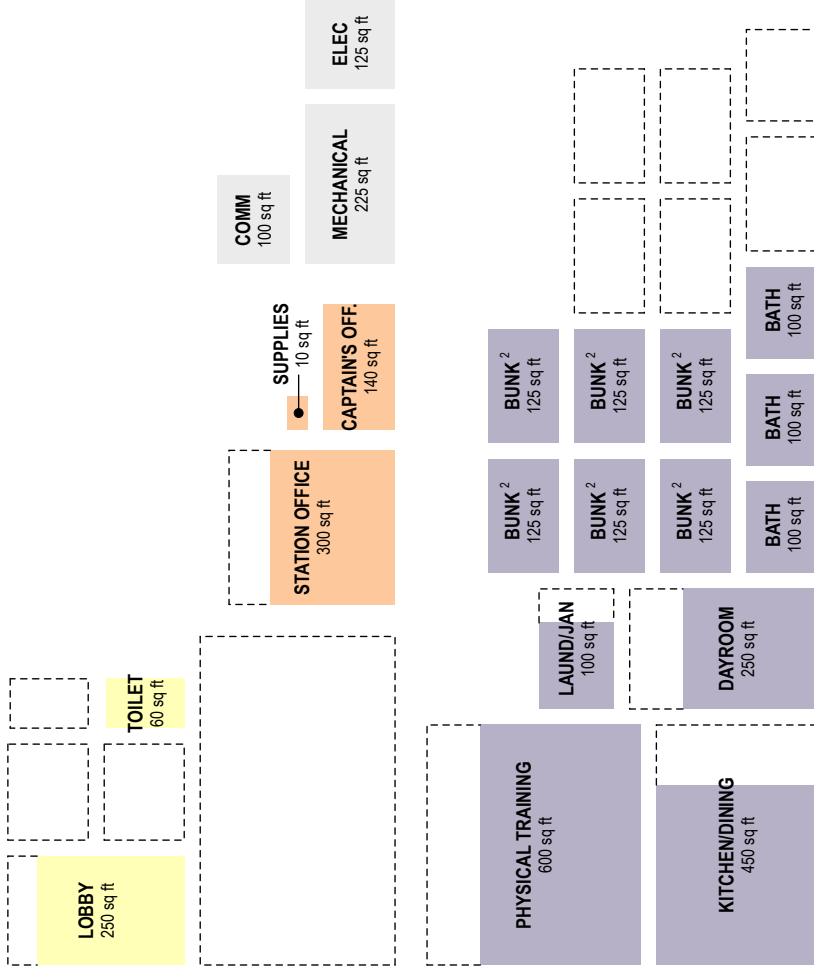
Tukwila Fire Stations: Program Comparison
Public Safety Plan Conceptual Budget Summary

FS51 - 2040 PROGRAM

TOTAL BLDG = 9,426 SQ FT (INC. 20% CIRCULATION)

ON-DUTY STAFF: 6

APPARATUS: 2

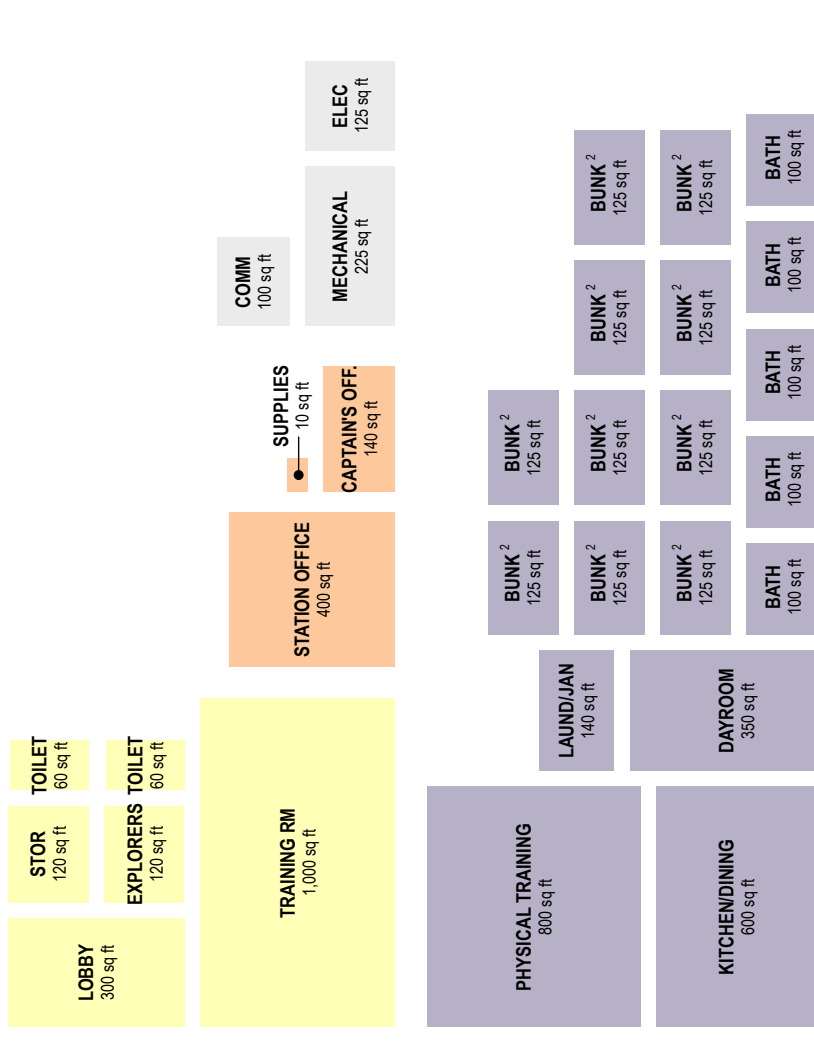
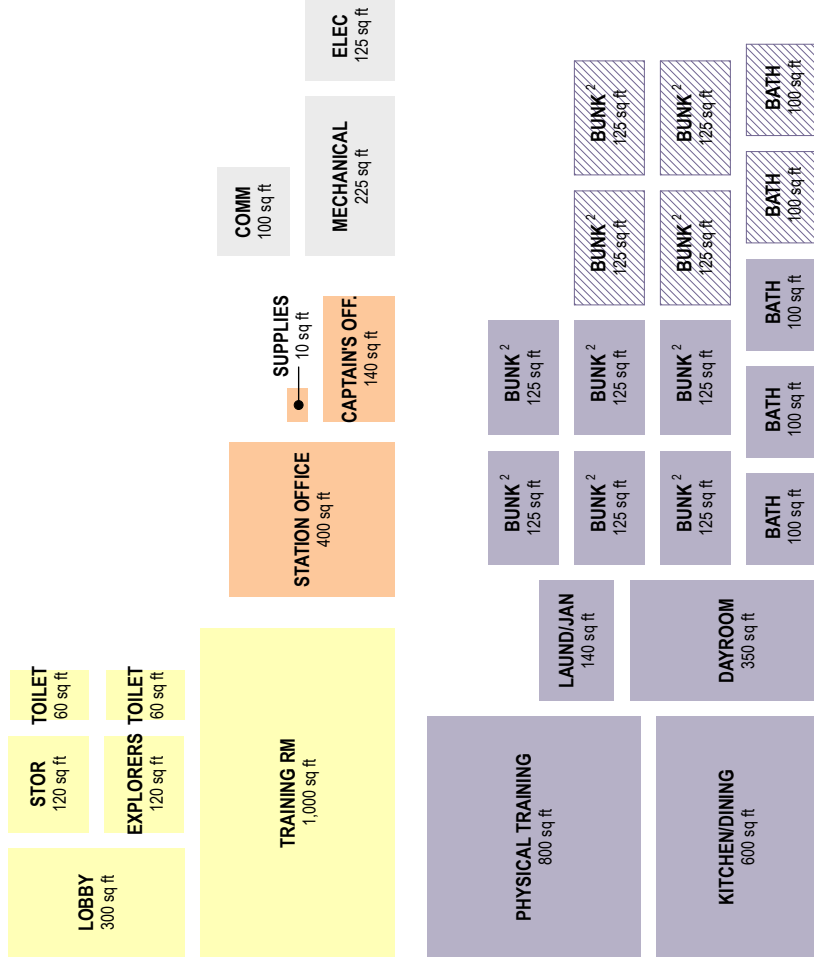


FS51 - 2060 PROGRAM

TOTAL BLDG = 13,212 SQ FT (INC. 20% CIRCULATION)

ON-DUTY STAFF: 6 (+ 4)

APPARATUS: 3



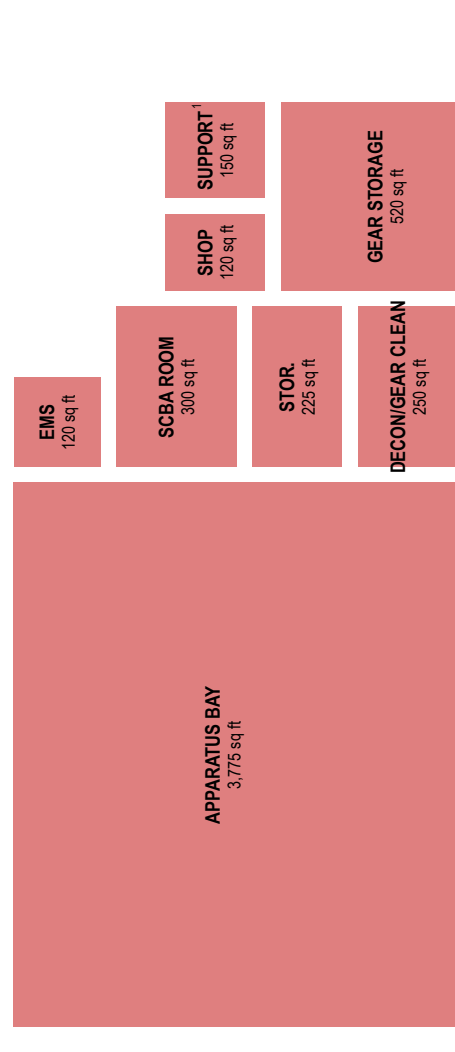
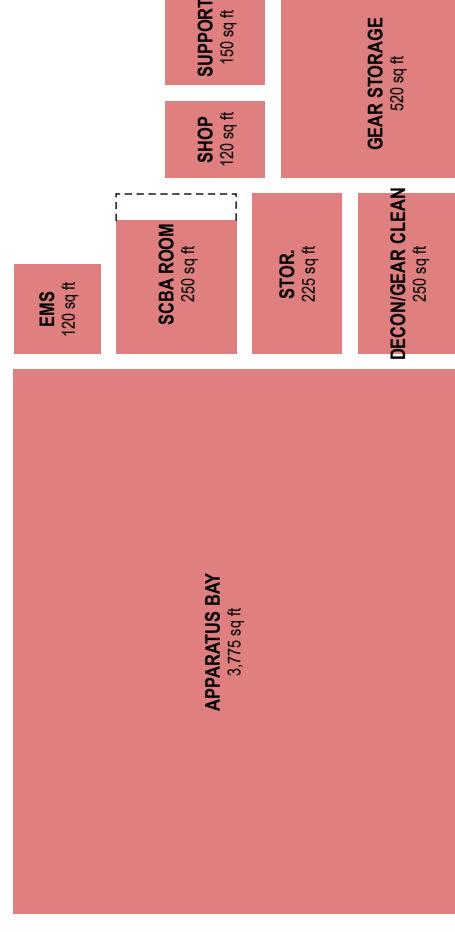
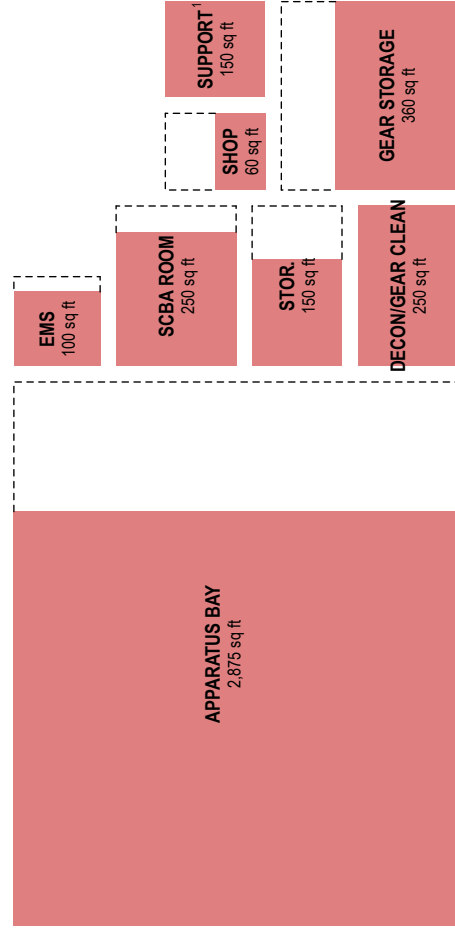
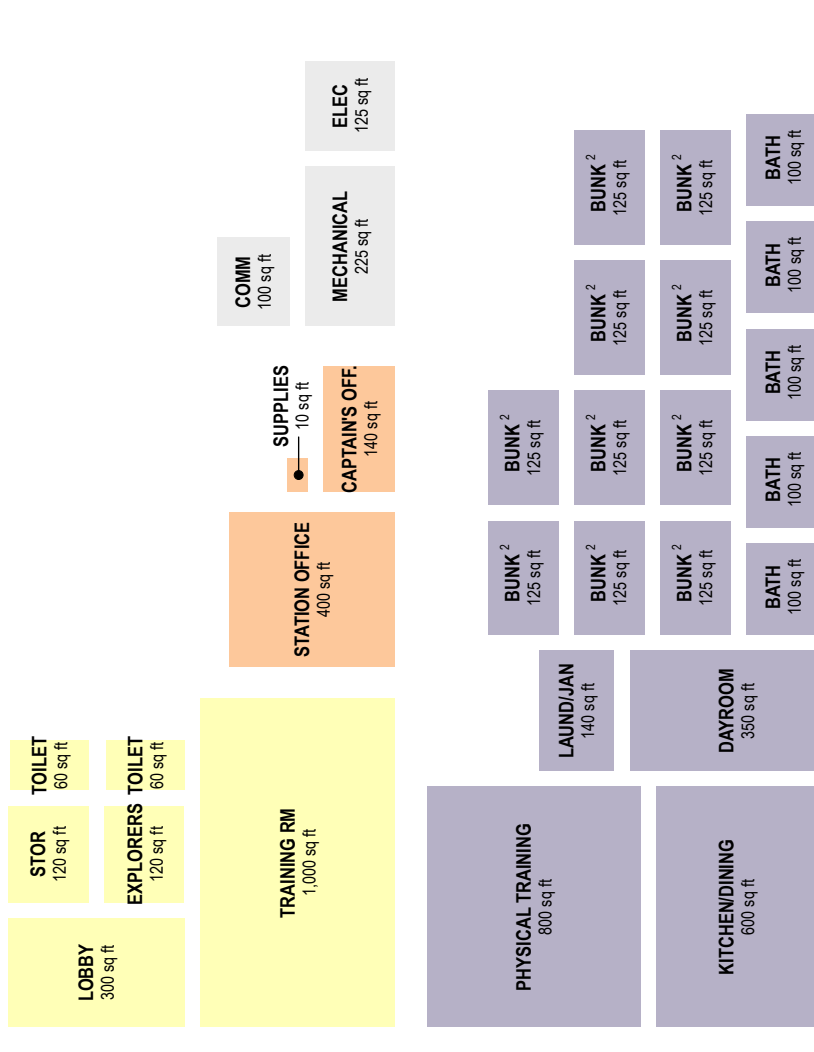
FS51

FS51 - 2080 PROGRAM

TOTAL BLDG = 14,112 SQ FT (INC. 20% CIRCULATION)

ON-DUTY STAFF: 10

APPARATUS: 3



¹ APP BAY/SUPPORT INCLUDES HOSE STORAGE, TOILET, BATTERY CHARGING, CLEANING ALCOVE, AND SCBA

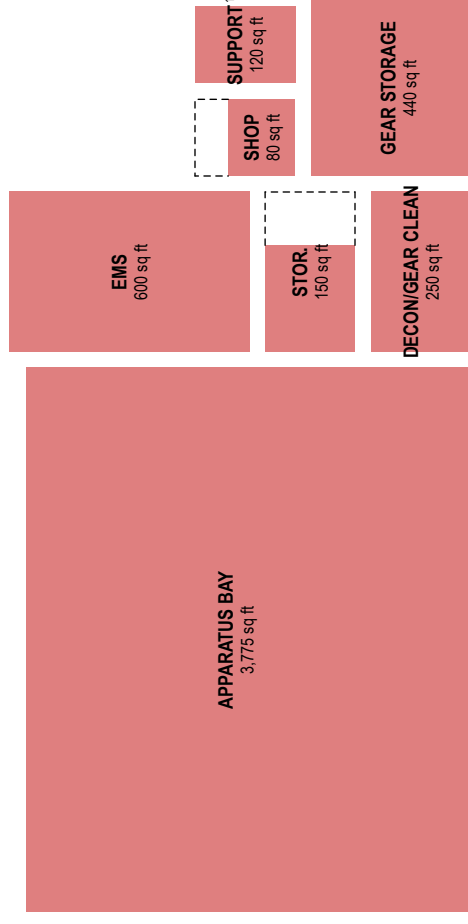
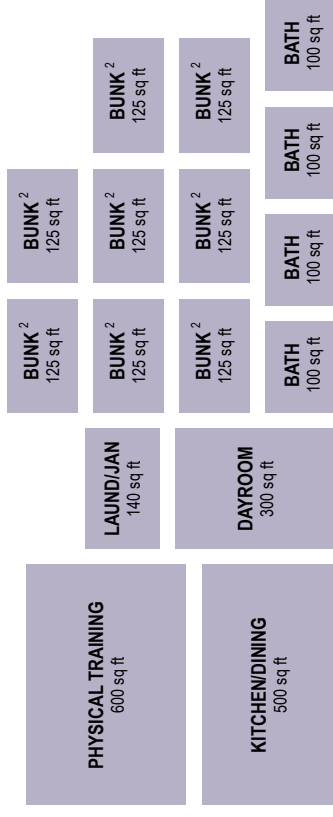
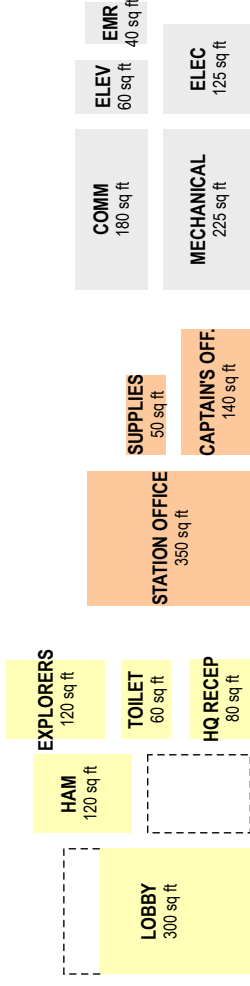
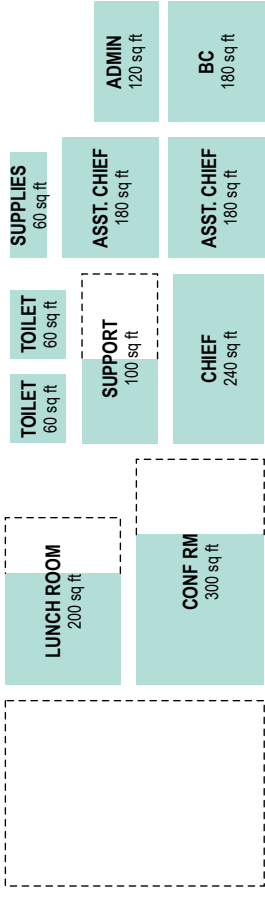
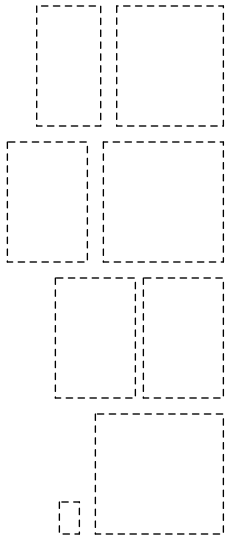
² BUNK INCLUDES LOCKER ALCOVE

FS52 - 2040 PROGRAM

TOTAL BLDG = 14,190 SQ FT (INC. 20% CIRCULATION)

ON-DUTY STAFF: 8

APPARATUS: 3

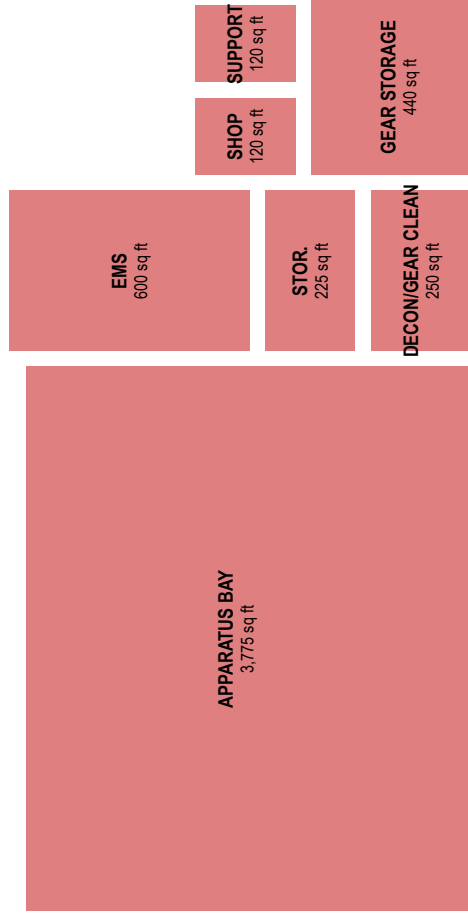
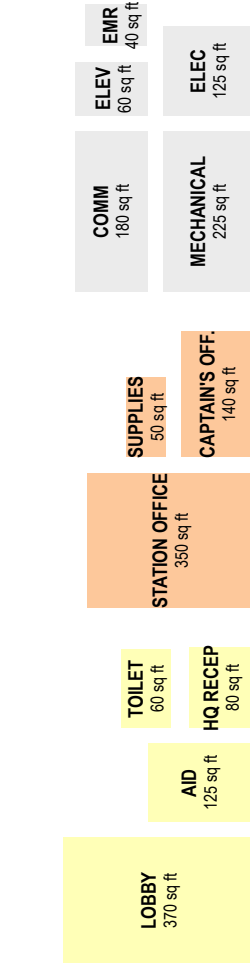
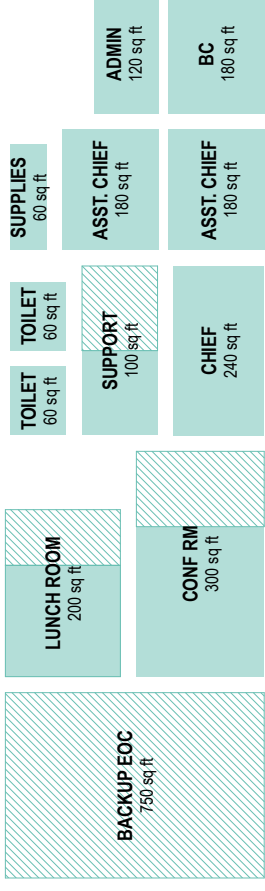
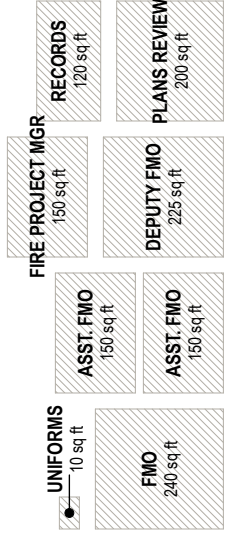


FS52 - 2060 PROGRAM

TOTAL BLDG = 15,768 SQ FT (INC. 20% CIRCULATION)

ON-DUTY STAFF: 8

APPARATUS: 3

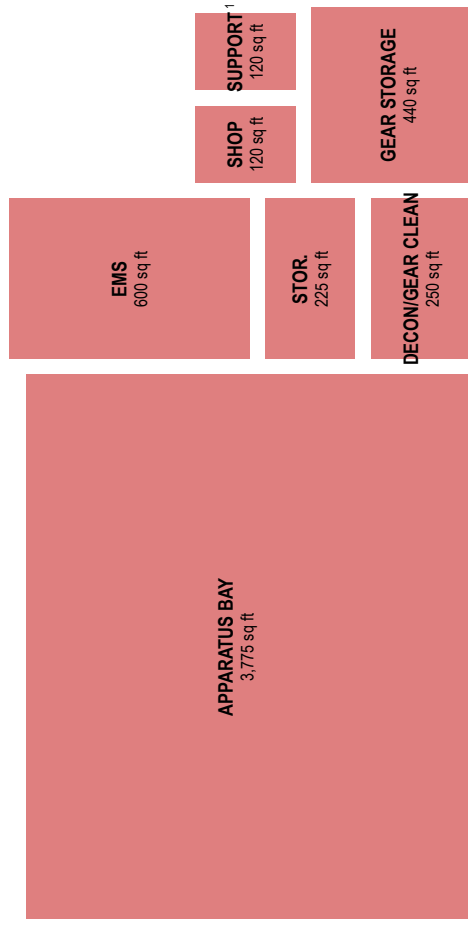
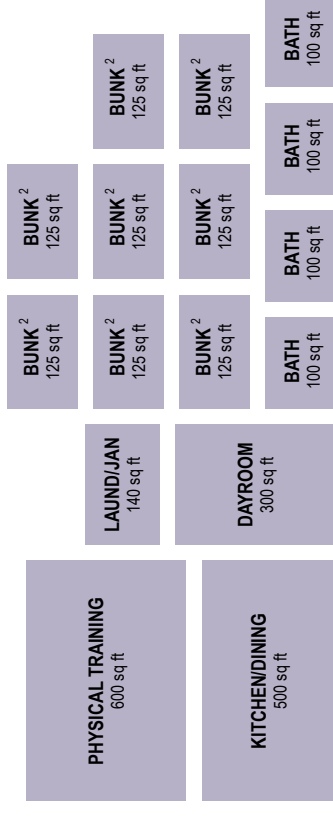
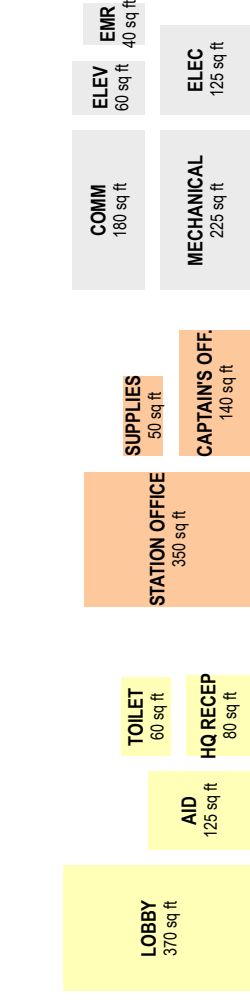
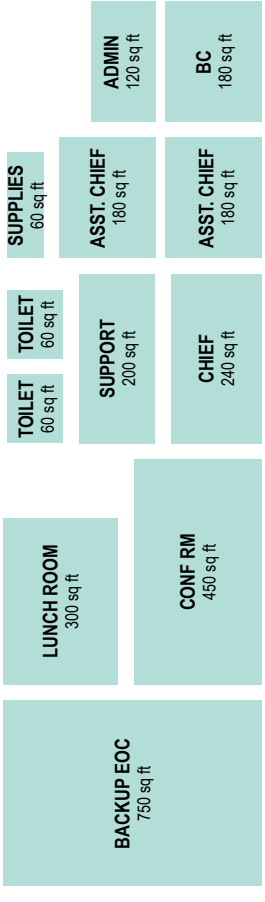
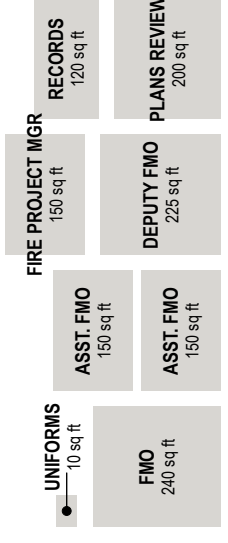


FS52 - 2080 PROGRAM

TOTAL BLDG = 17,088 SQ FT (INC. 20% CIRCULATION)

ON-DUTY STAFF: 8

APPARATUS: 3



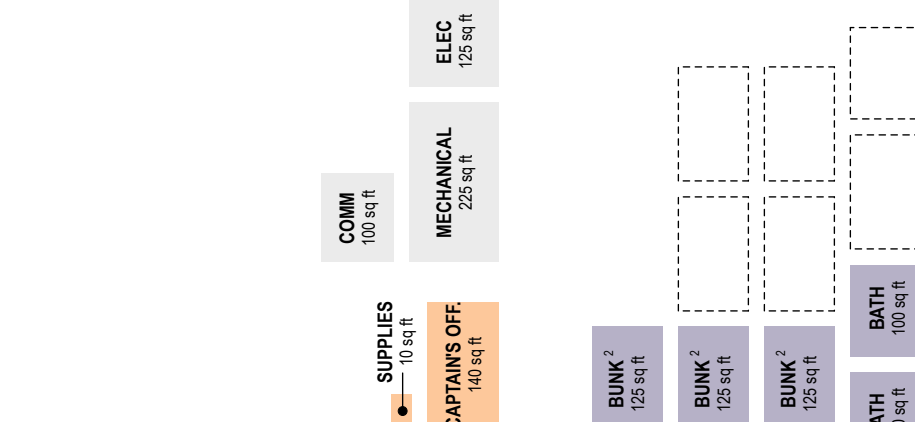
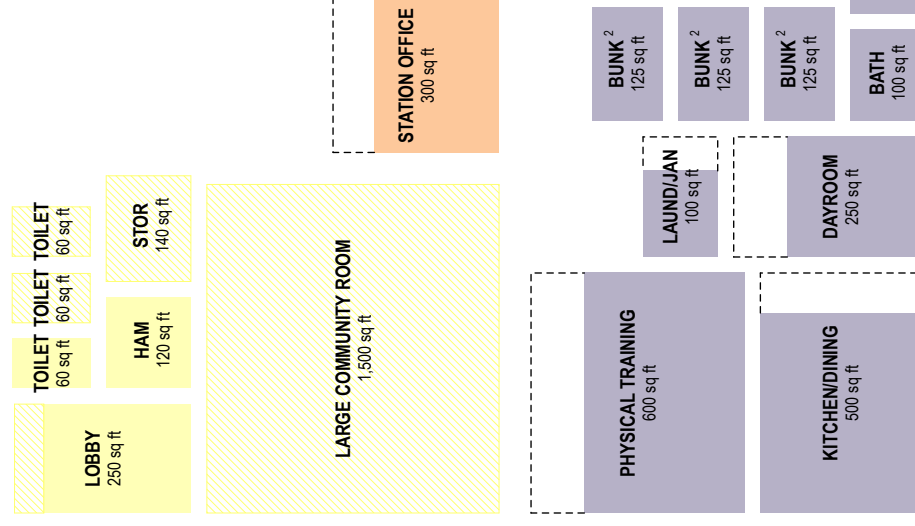
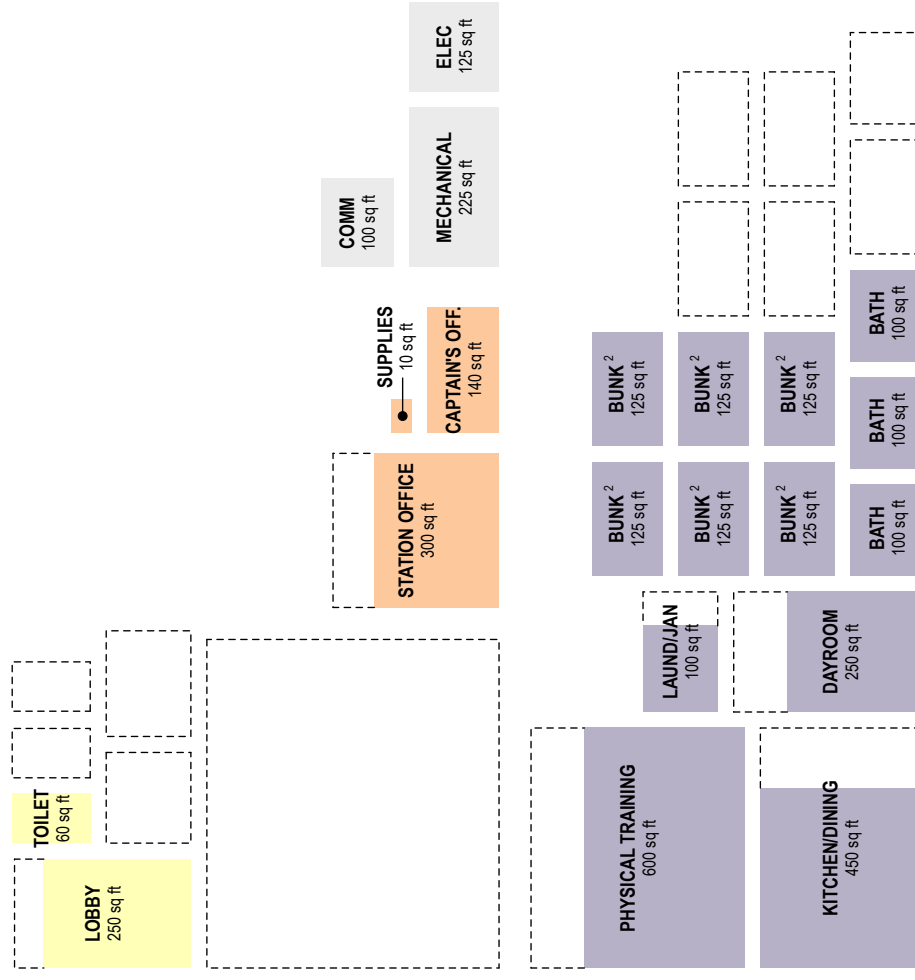
¹ APP BAY SUPPORT INCLUDES HOSE STORAGE, TOILET, BATTERY CHARGING, CLEANING ALCOVE, AND SCBA
² BUNK INCLUDES LOCKER ALCOVE

FS54 - 2040 PROGRAM

TOTAL BLDG = 9,287 SQ FT (INC. 20% CIRCULATION)

ON-DUTY STAFF: 6

APPARATUS: 2

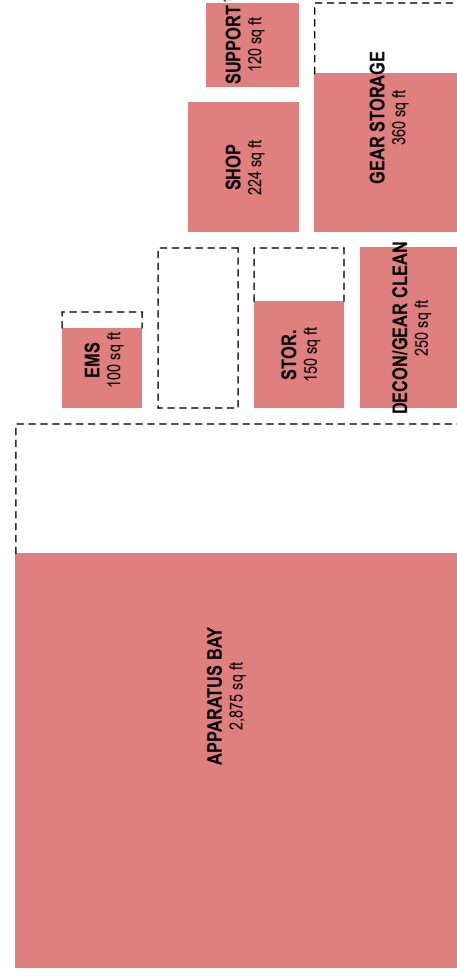
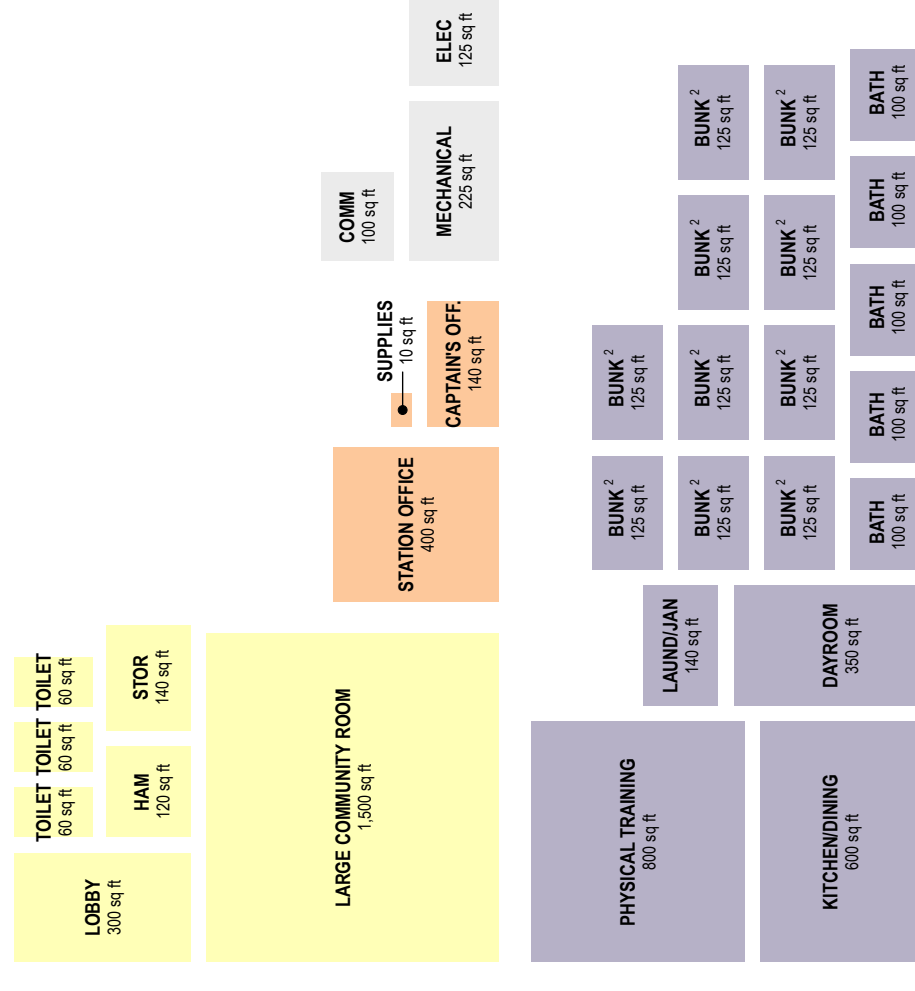


FS54 - 2080 PROGRAM

TOTAL BLDG = 14,777 SQ FT (INC. 20% CIRCULATION)

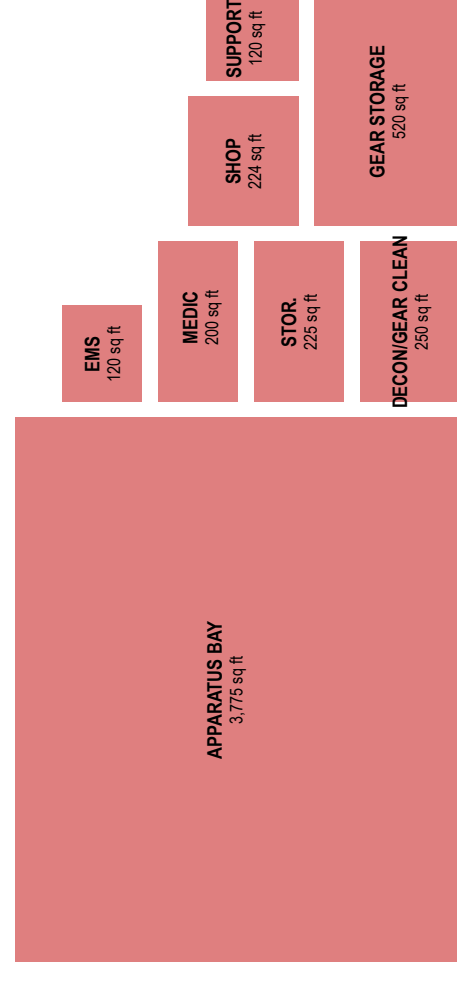
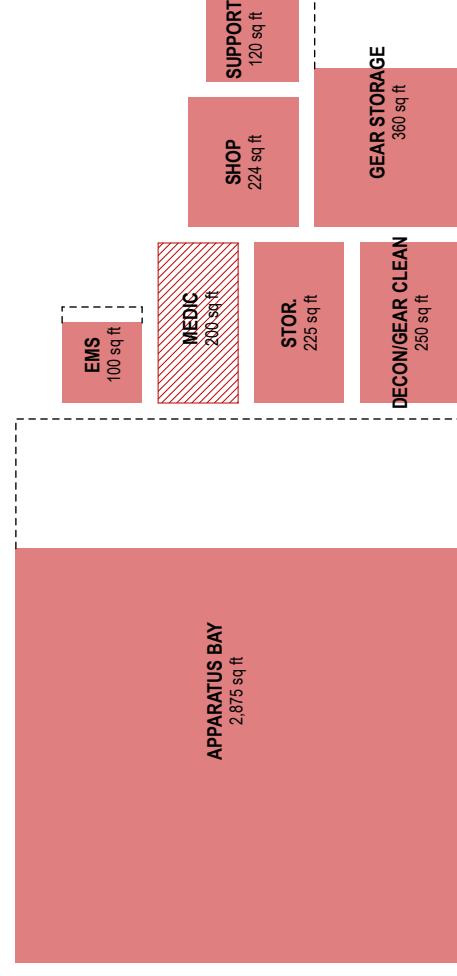
ON-DUTY STAFF: 10

APPARATUS: 3



¹ APP BAY SUPPORT INCLUDES HOSE STORAGE, TOILET, BATTERY CHARGING, CLEANING ALCOVE, AND SCBA

² BUNK INCLUDES LOCKER ALCOVE





**City of Tukwila - Public Safety Plan
Conceptual Budget Summary
YOE \$ (in thousands)**

1/10/2017

PUBLIC SAFETY PLAN - FUNDING

Project	YEAR OF EXPENDITURE (YOE) SUMMARY				Total
	UTGO	Impact Fees	General Fund	Enterprise Funds	
Facilities					
Public Safety Building	\$ 28,629	\$ -	\$ -	\$ -	28,629
Fire Stations (51, 52, 54)	18,824	4,750	858	-	24,432
Public Works Shops	-	-	14,747	14,746	29,493
FACILITIES TOTAL	\$ 47,453	\$ 4,750	\$ 15,605	\$ 14,746	\$ 82,554
Apparatus/Equipment	\$ 29,932	\$ -	\$ -	\$ -	29,932
PLAN TOTAL	\$ 77,385	\$ 4,750	\$ 15,605	\$ 14,746	\$ 112,486

indicates voter approved

PUBLIC SAFETY PLAN - FACILITIES

as of May 29, 2017

Category	Fire Station Program			TOTAL
	FS 51	FS 52	FS 54	
Pre-Weinstein Program Option Review				
Project Budgets (in YOE \$)				
A/E Services (both design & CA)	\$ 731	\$ 356	\$ 464	\$ 1,551
Land Acquisition	-	\$ 653	\$ 862	\$ 1,516
Permits/Fees	\$ 255	\$ 89	\$ 116	\$ 460
Construction* (pre-con, const & tax)	\$ 7,809	\$ 3,278	\$ 4,273	\$ 15,360
Construction Related Costs (incl Bond)	\$ 1,047	\$ 438	\$ 551	\$ 2,036
PM Services (incl Other Professional Svcs)	\$ 460	\$ 297	\$ 397	\$ 1,153
Contingency (incl Construction & Project)	\$ 1,145	\$ 546	\$ 665	\$ 2,356
TOTAL	\$ 11,446	\$ 5,657	\$ 7,329	\$ 24,432

Category	Fire Station Program			TOTAL
	FS 52	FS 51	FS 54	
Current Projected Budget (2040 Program)				
Project Budgets (in YOE \$)				
A/E Services (both design & CA)	\$ 1,052	\$ 635	\$ 626	\$ 2,314
Land Acquisition	-	\$ 653	\$ 862	\$ 1,516
Permits/Fees	\$ 301	\$ 166	\$ 164	\$ 631
Construction* (pre-con, const & tax)	\$ 9,547	\$ 6,324	\$ 6,233	\$ 22,105
Construction Related Costs (incl Bond)	\$ 1,184	\$ 657	\$ 709	\$ 2,550
PM Services (incl Other Professional Svcs)	\$ 576	\$ 300	\$ 305	\$ 1,181
Contingency (incl Construction & Project)	\$ 1,094	\$ 749	\$ 765	\$ 2,608
TOTAL	\$ 13,755	\$ 9,486	\$ 9,665	\$ 32,906

* Construction costs for Fire Station Projects include Pre-con and Sales Tax in table above. Without those elements Construction = \$8,353,271 + \$5,548,832 + \$5,467,007 = \$19,369,110.



CITY OF TUKWILA
Public Safety Plan
Fire Stations - 51, 52, 54
Conceptual Budget Summary
 YOE \$ (in thousands)

FUNDING SOURCE - Based on Initial Project Costs

YEAR OF EXPENDITURE (YOE) SUMMARY					
Project	UTGO (voter-approved)	Impact Fees	General Fund	Enterprise Funds	TOTAL
Fire Stations	18,824	4,750	858	-	24,432
Justice Center	28,629	-	-	-	28,629
Public Works Shop	-	-	14,747	14,746	29,493
Facilities Total	47,453	4,750	15,605	14,746	82,554
Fire Apparatus/Equipment	29,932	-	-	-	29,932
Public Safety Plan Total	\$ 77,385	\$ 4,750	\$ 15,605	\$ 14,746	\$ 112,486

PROJECT COSTS

Fire Station Program - INITIAL BUDGET ESTIMATE				
Project Category	FS51 17,950 sf	FS 52 6,567 sf	FS 54 8,228 sf	TOTAL 32,745 sf
A/E Services (both design & CA)	731	356	464	1,551
Land Acquisition	-	653	862	1,515
Permits/Fees	255	89	116	460
Construction (pre-con, const, tax)	7,809	3,278	4,273	15,360
Construction Related Costs (incl bond)	1,047	438	551	2,036
PM Services (incl other prof svcs)	460	297	397	1,154
Contingency (incl Construction & Proj)	1,145	546	665	2,356
TOTAL	\$ 11,446	\$ 5,657	\$ 7,329	\$ 24,432

Fire Station Program - REVISED BUDGET ESTIMATE (as of 5/23/17)					
Project Category	FS51 9,426 sf	FS 52 14,190 sf	FS 54 9,287 sf	TOTAL 32,903 sf	FUNDING GAP
A/E Services (both design & CA)	635	1,052	626	2,314	763
Land Acquisition	653	-	862	1,516	1
Permits/Fees	166	301	164	631	172
Construction (pre-con, const, tax)	6,324	9,547	6,233	22,105	6,744
Construction Related Costs (incl bond)	657	1,184	709	2,550	514
PM Services (incl other prof svcs)	300	576	305	1,181	28
Contingency (incl Construction & Proj)	749	1,094	765	2,608	252
TOTAL	\$ 9,486	\$ 13,755	\$ 9,665	\$ 32,906	\$ 8,474



CITY OF TUKWILA
Public Safety Plan
Fire Stations - 51, 52, 54
Conceptual Budget Summary
 YOE \$ (in thousands)

FUNDING SOURCE

YEAR OF EXPENDITURE (YOE) SUMMARY					
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Fire Stations	18,824	4,750	858	-	24,432
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Public Works Shop	-	-	14,747	14,746	29,493
Facilities Total	47,453	4,750	15,605	14,746	82,554
Fire Apparatus/Equipment	29,932	-	-	-	29,932
Public Safety Plan Total	\$ 77,385	\$ 4,750	\$ 15,605	\$ 14,746	\$ 112,486