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**City Council Work Session Minutes
Development Services Annex**

**Monday, January 11, 2021
8:40 p.m., Webex Community Auditorium**

***Minutes are unofficial until approved by Council.
Council approved minutes as presented February 8, 2020.***

1. ROLL CALL:

Mayor Peter Truax called the work session to order at 8:29 p.m. via Webex Video Conference.

COVID-19: Due to the emergency declaration resulting from COVID-19 (Coronavirus disease) and protocols, the **City Council conducted the Work Session remotely by video conferencing.**

ROLL CALL: COUNCIL PRESENT ATTENDED BY WEBEX REMOTELY: Donna Gustafson; Kristy Kottkey; Timothy Rippe; Elena Uhing; Mariana Valenzuela; Malynda Wenzl, Council President; and Mayor Peter Truax.

STAFF PRESENT ATTENDED BY WEBEX REMOTELY: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Keith Hormann, Light and Power Director; Bryan Pohl, Community Development Director; and Anna Ruggles, City Recorder (in the Community Auditorium).

2. WORK SESSION: DEVELOPMENT SERVICES ANNEX

Downey and VanderZanden reported the purpose of the work session was to discuss the findings on the Development Services Annex (DSA) and renovation of City Hall project and contracting methods and steps required for Council consideration. Downey presented a PowerPoint overview of the project and contracting methods, noting the City is currently in the preliminary design phase for the construction of the replacement building for the Engineering Office constructed in 1890 and the renovation of City Hall constructed in 1937. Downey reported the project consists principally of replacing the current one-story 3,600 square-foot Engineering Office with a two-story 7,200 square-foot new building, which would co-locate Engineering Office and Community Development/Planning and Building functions to the new DSA, and remodeling the interior of the 7,000 square-foot City Hall to include improvements to staff work areas, lighting and carpeting improvements, restroom remodeling, and HVAC system changes required for the project. The funding of \$350,000 for design and engineering services was included in the current year's budget adopted by City Council. No funding has been approved for construction. Downey provided background information of the existing Engineering Office, noting the building is essentially a three-walled building that does not have a separation wall from the adjacent business, Frye's Sporting Goods. Downey advised there are two contracting options to consider for the proposed DSA and renovation of City Hall project: 1) Hard bid and 2) Construction

Manager/General Contractor (CM/GC). Downey explained the differences between the two contracting options as outlined in the presentation, noting staff is proposing to use the CM/GC contracting method on the proposed project. Downey noted staff has determined that hiring a contractor using the CM/GC contracting method is the best alternative to have the concerns addressed early in the design review process. Downey reported an architecture firm, Fletcher Farr Ayotte (FFA), has been hired to design the project and provide engineering services. Funding for the construction of the project will be discussed with the Council this Spring as part of the budget process after an initial cost estimate is prepared. If funding is approved, the plan is to start construction in Fall of 2021. Funding is expected to come from existing revenue and not require a bond.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued as Council reviewed and discussed the two contracting options for the proposed DSA and renovation of City Hall project. VanderZanden and Downey addressed various concerns and design scenarios pertaining to the proposed project, such as connecting the buildings so employees do not have to exit the buildings and modernizing the exteriors, noting utilizing the CM/GC process will enable the City to require that a contractor have experience working in an urban environment with tight logistics, including demolition experience in that environment. Downey explained the City would not be able to do this using the traditional hard bid method, noting it will be beneficial to have the contractor available during the design phase to address constructability issues that may arise and if portions of City Hall can remain open during renovation. In response to Wenzl's inquiry pertaining to using Urban Renewal Agency (URA) funding, Downey advised the URA property tax revenues may only be used for private property investment pursuant to City Code. In conclusion of the above-noted discussion, Council collectively concurred proceeding with the competitive process to hire a CM/GC. Downey explained the selection of a CM/GC firm for the project will be selected through a Request for Proposal (RFP). The proposals from the CM/GC firms will include a competitive bid for their fee and general conditions for the project. The CM/GC will provide the City with a Guaranteed Maximum Price (GMP) and a full performance/payment bond for the work following detailed review of the design documents. In conclusion of the above-noted discussion, VanderZanden advised staff will bring back a proposed resolution at the next Council meeting for Council consideration, noting the Council, acting as the Local Contract Review Board, will hold a Public Hearing to adopt findings supporting an exemption from competitive bidding requirements for the project, declare such an exemption, and authorize a process to award a CM/GC contract. The public will have the opportunity to testify at the hearing about the findings and proposed process.

Council took no formal action nor made any formal decisions during the work session.

3. **ADJOURNMENT:**

Mayor Truax adjourned the work session at 9:07 p.m.

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder