

TO: Howard Lazarus, City Administrator

FROM: Derek Delacourt, Community Services Area Administrator
Colin Smith, Parks & Recreation Services Manager

RE: Market Project

DATE: 6/1/2017

Market Infrastructure Project Update – June 2017

The Market Infrastructure Improvement Project site plan was approved by City Council in August, 2016 and the construction contract was put out for bid in September. Bids received significantly exceeded the cost estimate. A total project budget had been identified as \$875,000.00, comprised of various funding sources. The low bid for the construction portion of the project came in at almost \$1,200,000.00. Staff met with the low bidder to explore opportunities for lowering the contract amount while retaining the integrity of the project and lowered the cost to \$1,157,637.00. While some progress was made, the total project budget for construction, design, contingency, and construction oversight resulted in a total project budget of approximately \$1,375,000.00, equating to a shortfall of approximately \$500,000.00 in funding.

Staff rebid the project in April, incorporating changes that had been identified as cost reductions after the first bid. Unfortunately the low bid for construction came in at just under \$1,250,000.00. Factoring in design, contingency, and construction oversight the total project budget necessary is approximately \$1,500,000.00, or approximately \$625,000.00 higher than the original project budget. Staff worked to identify additional funds. The Downtown Development Authority committed another \$200,000.00 to fund parking related aspects of the project, the Public Market Advisory Commission supported the use of an additional \$100,000.00 from available designated funds, and developer contributions for the Market were identified. Despite this the project budget remains underfunded by \$137,667.00, not counting developer contributions in the amount of \$119,875.00 that are identified but not yet received.

When faced with this budget shortfall and considering other infrastructure repairs the existing Market structure may require in the coming years staff consider it prudent to not move ahead with construction of the new building at this time.

Staff are evaluating work that can still be performed for the existing infrastructure that were identified on the site plan such as parking lot replacement including stormwater improvements using pervious pavers, ADA restroom upgrades, and 4th Avenue streetscape enhancements including benches, and landscaping with an eye to executing these improvements in such a way that if additional funding is secured the all-season

structure can be built, understanding the project's site plan is approved for a three-year period.