

CITY COUNCIL COMMUNICATION FORM

FROM: Tom Leeson, Deputy City Manager
THROUGH: Gary Suiter, City Manager
DATE: September 20, 2022
ITEM: New Downtown Fire Station & City Hall Update

DIRECTION
 INFORMATION
 ORDINANCE
 MOTION
 RESOLUTION
 PROCLAMATION

I. REQUEST/ISSUE & BACKGROUND INFORMATION:

Davis Partnership Architects and Anderson Hallas Architects completed schematic designs for the new downtown fire station and city hall in mid-July, which were utilized for cost estimating by FCI Constructors, the general contractor and cost estimator for the project. Design Development is the next phase of this project, followed by Construction Documents. There have been minor changes to the design of both buildings since the update provided to City Council in July. The basic design and changes are described below.

The preliminary cost estimates for the fire station have come in \$1,044,593 over the approved CIP budget of \$16,234,020, or 6.4%.

The preliminary cost estimates for the city hall have come in \$1,487,950 over the original project budget of \$13,175,000, or 11%.

The cost estimates and cost reduction efforts are described below.

Fire Station Schematic Design

The fire station is currently proposed at 17,403 square feet, which is reduction of 1,800 square feet from the July drawings. This is primarily due to reducing

the number of apparatus bays to three (original plans had four apparatus bays). This reduction was part of the cost reduction efforts. Although the station was planned for four bays for greater efficiency and future growth, three bays allow for a highly functional station that will meet the needs of the department.

Floor plans and elevations of the fire station can be found in Attachment 2.

City Hall Schematic Design

The city hall is currently proposed at 15,700 square feet in three stories. The design of the City Hall is intended to meet the needs of the current employees and allows for some future growth. The new City Hall will house the City Manager, Finance, Planning & Community Development, Public Works/Engineering, Intergovernmental Services, and Communications.

The design includes private offices, workstations in an open office format, meeting rooms, kitchen/break areas, public community room, and associated storage and mechanical space. The office area is designed to maximize natural light.

Floor plans and elevations can be found in Attachment 3.

Civic Plaza Site Plan

The civic plaza is designed to connect all three buildings (City Hall, Fire Station, Centennial Hall) to create a downtown civic campus. The plaza is intended to promote pedestrian activity and make a strong connection between Lincoln Ave. and Oak Street. The site plan includes water efficient landscaping, pedestrian pathways, seating areas and a shade structure. The space is designed to be comfortable for an individual seeking a quiet place to sit or read, or to accommodate larger groups for public gatherings.

The civic plaza site plan can be found in Attachment 4.

Fire Station Budget

The original budget for the fire station in the City's Capital Improvement budget is \$16,234,020. Wember, Inc., the City's Owner's Representative provided costs estimates for a project budget in the summer of 2022 based on the preliminary plans and square footages provided. Their project budget breakdown was as follows:

Wember Project Budget	
Design & Engineering	\$1,222,005
Owners Requirements	\$343,097

Construction	\$9,309,208
Permits, Utility Fees, Impacts Fees	\$215,321
Furniture, Fixtures, Equipment	\$402,732
Technology	\$120,000
Contingency & Escalation	\$4,666,658
Total	\$16,279,021

Davis Architects completed Schematic Design (SD) drawings for the fire station in July and the plans were provided to FCI Constructors (the General Contractor chosen for the project) for cost estimates.

The FCI SD construction estimates came in at \$15,182,151, which is \$5.87 million over the original budget. Wember, FCI and the project team analyzed budget duplicates (items that both Wember and FCI had in their budgets) as well as a reduction in contingency and were able to reduce the FCI cost estimates by \$3.73 million.

The project team also went through a Value Engineering (VE) process in order to reduce costs, which further reduced the cost estimates by \$1.14 million. These included:

- Interior Lighting and Finishes at \$639,311
- Building Shell and Exteriors at \$504,550

The total cost estimate reduction was \$4.87 million, resulting in a \$17,278,613 project budget, or \$999,592 over original project budget.

Original Project Budget	\$16,279,021
Proposed Project Budget	\$17,278,613
Original Construction Budget	\$9,309,208
FCI SD Estimate	\$15,182,151
Difference	(\$5,872,943)
Budget Duplicates/Contingency Reduction	\$3,729,492
Value Engineer	\$1,143,859
Total Cost Estimate Reduction	\$4,873,351
Additional Funds &/or VE needed	\$999,592*

***Total cost estimate over CIP budget is \$1,044,593.**

It is important to note that these are cost estimates based on Schematic Design drawings and the team will continue to evaluate opportunities for cost savings

where practical. It also worth noting that with a slowdown of the national economy, there are signs that some construction costs are softening.

City Hall Budget

The original budget for the city hall in the City's Capital Improvement budget is \$13,175,000. This includes \$6.675 million in the 2023 CIP, as well as the \$6.5 million that was approved in the 2022 CIP. Wember, Inc., the City's Owner's Representative provided preliminary cost estimates for a project budget in the summer of 2022 based on the preliminary plans and square footages provided. The project budget breakdown was as follows:

Wember Project Budget	
Design & Engineering	\$806,974
Owners Requirements	\$262,898
Construction	\$8,892,000
Permits, Utility Fees, Impacts Fees	\$163,591
Furniture, Fixtures, Equipment	\$228,000
Technology	\$400,000
Contingency & Escalation	\$2,223,000
Total	\$12,976,463

Anderson Hallas completed Schematic Design (SD) drawings for the City Hall in July and the plans were provided to FCI Constructors (the General Contractor chosen for the project) for cost estimates.

The FCI SD construction estimates came in at \$12,439,204, which is \$3.54 million over the original budget. Wember, FCI and the project team analyzed budget duplicates (items that both Wember and FCI had in their budgets) as well as a reduction in contingency and were able to reduce the FCI cost estimates by \$1.22 million.

The project team also went through a Value Engineering (VE) process in order to reduce costs, which further reduced the cost estimates by \$832,218. These included:

- Interior lighting and finishes at \$631,097
- Building Exterior at \$95,050
- Site Reductions at \$106,071

The total cost estimate reduction was \$2.06 million, resulting in a \$14,464,413 project budget, or \$1.48 over original project budget.

Original Project Budget	\$12,976,463
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Proposed Project Budget	\$14,464,413
Original Construction Budget	\$8,892,000
FCI SD Estimate	\$12,439,204
Difference	(\$3,547,204)
Budget Duplicates/Contingency Reduction	\$1,227,036
Value Engineer	\$832,218
Total Cost Estimate Reduction	\$2,059,254
Additional Funds &/or VE needed	\$1,487,950

It is important to note that these are cost estimates based on Schematic Design drawings and the team will continue to evaluate opportunities for cost savings where practical. It also worth noting that with a slowdown of the national economy, there are signs that some construction costs are softening.

Civic Area Budget

The original budget did not include a line item for the improvements within the proposed civic area, which is proposed along 10th Street between the alley and Oak Street.

The cost estimates based on the SD drawings for the civic area, which includes landscaping, masonry, electrical, earthwork, as well as contingency and escalation is \$414,230.

Budget Options

The original funding sources for the fire station included the following:

Fire Mill Levy	\$3,000,000
SSAFPD Project Contribution (33%)	\$5,357,226
SSAFPD Land Value Contribution (33%)	\$688,050
Sale of 840 Yampa	\$5,000,000
General Fund Reserves	\$2,188,744
Total	\$16,234,020

Options to cover the additional Fire Station costs include:

- Utilize the Fire/EMS funds to cover the increase in project costs. There is about \$565K in Fire/EMS funds available at the end of 2022 and should be about \$600K in 2023 for a total of \$1.1M after funding the additional fire/EMS personnel.

- Reduce the scope of the project by finding additional VE items to reduce overall cost.

The original funding sources for the City Hall included the following:

Certificate of Participation	\$3,675,000
General Fund Reserve	\$6,500,000
ARPA Funds	\$3,000,000
Total	\$13,175,000

Options to cover the additional City Hall costs include:

- Increase the Certificate of Participation to \$5.1M
- Reduce the scope of the project by finding additional VE items to reduce overall cost.

It should be noted that the City has applied for an Energy Impact Grant from the Division of Local Affairs (DOLA) for \$750,000. While there is no guarantee, Staff has met with representatives from DOLA and the conversations were positive.

Options to cover the cost of the civic area improvements include:

- Increase the Certificate of Participation by \$425,000
- Reduce improvements in civic area to reduce costs
- Eliminate civic area

Mechanical Systems (Energy Efficiency)

To balance energy efficiency with cost, the project team evaluated five different HVAC systems for both buildings. The evaluation included space needs and impact on design, maintenance requirements, energy efficiency and life spans. A comparison matrix for all the systems is included as Attachment 5.

In order to more fully understand the energy requirements and efficiencies for all the systems, the city has ordered a full energy model. Energy modeling uses computerized simulation of a building that focuses on energy consumption, utility bills and life cycle costs of various energy related items such as air conditioning, lighting and hot water. It is also used to evaluate the payback of green energy solutions like solar panels and photovoltaics, and geothermal. The results of the energy modeling will not be submitted until mid-October.

It should be noted that if Council chooses to utilize a different mechanical system for energy efficiency/sustainability reasons, there will most likely be additional time required for building engineering and design, which could have an impact on overall project timeline and costs.

Both projects will be required to meet the 2018 Energy Code, so the evaluation of the potential mechanical systems started with the system that would meet, or slightly exceed the Energy Code. That system is a Packaged DX/Gas Rooftop Air Handler system (Option 0 on the comparison matrix). This system is the most economical and the least energy efficient of all the evaluated mechanical systems.

The second most economical HVAC system (Option 1 on Comparison matrix), and the system chosen for both buildings, is the Energy Recovery RTU Heat Pump ERV system. This system utilizes packaged heat recovery heat pumps in rooftop units. This system is more efficient than Option 0 and is roughly \$500K more for both buildings. Unfortunately, this system requires large vertical shafts as all the air is routed down from roof, which has resulted in some design changes to the City Hall to accommodate. This system was chosen primarily because of the cost savings over the more efficient systems but is more efficient than what is required by code.

The third most efficient system is a Two-pipe Heat Pump System, which utilizes heat pumps distributed throughout the building, and condenser water is piped to the various units. There is advantage in that this system does not require such large air shafts but is more expensive than the chosen option by roughly \$700k for both buildings.

The most efficient and most sustainable of all the systems is a Geothermal system (2a in comparison matrix). This option utilizes pumps distributed throughout the building and geothermal water is piped to the various units. This is the highest cost option due to the wellfield boring costs. There would be a roughly \$1.4 million cost premium for both buildings for a geothermal system.

The Variable Refrigerant System (Option 3) was evaluated but was determined not to be viable in the mountain environment.

Schedule

Design Development (higher level design) is under way and will continue through the third week of October. The current schedule calls for submitting a development application at the end of September. See Attachment 6 for current project schedule.

Public outreach efforts have continued with the Farmer's Market, Open Houses (one in the existing downtown fire station and one in Centennial Hall for adjacent neighbors) as well as presentations to the Mainstreet Board, Rotary membership, and the Chamber Board.

II. SUMMARY AND ALTERNATIVES:

The cost estimates for the proposed downtown fire station are \$1,044,593 over the current CIP budget. Options include:

- Utilize the Fire/EMS funds to cover the increase in project costs.
- Reduce the scope of the project by finding additional VE items to reduce overall cost.

The cost estimates for the proposed City Hall are \$1,487,950 over the current project budget. Options include:

- Increase the Certificate of Participation to \$5.1M
- Reduce the scope of the project by finding additional VE items to reduce overall cost.

Options to cover the cost of the civic area improvements include:

Increase the Certificate of Participation by \$425,000

Reduce improvements in civic area to reduce costs

- Eliminate civic area

III. STAFF RECOMMENDATION:

Staff recommends proceeding with the project utilizing:

- Fire/EMS funds to cover the estimated additional costs for the fire station.
- Certificate of Participation for the estimated additional costs for the City Hall.
- Certificate of Participation to cover the estimated additional costs for the civic area.

IV. FISCAL IMPACT:

Identified above.

V. LEGAL ISSUES:

N/A

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

N/A

VII. CONSISTENCY WITH COUNCIL GOALS AND POLICIES:

A new downtown fire station is a stated Council priority, and these efforts are furthering that goal

ATTACHMENTS:

Attachment 1: Staff Presentation

Attachment 2: Fire Station Floor Plans and Elevations

Attachment 3: City Hall Floor Plans and Elevations

Attachment 4: Civic Area Site Plan

Attachment 5: Mechanical System Matrix

Attachment 6: Project Schedule