

City of Lafayette
City Council Work Session Minutes
June 22, 2017 at 6:30 p.m.

1. **CALL TO ORDER:** Mayor Pagella called the meeting to order at 6:37 p.m.
2. **FLAG SALUTE:** Mayor Pagella led the flag salute.
3. **ROLL CALL:** Angela Speier, Assistant City Administrator called the roll.
Present: Chris Pagella, Stan Kosmicki, Doug Cook, Marie Sproul, Chris Harper (arrived at 6:51 p.m.)
Absent: two vacancies
City Staff Present: Preston Polasek, City Administrator; Terry Lucich, Fire Chief; Angela Speier, Assistant City Administrator; Wally Lien, City Attorney
Others: Troy Ainsworth, Principal FFA Architecture and Interiors; Ian Gelbrich, Associate/Project Manager FFA Architecture and Interiors; Pat Clancy, Director PFM Financial Advisors LLC; Shirley Burkett, Don Leard, Dustin Brungardt, Rick Meyer, Dianne Shamburg, Kristina Phillips
4. **ADDITIONS TO OR DELETIONS FROM AGENDA:** None.
5. **CITIZEN INPUT ON NON-AGENDA ITEMS:** Mr. Polasek introduced Kristina Phillips who has submitted a volunteer application for City Council.

6. **DISCUSSION ITEM:**

a. **Presentation of Final Design and Cost Estimates for the Lafayette Fire Station/City Hall**

Mr. Polasek introduced Ian Gelbrich and Troy Ainsworth with FFA Architecture and Interiors and Pat Clancy the City's Financial Advisor with PFM. Mr. Gelbrich gave a brief overview of the timeline, this meeting is to review the final design and the cost estimates for the new fire station/city hall. The cost estimate came back higher than the preliminary estimates. FFA's ROM (rough order of magnitude) estimate was \$305 per square foot; the updated estimate is at \$420 per square foot. He explained what is included in the building construction costs, which will be firmed up once the project gets closer to the bid date. The geotechnical investigation revealed unfavorable soil conditions, which will add \$425,389 in additional costs to the project. Construction costs are also driven by the market, which is unfavorable at the moment. The current Softwood Tariff on Canadian imports has driven up the cost of wood by 25-30 percent. FFA broke out the impact of the new Downtown Design Standards which added about \$360,000 to the cost of building. Troy Ainsworth noted that cost escalations have been seen in other projects that FFA is currently working on. The market is very unpredictable at the moment and it has caused the firm to see very quick escalation in pricing. The construction industry has not gained back the workforce that was lost during the recession causing an increase in labor costs.

Mr. Gelbrich reviewed additional unanticipated site costs. He went over estimates that staff had asked them to prepare, including costs of putting a parking lot at the Community Garden site, improvements to the current shared parking lot, and fire equipment/appliances. FFA also estimated the cost of radiant slab heating which would be more efficient to heat the building and better for the fire apparatus. Mr. Gelbrich reviewed preliminary ideas on how FFA could bring the construction costs down. Council discussed what was included in the soft costs of the project.

Pat Clancy with PFM provided an overview of the property tax scenarios. These scenarios look at the total cost of the general obligation bond and how that relates to property tax rates in terms of per \$1,000 of assessed value. Staff asked PFM look at what the tax rate would be for a fire station only at \$6,000,000 over a 25 and 30 year period, as well as what the combined fire

station/city hall at \$7,560,000 over a 25 and 30 year period. This figure is less than FFA's estimate; however, with some more work with the consultants, staff is confident that the project can be trimmed down to meet that dollar figure. The combined fire station/city hall at a cost of \$7,560,000 would equate to \$1.50 per \$1,000 assessed value over a 30-year period. Mr. Clancy explained the process of selling bonds and noted these scenarios are based on a steady rate that assumes 3 percent annual growth in assessed valuation.

Mayor Pagella reminded everyone on the discussions that have taken place so far in the process and that investing in public safety and downtown is still the main goal and needs to remain the focus. In order to ensure adequate emergency response this investment is necessary to meet the needs of our current fire volunteers and the future needs of the community. He referred to a handout of the policy objectives for the project and a list of the next steps.

Mr. Polasek explained that in order to get to the \$7.5 million dollar figure Council will need to incorporate some of the design changes that FFA presented earlier. It will also take going back to the engineers and other consultants to see where they think costs can be reduced. FFA is confident the cost of the building can be reduced to \$7.5 million without compromising the function. The building will meet all current seismic requirements and will serve as the City's emergency operations center if there were to be a major disaster. The frontage on Third Street is going to be the image of the City and should be preserved as much as possible. Council discussed outreach efforts to-date and what will be needed in the coming months.

Mr. Gelbrich walked through the final conceptual design and a few of the design features. At the May 11th meeting Council asked FFA to combine the fire station layout in one concept with the city hall layout in another concept, this design accomplishes that request. Council provided feedback on the design and modifications they would like to see at the July City Council meeting; including, adding additional masonry to the outside lobby to be consistent with the side view and adding a path from the new parking lot to the existing businesses. Mr. Polasek talked about the conditional use process that the City will need to go through and how that will bring surrounding business owners into the process. Council would like to see what the design would look like with siding material instead of the masonry, which was one of the cost trimming ideas that was discussed. Council recommended that staff proceed with the combined fire station and city hall option and work with FFA to trim to costs down to \$7,560,000 without compromising on the quality of the building. Staff will also provide an itemization of the soft costs for Council review.

7. **COMMITTEE REPORTS:** None.
8. **COUNCILOR'S REPORTS:** None.
9. **MAYOR'S REPORT:** None.
10. **ADJOURNMENT:** Councilor Kosmicki made a motion to adjourn the meeting. Councilor Sproul seconded the motion. Staff noted that two additional volunteer applications were received and Council was provided copies. There was no further discussion and the meeting adjourned at 8:33 p.m. (4-0).

Minutes approved on this 13th day of July, 2017.

CERTIFIED:


Chris Pagella, Mayor

ATTESTED:


Angela Speier, Assistant City Administrator