



AGENDA ITEM ANALYSIS

Project/Issue Name: 25-R-16 A Resolution of the City Council Authorizing Additional Expenditures for the Construction of the New Administration Building.

Submitted By: Robert J. Ford

Date: April 15, 2025

Issue Statement

To request an additional \$265,766 in funding for the construction of the new Administration Building, resulting in a revised not to exceed the amount of \$5,465,766.

Discussion and/or Analysis

On November 19, 2024, the City Council approved the City's recommendation to engage Crossland Construction, Inc. ("Crossland") to build the new Administration Building and authorized the City Administrator to negotiate the final construction contract with Crossland at a cost not to exceed \$5.2 million. However, as one might expect, the construction industry is not immune to the inflationary impacts experienced over the past few years, coupled with the recent uncertainty with regards to supply chain economics and potential additional inflationary pressures driven by multiple tariffs that have been put in place recently.

As a reminder, the first step in the process approved by City Council last November was for the City to work with the architectural firm BKD to design a building that Crossland could then cost out.

- The design resulted in a building with total square feet of 16,221, which will accommodate our current staff, future growth needs and provide a new home for the City Council. During the design process, City staff shared updated design and renderings with City Council.
- Based on the final design, Crossland then worked with its sub-contractors and internal team to cost out that design. As such, the final sub-contractor bids have now been received and came in about 5% higher than the original approved budget amount of \$5,200,000 at a total maximum cost of \$5,464,766.
 - Crossland continues to explore ways to reduce that number, so any movement in this number going forward will only benefit the City.
 - As an aside, construction work has begun on the new Administration Building:
 - The sink hole has been mitigated; and
 - Site preparation has begun with work on the pad site moving along nicely.

As you will recall, part of our funding strategy for the new Administration Building is the sale of real estate owned by the City on Main Street and Oak Court Place.

- Total aggregated listed value on those properties is \$2.5 million.
- To date, we already have offers on a couple of individual properties totaling over \$320K in gross revenue to close in early May.

In summary, the \$5,465,766 will fund the construction of the building only.

- City staff will be working with BKD to craft an RFP for the furniture, which we will put out for bid in an RFP later this year.



- There will also be incremental technology infrastructure costs, which the City will also put out for bid later this year.
- City staff come back to City Council with a request for that incremental funding once we have received responses on the furniture and technology RFPs.

Recommended Action

Staff recommends approval.