

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> November 7, 2016
	<b>Agenda Item No.</b> <b>9</b> <b>Roll Call No.</b> <b><u>16-1888</u></b> <b>Communication No.</b> <b><u>16-631</u></b> <b>Submitted by:</b> <b>Matthew A. Anderson, Assistant City Manager; Pamela S. Cooksey, P.E., City Engineer</b>

**AGENDA HEADING:**

Approving Change Orders No. 1 and No. 2 for additional work on the City Hall Parking Garage, in an amount not to exceed \$90,345.

**SYNOPSIS:**

Recommend approval of Change Orders No. 1 and 2 in an amount not to exceed \$59,671 for Change Order No. 1 and \$30,674 for Change Order No. 2 for additional work on the City Hall Parking Garage.

**FISCAL IMPACT:**

Amount: Change Order No. 1 for \$59,671, Change Order No. 2 for \$30,674 for a total of \$90,345.

Funding Source: Parking System Revenues will be used to secure financing/pledged for payments.

**ADDITIONAL INFORMATION:**

On April 11, 2016, Council approved the plans, specifications, estimated cost of the lease purchase of the City Hall Parking Garage and a Lease Purchase Agreement (LPA) between the City of Des Moines, 101 East Grand and West Bank, and an Urban Renewal Agreement for sale of land for redevelopment.

The City continued to work with Atrium Finance III, LP (Atrium), and the owner of Embassy Suites, to amend the hotel parking lease to move parking spaces out of the footprint of the parking garage. These negotiations delayed closing on conveyance of land to 101 East Grand, the LPA, and commencement of construction. Two (2) Council actions were subsequently taken to allow construction to proceed:

1. On May 9, 2016 under Roll Call 16-0815 Council approved an Amendment to the Agreement with 101 East Grand to allow for construction of a temporary parking lot to be used by Atrium. This allowed 101 East Grand to begin construction work on a limited basis. This work was completed on June 9, 2016.
2. On June 13, 2016 under Roll Call 16-0964, Council approved an Indemnification and Hold Harmless Agreement with 101 East Grand and West Bank for the new parking garage site. On June 17, 2016, the parties closed on the conveyance of land to the developer, the LPA and the bank financing.

Project construction was anticipated to start on April 25, 2016. Due to the delay described above, construction of the garage could not begin until June 17, 2016. In addition, contractor and subcontractor schedules for critical work were impacted and further delayed. Ryan Companies US, Inc., 101 East Grand contractor, has requested reimbursement of \$59,671 for costs incurred due to the delay of construction. These costs include labor costs and material price increases incurred as a result of the delay and are full and complete compensation for that delay.

An allowance of \$350,000 was included in of the LPA for parking control equipment. The City was in the process of selecting a new vender for parking control equipment when the LPA was signed. The final cost of the parking control equipment required for the garage is \$380,674 which includes a City request to add an additional gate and equipment at the 5th level of the parking garage. Change Order No. 2 for \$30,674 adjusts the allowance for the parking control equipment to the actual cost.

These change orders increase the total City Guaranteed Maximum Price for the garage from \$24,810,166 to \$24,900,511.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: April 11, 2016

Roll Call Number: [16-0634](#), [16-0635](#), [16-0636](#), [16-0637](#), and [16-0638](#)

Action: ITEMS 67-I THROUGH 67-III REGARDING CITY HALL PARKING GARAGE  
([Council Communication No. 16-188](#))

67-I [Approving](#) Urban Renewal Agreement for Sale of Land for Private Redevelopment, with 101 East Grand Parking, LLC, for the sale and redevelopment of a portion of the City-owned parking lots, east of City Hall. Moved by Gatto to adopt. Motion Carried 7-0.

67-II [Hearing](#) on authorization of a Municipal Parking System Revenue Lease Purchase Agreement not to exceed \$25,700,000 for the lease purchase acquisition of the Des Moines City Hall Parking Garage. Moved by Gatto to adopt. Motion Carried 7-0.

(A) [Authorization](#) for additional actions. Moved by Gatto to adopt. Motion Carried 7-0.

67-III [Hearing](#) on approving plans, specifications, form of contract documents, and estimated cost of the lease purchase of the City Hall Parking Garage, pursuant to a proposed Lease Purchase Agreement between the City of Des Moines, 101 East Grand Parking, LLC, and West Bank, estimated cost \$25,700,000. Moved by Gatto to adopt. Motion Carried 7-0.

(A) [Approving](#) Professional Services Agreement with Neumann Monson, PC for construction phase services for the City Hall Parking Garage, not to exceed \$95,490. Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Council actions related to East Village street improvements on E. 2<sup>nd</sup> Street and Robert D. Ray Drive.
- Council consideration of amendments to conceptual development plan for phases three (3) and four (4) of the improvements.

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