

CITY COUNCIL COMMUNICATION FORM

FROM: Tom Leeson, Deputy City Manager
THROUGH: Gary Suiter, City Manager
DATE: January 18, 2022
ITEM: New Fire Station and City Hall Update.

_____	DIRECTION
<u> X </u>	INFORMATION
_____	ORDINANCE
_____	MOTION
_____	RESOLUTION
_____	PROCLAMATION

I. REQUEST/ISSUE & BACKGROUND INFORMATION:

On September 14, 2021, Staff presented City Council with analysis of the 10th Street site as a potential site for the new downtown fire station. The analysis focused on floodplain issues, City Hall options, parking, updated fire station programming, and funding options. The City Council Communication form and associated materials for the September 14th, 2021 meeting are included as Attachment 2 & 3.

At the September meeting, staff recommended moving forward with constructing a new fire station on the 10th Street site and building a new City Hall on the corner of 10th Street and Lincoln Avenue.

Staff also recommended constructing the fire station and City Hall simultaneously in order to reduce the amount of time City Hall employees are in a temporary location and to reduce to overall cost as a result of the lease payments for a temporary City Hall.

Staff also recommended utilizing the General Fund Unassigned Reserves to fund the City obligation of the fire station, and to utilize Certificates of Participation with City Hall as the leased asset to fund the construction of the new City Hall.

A majority of Council agreed with the recommendation and provided staff with direction to move forward with the sale of 840 Yampa Street (existing downtown fire station), and to put out requests for proposals for the design of both facilities.

Current Status:

840 Yampa: Staff has contracted with a commercial real estate appraiser who is actively working on an appraisal for 840 Yampa Street. The estimated value of Yampa Street will be utilized for the asking price for the asset. Staff anticipates receiving the appraisal the first or second week of January. Once the asking price has been established, staff is working with a local Realtor to place the property in the local Multiple Listing Service (MLS).

It should be noted that the City leases the second floor (and a portion of the first floor) of 840 Yampa to Big Agnes, Inc. Big Agnes is in the second year of a 5-year lease, with the right to extend the term of the lease for a maximum of two successive five (5) year periods.

Additionally, included in the lease, is the right of first refusal for Big Agnes to purchase 840 Yampa. The lease language states:

"Should Landlord desire to sell the 840 Yampa Property during the term of the Lease, Landlord shall provide Tenant written notice of any third party offer to purchase. Tenant shall have thirty (30) days from receipt of such notice in which to provide Landlord written notice of Tenant's intent to match the offer to purchase and to enter into a binding contract with Landlord to purchase the 840 Yampa Property. If Tenant fails to provide such notice or enter into such contract to purchase, Tenant's right of first refusal shall expire and Landlord may thereafter sell the property on such terms and conditions as Landlord shall elect in Landlord's sole discretion."

Staff and representatives from Big Agnes have been in communication with each and Big Agnes is aware the city is contemplating selling 840 Yampa Street.

Since 840 Yampa Street currently houses the downtown fire station personnel and apparatus, any sale of 840 Yampa Street prior to the completion of the new fire station would include a condition that the City maintain possession of 840 Yampa Street until the new station is complete.

City Council, as the decision maker, will be actively involved in all negotiations and decisions related to the sale of 840 Yampa Street.

Request for Qualifications - Design Services: The City issued a Request for Qualifications for preliminary design services for the fire station and the City Hall on November 29th, with a closing date of January 10. The objective is to

hire a firm to provide preliminary architectural services that can also be used for preliminary cost estimates and space planning. Preliminary design and programming has already been completed for the fire station; however, no design has been completed for the City Hall. The design firm will be asked to provide preliminary design and programming for the City Hall and to evaluate the existing design for the fire station. The City may retain the design firm hired for preliminary design services for final design and construction documents or issue another RFP for final design.

Request for Proposal – Owner’s Representative: The City issued a request for Proposal for an Owner’s Representative on November 8th, with a closing date of January 17th, 2022. The objective is to hire a firm that will oversee the planning, design and construction of all aspects of the project. The Owner’s Representative shall have primary management responsibility for the project and will coordinate all project matters. As such, the Owner’s Representative shall serve as the City’s principal point of contact and liaison between the Architect/Engineer, Construction Manager/General Contractor and all other Owner’s Consultants and vendors through the completion of the project.

Appraisal – New Fire Station Site: Staff has contracted with a commercial real estate appraiser who is actively working on an appraisal of the new first station site (existing City Hall location). The purpose of this appraisal is to provide an estimate “as is” market value of fee simple interest in the land as if vacant to provide to the Steamboat Springs Area Fire Protection District (SSAFPD). The SSAFPD has agreed to meet their obligation under the Intergovernmental Agreement between the City and the SSAFPD to provide 33% of the costs of the station, including the value of the land currently owned by the City that would be used for the station.

II. SUMMARY AND ALTERNATIVES:

There are no alternatives at this time as this is an update on current activities.

III. STAFF RECOMMENDATION:

Staff recommends proceeding with the project per City Council direction.

IV. FISCAL IMPACT:

N/A

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: September 14, 2021 Council Communication Form

[Attachment 3: September 14, 2021 Materials](#)