

**GRAND JUNCTION CITY COUNCIL
SPECIAL WORKSHOP**

MONDAY, FEBRUARY 24, 2014, 2:00 P.M.

**CITY HALL AUDITORIUM
250 N. 5TH STREET**

To become the most livable community west of the Rockies by 2025

1. Avalon Theatre Project Update

[Attachment](#)



Date: 1/7/2014

Author: Rich Englehart

Title/ Phone Ext: X4052

Proposed Meeting Date:

1/13/2014

CITY COUNCIL STAFF REPORT Workshop

Topic: Avalon Theatre Project Update

Staff (Name & Title): Rich Englehart, City Manager

Summary:

Construction & fundraising update.

Background, Analysis and Options:

Summary notes from June 11th 2013-Council Workshop

The architect, Daniel Gartner of Chamberlin Architects, explained that design changes were made in regards to the value engineering in order to reduce the cost from the original bid of \$8.6 million. He noted that phasing has been a challenge for years, prioritizing what elements are most important.

Three options were described; an \$8.2 million option, the completed Core project; a \$7.6 million option that included building the shell of the addition, three stories with everything stubbed in but nothing inhabitable (elevator shaft but no elevator, roughed-in restrooms but no fixtures, no multi-purpose room) -Stan Kiser from FCI Constructors, Inc. pointed out, the new HVAC would be housed on that addition and that would supply the old part of the building; and a third option at \$7.1 million which only includes the elevator and the additional restrooms besides the auditorium improvements. The third option does provide minimal ADA compliance and addresses the health and safety issues.

FCI advised Council that starting with any option other than the full Core project and then eventually moving to the Core project could add another 10% to 15% to the total cost of the Core project.

Financial Impact/Budget:

Project Costs

The full built out project on Bid Date came in at \$8.6 million. This did not include the roof top terrace.

Contractor and Architect value engineered the project down from \$8.6 million to \$8.2 million. This is what it was estimated to cost in June 2013 to complete the Core project.



Where we were as of 1/13/14 Meeting in the Green Room

Seven months later the city is successful in the DOLA grant application, and the Foundation continues to raise funds. The DOLA grant added \$600k to the project scope and we estimated that right now we have about \$170k in current construction savings. WRL contract will increase by \$32K to go back and produce new bid documents and continue with construction oversight on the additions as described below. The components that will be priced/and or have been added back are:

- Major HVAC and Main distribution ducts and controls
- Fire Alarm System
- Addition of Stair A
- Build out 1st floor lobby
- Build out first floor Toilets and dressing room
- Build out 1st floor concessions, ticketing and storage
- Minimal finishes in Multi Purpose room

Adding these components makes significant progress towards the Core project, but still does not complete the Core project. The Mezzanine level and Roof top Terrace in the addition look to be unfunded and a temporary wall for traffic control will be built, unless additional funding is received.

Where we are today 2/20/14

Project without finish of Mezzanine level and Roof top Terrace (as described above):

FCI provided costs for this project which originally totaled an additional \$1,395,382. That amount has since been reduced to \$1,147,699 a difference of \$247,683 (PR-005).

Based on the financial resources currently budgeted of \$8.3 million and the increase in project expense for the added components, an additional \$485,063 is needed to for the project.

Completed Core Project:

The current estimate to complete the Core project is \$9.65 million which when compared to the original Core bid of \$8.6 represents a 12.2% increase in costs since the June 2013 workshop discussion. This increase falls within the range advised by the FCI at that time.

Based on the financial resources currently budgeted of \$8.3 million and the estimated increase in project expense in order to complete the Core, an additional \$1.35 million is needed for the project.



Funding Options

Avalon Theatre Foundation Additional Campaign	\$500,000
Use of Avalon Theatre Foundation 2014 Contingency	469,000
Major Donor	250,000
	<hr/>
	\$1,219,000
Additional Funds Needed for Completion of Core Project	(1,350,000)
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Shortfall	(\$131,000)

Other issues:

1. We have a 10 month time lag since the original bid day. Material prices have increased and the original prices submitted have gone up since the contractors have bid on other work and are not as accessible to this project. Piece-mealing a project over time will cost more as demonstrated when purchasing the material. FCI has now priced out the costs of this new work as shown above and attached PR 005.
2. FCI has provided an open book detailed/itemized budget.
3. FCI is billing actual cost plus a fixed percentage mark up and a GMP. There is no other markup beyond the fixed percentage.
4. Many major trades (Steel, Curtain Wall, Roofing, Fire Sprinkler, exterior metal studs and sheathing, exterior insulation, masonry) were contracted in Option B using bid day numbers so there is nothing to rebid on these trades.
5. After comparing the remaining subs PR 05 quotes to their original bid day numbers FCI decided to rebid HVAC, Flooring, Ceramic Tile, and Specialties and received 3 bids on each.
6. Plumbing is one major trades they have not rebid. It was advised that it would not be in the City's best interest to have the plumbing done by two different plumbers. The plumbing number is higher than they thought it should be so FCI asked for an explanation and it was provided by the plumbing contractor.
7. The only other major trade FCI did not bid out was interior drywall, framing, and ceilings. This can be opened up to bid if the City requests however FCI is comfortable with the current sub-contractor and would like to be very selective on who finishes the job. The low drywall sub on bid day refused to sign a contract and the next place sub on bid day was 131K higher.
8. FCI has cut their General Conditions to the bone in order to keep pricing down.

Previously presented or discussed:

March 7, 2012 - Council authorizes contract for Architectural Services for the Avalon Theatre Addition and Renovation.



June 20, 2012 – City Council authorizes \$3.0 million (\$1.5 million in 2013, \$1.5 million in 2014) toward the Avalon.

October 17, 2012 – City Council Authorizes WRL to take “Core” scope to final design.

January 14, 2013 – Avalon Theatre Update to City Council by Avalon Theatre Foundation Board

April 1, 2013 – Avalon Theatre Update after bids were received.

June 19, 2013 – City Council passed Resolution No. 43-13 affirming the commitment to fund the Avalon Renovation in the amount of \$3 million with the DDA at \$3 million and the Avalon Foundation Board at \$1.1 million.

November 6, 2013 – City Council approved Resolution No. 68-13—A Resolution Authorizing the Offering for Sale of the Naming and Sponsorship Rights for the Avalon Theatre.

January 13th 2014 – City Council work session in the Green Room.