



Legislation Text

File #: 46812, **Version:** 1

Fiscal Note

The proposed resolution amends the 2017 Adopted Capital Budget by increasing funding for the Capitol East Parking Structure located within TID 36. If adopted the resolution will add \$1,890,465 to the project. This increase will be funded by 3 sources:

- \$1.0m in TIF support GO Borrowing
- \$677,393 from Parking Utility Reserves
- \$213,072 from General Land Acquisition

If adopted the total project cost for the parking structure will be \$17,890,465.

Title

Amending the 2017 Adopted Capital Budget to increase the funding authorization for the Capitol East Parking Garage project by \$1,890,465, and amending the Graef-USA, Inc design contract to increase the design fee by \$45,600.

Body

WHEREAS, the 2017 Adopted Capital Budget has \$16 million for the Capitol East Parking Garage project, MUNIS number 1627; funding sources are \$7 million in TIF-supported General Obligation Borrowing, \$5 million General Obligation Borrowing, \$3 million in Parking Utility Reserves, and \$1 million in Land Acquisition Fund; and

WHEREAS, on September 6, 2016, the Common Council adopted RES-16-00674 to authorize the City to enter into a contract with Graef-USA for the design of an approximately 450 stall parking garage with the ability to expand to a potential build out of approximately 600 spaces in the Capitol East District; and

WHEREAS, as the Gephardt Development and American Family development projects increased in size, staff identified the need to design and build the full 600 stall parking garage to also provide some availability for public daytime parking and meet some anticipated future parking needs; and

WHEREAS, on November 1, 2016, the Common Council adopted RES-16-00837 to approve the use of \$3 million in Parking Utility Reserves to increase the project budget from \$13 million to \$16 million to design and build the larger parking garage; and

WHEREAS, on February 7, 2017, the Common Council adopted RES-17-00126, authorizing the execution of a Purchase and Sale Agreement with MGE Company for between 60,000 and 80,000 square feet of property at \$16/square foot, and for the purchase to be funded by the General Land Acquisition Fund; and

WHEREAS, although RES-17-00126 authorizes the purchase of the property measuring 75,817 square feet at the agreed-upon rate of \$16/square foot and for the purchase to be funded by the General Land Acquisition Fund, the land purchase price of \$1,213,072 exceeds the project budget of \$1 million by \$213,072; and

WHEREAS, the design project has increased in size and scope, resulting in additional design costs of \$45,600, and Council authorization is required to amend the contract with Graef-USA and authorize the additional expenditures; and

WHEREAS, City staff received the schematic design construction cost estimates on March 13, 2017 along with a list of cost reduction options, and the total project cost, including the additional design fees, was

\$18,673,139 or \$2,673,139 over the approved budget of \$16 million; and

WHEREAS, City staff instructed the design team to incorporate the following changes to reduce costs: (a) reduce glass curtain wall on core stairwell by 25% (\$82,800), (b) remove interior façade on south stairwell (\$100,000), (c) reduce height of the second floor commercial from 21 ft to 11 ft (\$100,000), (d) reduce glass curtain wall on commercial space by 50% (\$85,500), and (e) omit 1st floor slab in commercial space (\$20,000), which reduced the budget gap by \$482,674 from \$2,673,139 to \$2,190,465; and

WHEREAS, further options to reduce costs would either negatively impact functionality or would not meet design and zoning requirements of the project; and

WHEREAS, the Parking Utility can absorb the cost of the Parking Access Revenue Control System equipment for the Capitol East garage, estimated to be \$300,000, in its Revenue Equipment Replacement Capital project, MUNIS number 10397, further reducing the budget gap to \$1,890,465; and

WHEREAS, the Purchase and Sales Agreement with MG&E includes a payment from MG&E of \$85,000 for remediation expenses which has not been dedicated to an expenditure or allocated to the project budget; and

WHEREAS, the original TIF projections assumed approximately 60,000 square feet of office space within the Cosmos project, and the recently approved Cosmos project now includes over 110,000 square feet of office space, which generates approximately \$1 million of additional increment that can be used to repay General Obligation borrowing; and

WHEREAS, Parking Utility Reserves are approximately \$35.5 million, and \$27 million in capital expenditures from Parking Utility Reserves are expected to be completed by the end of 2018, including \$19.1 million for Judge Doyle and \$3 million for the Capitol East parking garage, resulting in a 2018 year-end projected balance of approximately \$18 million.

NOW THEREFORE BE IT RESOLVED that the Common Council does hereby authorize the Mayor and City Clerk to execute a contract amendment with Graef-USA, Inc for architecture and engineering services to increase the contract amount by \$45,600, for a total contract amount of \$822,160; and

BE IT FURTHER RESOLVED that the Adopted 2017 Capital Budget is amended to increase funding authorization for the Capitol East Parking Garage by: (a) \$1,000,000 in TIF-supported General Obligation borrowing from TID 36, (b) \$677,393 in Parking Utility Reserves, of which \$85,000 will be reimbursed to the Parking Utility from MG&E's payment to the City for remediation expenses, and (c) \$213,072 from the General Land Acquisition Fund, increasing the budget for MUNIS number 1627 from \$16,000,000 to \$17,890,465; and

BE IT FINALLY RESOLVED that the Mayor and City Clerk are authorized to execute, deliver, and record such documents and to take such other actions as shall be necessary or desirable to accomplish the purposes of this resolution all in a form to be approved by the City Attorney.