



# CITY OF CONCORD

## REPORT TO THE MAYOR AND CITY COUNCIL

**FROM:** Carlos P. Baía, Deputy City Manager for Development

**DATE:** November 30, 2018

**SUBJECT:** Resolution appropriating a supplemental \$223,500 for the design and construction of the Fire Training Facility.

### **Recommendation**

Accept this report and set the attached resolution for public hearing.

### **Background**

The Fire Training Facility, CIP #560, was approved for design and construction in FY 2018 with a budget of \$599,250 consisting of \$570,000 in bond dollars and the balance in close-out funds. The development of this facility on Old Turnpike Road was anticipated to free up a significant portion of Kiwanis Riverfront Park from its current non-recreational encumbrance.

### **Discussion**

Several project milestones have been accomplished to date:

- |   |                |
|---|----------------|
| 1. Site cleared of trees and brush              | September 2018 |
| 2. Site rezoned to Industrial (IN)              | September 2018 |
| 3. Site subdivided from the landfill master lot | October 2018   |
| 4. Site plan supported by the Planning Board    | October 2018   |

The final project will entail a 1,924 square foot enclosed training facility and garage and an outdoor paved area of 29,476 s.f. An existing groundwater monitoring well on-site will be kept and protected within a road box.

The original estimate for this project was calculated in 2016 at approximately \$600,000. As the Council is aware, costs for construction have risen dramatically since then. Nationally, the last four years have seen non-residential construction pricing increases of over 18%. In 2018, the rate of inflation for non-residential construction was, by one industry measure, set to exceed 6% from 2017. This price escalation is driven by a variety of factors including a seven-year high for domestic steel prices, a huge backlog of projects in the construction marketplace, and a tightening labor market. The proposed fire training facility has not escaped this economic reality with updated costs outpacing the original project budget.

The only expenditures thus far to this project have been nominal and associated with the subdivision's survey work. The project has a remaining balance of \$595,064.

Based on today's conditions, the construction of the site is estimated as follows:

Design, Construction, Building Permit, Contingency	\$818,526
Existing Project Resources	(\$595,064)
Funding Gap (Amount Needed)	\$223,462

The estimated funding gap is not inclusive of City water and sewer investment fees required for properties connecting to City's infrastructure. In this case, staff recommends that Council waive those fees as part of this report's acceptance.

Should Council approve the added expenditure, City staff would award the project as a design-build and fully expect to be under construction in the spring of 2019.