

DATE: June 7, 2011
STAFF: Jill Stilwell
Steve Seefeld

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

8

SUBJECT

Second Reading of Ordinance No. 062, 2011, Appropriating Prior Year Reserves in the Capital Projects Fund for the Building on Basics Lincoln Center Renovation Project.

EXECUTIVE SUMMARY

During the Lincoln Center Addition and Renovation project, an unanticipated structural issue with the 32 year old Performance Hall walls was discovered. The structural problem is significant and the Performance Hall walls will require additional structural support. This work must be completed before the facility can be reopened. Previously, \$460,000 was appropriated for these repairs. This Ordinance, unanimously adopted on First Reading on May 17, 2011, appropriates an additional \$135,000 from prior year reserves in the Capital Project Fund Building Community Choices program to complete the structural work.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - May 17, 2011
(w/o attachments)

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 FORT COLLINS CITY COUNCIL

11

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EXECUTIVE SUMMARY

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BACKGROUND / DISCUSSION

The Building on Basics Lincoln Center Renovation project began in July 2010. The project is renovating 55,000 sq. ft. and adding approximately 17,000 sq. ft. to the Lincoln Center with a focus on improving the patron experience, performer amenities, and infusing new life into this community treasure.

During construction, an unanticipated structural issue was uncovered in the 32 year old Performance Hall walls. The project structural engineer, Martin and Martin, evaluated and tested the walls, and determined that additional structural support was required (Attachment 1). Ground penetrating radar was used on a representative sample of the wall and two areas of the wall at the back of the stage were demolished to better understand how the wall was constructed. Martin and Martin believe the results of its investigation provided a reasonable representative sample of the existing wall construction and that additional invasive testing was unnecessary.

A second structural engineering firm, JVA, was retained by the City to provide a second opinion, and agreed with Martin and Martin's findings (Attachment 2). Martin and Martin, in consultation with JVA, has developed a series of structural columns, consisting of steel, concrete, and concrete masonry unit block, that will line the exterior of the existing performance hall walls at specified intervals that will provide the necessary structural reinforcement.

The original estimate was \$460,000 based on a per column basis. This was not a guaranteed maximum price from the contractor. The repair project with this amount was brought forward and approved by Council at its regular meeting on January 18, 2011 (Ordinance No. 006, 2011, Attachment 3). The structural work is being completed by the Lincoln Center renovation general contractor, Bryan Construction, and is running concurrent with the Lincoln Center renovation, with reopening anticipated in August 2011.

Additional Funding Needed:

The original estimate was based on expected labor and materials required for the repair. The design has changed a number of times throughout this process in order to make the structure Code compliant, and as a result of the conditions that were found as work proceeded. An additional \$135,000 is needed to complete the repair, with a guaranteed maximum price of \$595,000. The contractor is required to submit all material and labor invoices to the City in accordance with the contract.

The additional \$135,000 will cover the following expenses:

- **Insulation Removal:** With each of the 21 masonry-column locations, it was discovered that the existing concrete masonry unit block was filled with solidified foam insulation (an atypical construction method). Since the structural repair calls for steel rebar and concrete to be placed inside the block cells, the insulation had to be removed and the cells cleaned and repaired by hand. The remaining 11 steel columns

will require the same work. This was not detected by the initial structural investigation through radar or the test holes and is estimated to be 50% of the additional funds requested.

- Steel plates in Performance Hall West Side - The structural engineer required the steel plates extend down to the foundation, instead of terminating at the precast concrete. This will require demolition work to go through the existing precast concrete, masonry repair, and additional steel. It is very labor intensive to cut through precast concrete and will require two steel crews to complete the work.
- Clarification from structural engineer on miscellaneous details for conditions - The Performance Hall stage roof needed to be supported while existing wall material was being removed and the new columns constructed. This was not included in the original estimate, but was determined necessary as the project progressed.

Funding Options:

Project Contingency: The need to structurally reinforce the Performance Hall walls could not be anticipated and the cost far exceeds the contingency of the project. The contingency has been needed to cover other unexpected costs not uncommon with a renovation project.

Lincoln Center Reserves: \$350,000 from Lincoln Center Reserves has previously been appropriated toward the renovation and the wall repair. At the end of 2011, Lincoln Center reserves are estimated to be \$175,000, which is well below a level to fund the additional repair work without putting the Lincoln Center operations budget at risk of going into the red. Lincoln Center is a \$2.9 million operation and faces unique uncertainties because of year long closure necessitated by the renovation project.

General Fund Reserves: \$310,000 from General Fund Reserves has previously been appropriated toward the renovation and the wall repair. Other planned and anticipated uses of General Fund reserves are expected to lower unassigned fund balance to below the 60 day level prescribed by the Fund Balance Policy.

Building Community Choices Remainder Funds: The Capital projects Fund, Building Community Choices reserve, has a balance of \$6.8 million, derived primarily from interest earnings, which is available for other capital projects. This ordinance appropriates money from Capital Projects Fund reserves in the Building Community Choices program.

FINANCIAL / ECONOMIC IMPACTS

This Ordinance will appropriate additional funding for the Lincoln Center Renovation to complete the additional structural support as follows:

Prior Year Reserves (Capital Projects Fund): \$135,000
This funding source is part of the residual reserves from the Building Community Choices – Community Enhancements program.

ENVIRONMENTAL IMPACTS

The Lincoln Center renovation and this additional structural work will meet LEED Gold standards.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

ATTACHMENTS

1. Martin and Martin Memo, September 28, 2010
2. JVA Memo, December 9, 2010
3. Ordinance No. 006, 2011

ORDINANCE NO. 062, 2011
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN THE CAPITAL PROJECTS FUND
FOR THE BUILDING ON BASICS LINCOLN CENTER RENOVATION PROJECT

WHEREAS, on November 1, 2005, Fort Collins voters passed a ballot measure establishing a one-quarter cent sales tax to fund the capital projects in the "Building on Basics" ("BOB") program, which program includes the Lincoln Center Renovation Project (the "Project"); and

WHEREAS, the total cost of the Project was estimated to be \$7.3 million and construction began in July 2010; and

WHEREAS, during construction of the Project, an unanticipated structural issue was uncovered in the performance hall walls and it was determined that structural reinforcement would be necessary; and

WHEREAS, the original estimate for the additional structural improvements was \$460,000 and the City Council previously appropriated that amount; and

WHEREAS, as the work progressed, some additional issues were discovered in the walls and it has been determined that an additional \$135,000 is needed to complete the structural improvements; and

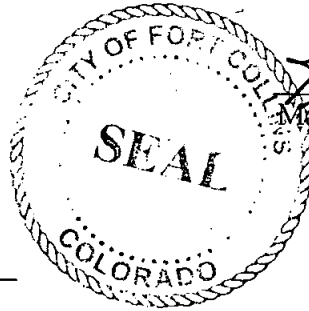
WHEREAS, City staff recommends that the City Council appropriate \$135,000 from reserves in the Capital Projects Fund, Building Community Choices residual balance for the Project; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, City staff has determined that the appropriation of the revenue as described herein will not cause the total amount appropriated in the Capital Projects Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during any fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that there is hereby appropriated for expenditure from prior year reserves in the Capital Projects Fund Building Community Choices reserve the sum of ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$135,000) for the Project.

Introduced, considered favorably on first reading, and ordered published this 17th day of May, A.D. 2011, and to be presented for final passage on the 7th day of June, A.D. 2011.



Lauren Wickham
Mayor

ATTEST:

Yvonne M. Rajack
City Clerk

Passed and adopted on final reading on the 7th day of June, A.D. 2011.

Mayor

ATTEST:

City Clerk