

\$420,000, with \$375,000 as the midpoint price.

Operationally, a system this size could be expected to produce 221,000 kWh per year. The Large Commercial energy cost is \$0.0644 per kWh, so the value of this energy savings to the facility's operating cost could be approximately \$14,200 per year. Since the Aquatic Center energy use could be quite large in comparison to this solar output, Joel's assumption is that none of the energy would be exported back to the grid and will instead be used directly in the building. A key point to consider is that the solar tax credit is now available as a direct payment to nontaxable entities, including cities. That could lower the cost of the solar installation project by 30%.

Tile Lap Pool Lane Lines - The current plans specify the lane lines in the lap pool to be painted black. These black lines fade more quickly than the rest of the white paint which shortens the length of time between paintings. By installing black tile lane lines, they will remain black which is aesthetically pleasing, and will reduce the painting maintenance required over the lifespan of the building. The cost estimate for this change is \$65,000.

Bench Seating with Storage Cubbies in Multipurpose Room - The multipurpose rooms will be used for fitness classes, youth activities, and events. There is currently nothing in the plans which would provide users to sit down, store a coat or backpack, or for parents and/or caregivers to sit and watch during youth activities. Adding bench seating with storage cubbies underneath at a cost of \$15,000 would increase the service level for activities in this space.

Donor Wall - A donor wall has always been discussed to thank the generosity of the individuals, businesses, and organizations who are helping make this facility a reality. The downside of these discussions is that no funding was set aside for this purpose. Staff is recommending \$50,000 be included for the wall.

Increase FF&E Budget - The current budget includes \$500,000 for furniture, fixtures and equipment (FF&E). Staff is not sure this will be enough and recommends adding \$100,000 to this line item.

A compilation of the above expenses is shown below:

ITEM	ESTIMATED COST
Solar Panels on the Natatorium Roof	\$420,000
Tile Lap Pool Lane Lines	\$ 65,000
Bench Seating with Storage Cubbies in Multipurpose Room	\$ 15,000
Donor Wall	\$ 50,000
Increase FF&E	\$100,000
Total	\$650,000

The next question Council may ask is how could we fund this \$650,000 of additional costs. There are two possibilities. First, Council could direct staff to use project contingency for these items. The contingency available is \$2.1 million which is 11.1% of the current construction cost (\$18,901,146). According to RDG and Story Construction, a 5% contingency for construction is what they see for other projects they are involved with. If contingency was used to pay for the additional \$650,000 for the items above, there would still be \$1,450,000, or 7.7%, available for unanticipated the construction costs.

The second possibility is to not use contingency, but instead issue additional G.O. Bonds for these items. Council has approved issuing bonds up to \$21.2 million if needed. With all fourteen bid packages awarded, the total project cost without the above items is \$29,100,118. The amount of G.O. Bonds needed for the project now is approximately \$17 million leaving approximately \$4 million additional bonding capacity available.

By issuing the least amount of bonds as possible, the City of Ames residents will benefit by having a lower tax burden to pay off this debt. Staff is planning on issuing a majority of the bonds in September 2024 as well as a much smaller amount in September 2025 if needed. If the Council decides to approve any, or all, of the suggested additions, a wiser course of action would be for the Council to direct staff to use contingency funds now for these items and if additional funding is needed towards the end of the project, the amount of G.O. Bonds issued in 2025 could be increased.

ALTERNATIVES:

1. Fitch Family Indoor Aquatic Center
 - a. Resolution approving Change Order #1 increasing the Story Construction contract for Construction Support Services in the not to exceed amount of \$978,886
 - b. Resolution approving those additional items identified by the City Council to be added to Fitch Family Indoor Aquatic Center project
 - c. Direct staff to use contingency funds for the additional items
2. Fitch Family Indoor Aquatic Center
 - a. Resolution approving Change Order #1 increasing the Story Construction contract for Construction Support Services in the not to exceed amount of \$978,886
 - b. Resolution approving those additional items identified by the City Council to be added to Fitch Family Indoor Aquatic Center project
 - c. Direct staff to use contingency funds for the additional items
3. Fitch Family Indoor Aquatic Center
 - a. Resolution approving Change Order #1 increasing the Story Construction contract for Construction Support Services in the not to exceed amount of \$978,886
 - b. Do not approve additional items to be added to Fitch Family Indoor Aquatic Center project
4. Refer back to staff

CITY MANAGER'S RECOMMENDED ACTION:

To continue to move forward with the Fitch Family Indoor Aquatic Center, the items described in this report are needing action from Council. The construction support services described in the change order to Story Construction's contract are necessary for every project. When using a General Contractor (GC), the City never sees these expenses because they are imbedded the GC's bid. Since the City is using a Construction Manager for this project, the knowledge of these expenses is more transparent. These expenses will be passed through Story Construction to the City with no markup included. The change order to Story Construction's contract is being done to document these expenses. The City will only pay for what is used for the project so the final cost of the change order may be less than \$978,886.

The additional items recommended by staff will improve the overall experience of the users, reduce ongoing maintenance items, add a sustainable energy option while reducing operational expenses, and create a lasting legacy for all the generous donors to this project. To fund these items, the contingency fund is healthy for this project, and appears to be the best option to pay for these additional expenses. Therefore, it is the City Manager's recommendation to approve Alternative #1 as described above.

ATTACHMENT(S):

[Attachment A - Construction Support Services \(Bid Package #5\)](#)