

**City of Coral Gables City Commission Meeting
Agenda Item H-3
October 14, 2014
City Commission Chambers
405 Biltmore Way, Coral Gables, FL**

City Commission

Mayor Jim Cason

Vice Mayor William H. Kerdyk, Jr.

Commissioner Pat Keon

Commissioner Vince Lago

Commissioner Frank Quesada

City Staff

Interim City Manager, Carmen Olazabal

City Attorney, Craig E. Leen

City Clerk, Walter J. Foeman

Deputy City Clerk, Billy Urquia

Public Works Director, Glenn Kephart

Public Speaker(s)

H-3: [Start: 12:19:53 p.m.]

Discussion regarding financing for proposed new trolley maintenance and storage facilities and renovations and expansion of Fire Station 2.

Mayor Cason: H-3 – Discussion regarding financing for proposed new trolley maintenance and storage facilities and renovations and expansion of Fire Station 2. Madam Interim City Manager.

Interim City Manager Olazabal: Mr. Mayor, on the previous Commission meeting we discussed the plan that we have for Fire Station 2 site, and at that Commission meeting it was discussed that while we were given the OK to go ahead with the design that we wanted to discuss again the financing plan and how we proposed to fund this, if we move forward. As you can see from the memo that was provided, the project consists of two components. It's Fire Station 2 and the trolley facility. The Fire Station 2 is a total of about \$4.5 million, about \$860,000 of that has to do with the renovation of the existing facility, and \$3.6 million of that has to do with adding a floor base with the garage facility for the trucks, adding a new training tower, a canopy over the

parking and adding a second floor for office, dorm, workout areas for Police Station (sic Fire Station). The second portion of it is a trolley facility and that can be divided into two parts, which is 3.5, which is for the trolley facility, which is the base to store the trolleys; and then a second floor that would add additional capacity of about 9,000 square feet. The portion of existing to provide for a trolley facility is about \$3.5 million, the additional capacity for office space is about \$2.2 million, and that capacity that we at the moment don't have, but given the improvements that we have to do in our facility and the facing that we need remaining to do for those projects, that additional office capacity would be helpful. As to how we would fund the project, part of the funding would come from the settlement agreement with Astor Trolley LLC, which that is \$3.9 million, part of the money can come from Fire and EMS Impact Fees, for a total of \$1.37 million, from General Government Impact Fees we can get \$1.036 million. We have \$242,000 from General Capital Improvement Funds, that's what was dedicated for the Fire Stations, so we had about \$1.6 (million) for both Fire Stations. We funded Fire Station 3, what's left over for Fire Station 2 is \$242,000; and then the remainder is \$3.7 million that we can fund via a loan. So, I guess at this point if you have any questions.

Mayor Cason: Any grants or possibilities out there for this sort of thing?

Interim City Manager Olazabal: Diana are you...there are some Fire/EMS grants that we have been looking at.

Mayor Cason: Anything like FEMA for like hurricane, people in hurricanes, anything that could be described in such a way that will give us a grant?

Chief Stolzenberg: Good afternoon. There are two grants that we were looking at they are relatively around the \$100,000 mark on the FEMA side of assistance of Firefighters, which is to add into existing safety features built into existing stations, they won't allow any addition new construction. Things like the alarm system, the smoke detectors, and the sprinkler system might be able to be enhanced and there is a local hazard mitigation grant that we might be able to consider for maybe like impact doors and windows and things like that, but not anything large enough to go into the construction site. So we are looking at those two at least right now.

Vice Mayor Kerdyk: Let me give you my impression of it. The trolley of course needs to move forward expeditiously, I think, we have the money. As far as the Fire Station goes, again I get back to our Fire Station 1, I really like to see the comprehensive, how much we are going to be spending on the Fire Stations in general because this is \$3.7 million, we are actually adding another \$2 million to the trolley so that we can utilize some facilities, but that can be used for other people too, so I'm not really attributing that strictly to the Fire Department. I really believe the number \$5.5 million that we have in reserves is going to be far exceeded when we get back

what's going on that Salzedo property, whether we have that number or not, apparently we don't have that number, but sooner or later we are going to get that number soon.

Interim City Manager Olazabal: We are working on getting it.

Vice Mayor Kerdyk: And so I don't have a problem doing this. I just think we need to look at it comprehensively and know exactly what our cost issues are before we proceed forward, because it might be, you are the construction manager, they might knock down the building that could be a possibility and rebuild a structure on the Salzedo property.

Commissioner Lago: I just want to tell you that I agree with you 100 percent, and I had a conversation with the City Manager yesterday and also with the Assistant City Manager who's here and that's on the table. I know it sounds far-fetched, but when you do an analysis of the cost in reference to upgrading that existing facility, you may just look at it and say, what if we just demolish that property and we build something new.

Mayor Cason: When will we have that information?

Interim City Manager Olazabal: Glenn did you....

Commissioner Lago: Listen, you can get a demolition number within a week, but when you are talking about – you are asking for a potential conceptual design and construction, a CM number, construction management number, these things take time and it takes an average of about 3 or 4 weeks to put something together, and it's even harder now when you don't even have what you are proposing. You are talking about something that's kind of ambiguous out there. I've with the Vice Mayor in regards to, there's a few out....out there in reference to this number maybe they grow, let's see what happens.

Mayor Cason: What's the argument for the second floor? Are you trying to say that its needed, and we save money by moving people from here over there, is there a cost savings to the City in terms of our facilities right now by moving people over?- or is it going to use as a community center when it's not used?- what's the idea?

Interim City Manager Olazabal: Couple of moving parts. For example, there is a project – well there are space needs and there are projects that we need to phase. So regarding space needs, as you are all aware, we are pretty tight here in City Hall, particularly when we have to talk about Commissioner's office, we don't have a Commissioner office for each of the Commissioners, which is a problem, we don't have offices for the Commission Aides, so we have space needs that we can utilize that space for. But additionally, once we know all the moving parts we will be

able to have a spacing plan that makes sense, but we have facility improvements that we have to do. We have facility improvements on 427 that we have to do with the Clerk's office, with Code Enforcement. We are looking right now at the windows and water infiltration issues that we have with that building and we have to figure out once we get report back how we go about, if its cost effective to make those improvements, and if it is, how we go about doing it and how we have to phase people out of that building and maybe back in to do those improvements. Same with work that may happen here in City Hall, while we are doing some work and maybe restructuring some of our offices, we may need to move some people out and move some people in, same with the public safety building, We still don't have that number, but certainly if we end up retrofitting that building, we have major operations from that building, we are going to need to move people from that building to be able to phase some of that construction. So, I think planning for having this additional office space in Fire Station 2, it's kind of a good planning practice given that our space we have permanent space needs, but we also have construction phasing issues that we need to start thinking about.

Mayor Cason: Didn't we discuss at one point one option in terms of the garages, perhaps a top floor for some – I don't know where that would fit in, in terms of all the staging.

Interim City Manager Olazabal: It could. Cindy Birdsill is here to talk a little bit more about those RFP's, but basically right now Garage 4 allows for the top floor to be used for ancillary use, so that could be used for office.

Ms. Birdsill: Actually that would be Garage 1 and we put in the RFP the possibility that a developer could propose that, it's not a mandatory requirement at the moment. I have had a discussion with a developer who was going to propose office space for the City on the top of Garage 1.

Mayor Cason: But what about the value, I don't know what the value of that top floor is in terms of transition versus other buildings around here that are empty that we might be able to rent.

Ms. Birdsill: We could certainly also rent space that comes as a cost as well. One thing I wanted to point out too is for the second floor of the trolley building, we can use the General Impact Fees for that. So we wouldn't be able to use those on the project otherwise, so we have a funding source for that piece.

Commissioner Keon: What are the impact fees for that – which impact fees do we use?

Finance Director Gomez: General Government Impact Fees, so we could only use it for purposes of general government use, so the second story of the trolley building is for multi-purpose general government use, we can fund, I think its \$1 million, \$1.036 (million) of the project.

Commissioner Lago: And those funds currently aren't allocated.

Finance Director Gomez: They are not allocated for...

Commissioner Lago: They are not allocated. OK.

Commissioner Keon: I think we need to look at – one of the big items in here is the station on Salzedo and what's going to happen there. We really need to wait until we have, we know what we are going to have to do with that, because if it ends up being demolished we have to have a place that we can move particularly our call center and that whole call center, 911 center, all of that communication center, that entire thing which may be...if you are going to build on where Fire Station No. 2 is, you may move that permanently to that site and build that out. It really needs to be a very well-coordinated, it's a huge effort and it needs to be a very well-coordinated effort. The issue isn't always where you put some people or maybe where you park some cars, but some of those like the call center and the emergency operation center, and those things you can't be without.

Commissioner Lago: How many floors are we talking about there currently existing Vice Mayor?

Vice Mayor Kerdyk: How many what?

Commissioner Lago: Floors.

Vice Mayor Kerdyk: Where?

Commissioner Lago: Salzedo.

Vice Mayor Kerdyk: Four.

Interim City Manager Olazabal: Four.

Commissioner Lago: So you could probably tell me...

Interim City Manager Olazabal: Four and a basement.

Vice Mayor Kerdyk: Four and a basement.

Commissioner Lago: You could probably tell me with your background how underutilized that building is currently in regards to height?

Vice Mayor Kerdyk: In regards to height...

Commissioner Lago: You could probably run a quick number.

Vice Mayor Kerdyk: Oh yes.

Commissioner Lago: I'm not saying the City is in this type of business in regards to renting offices to anyone, but if that building has to be demolished we should really take into account potentially building that to its maximum use.

Vice Mayor Kerdyk: You may also want to put more parking there too.

Commissioner Lago: You may want to put more parking there, you may want to move, like the Mayor was saying, you may want to move some other offices that we had planned on top of the proposed parking garage, we may want to move them there.

Mayor Cason: This is billed as a discussion item. Is there anything that needs to be – I think you are hearing that we want to get some more hard data.

Interim City Manager Olazabal: We want to discuss the financing. I guess we approved already moving forward with the design; we can always adopt it later on.

Mayor Cason: Would by October 28th would we have harder data on what we are up against on Salzedo?- or is that going to be November?

Interim City Manager Olazabal: Probably November.

Mr. Kephart: We'll be pressed to have that for the November 18th and we can push the consultant because there is a lot of work to do and as you can imagine that's going to be a very complex issue, because there are going to be complex alternatives to think about, so that issue is going to probably take a few months.

Vice Mayor Kerdyk: Could we move it logistically, and of course we are not doing the analysis discussion, but could we have a discussion to move the trolley forward since that is such an imperative situation, and the only trepidation I have about that is whether we want the \$2 million addition or not, that's a discussion we need to have at some point. I don't know what the answer is from my standpoint.

City Attorney Leen: Can I make a legal point. Mayor...

Chief Stolzenberg: I just want to address the second floor issue and the actual importance behind it from the Fire Department as well as the City on emergency management side. The Fire Department itself, the space becomes an important issue because of the training size of the location that we are taking up with the trolley station. So there is about a two-acre requirement for a legitimate training site. We are technically just right under that, but on our ISO point scales, we receive the points. If we take the ground on the floor and replace it with an exterior upper level, we still get credit for it. That was one of our things was the actual interior part of that upper building would be used to conduct training and various modular training to simulate interiors of buildings.

Mayor Cason: And that affects their Class 1 status?

Chief Stolzenberg: It affects the point status to whether it would affect the Class 1; I don't have the calculations to say that. The reason for the discussion was to regulate the space or the size of the existing training ground that didn't matter to me if it was on the ground floor or on the second floor that I still have space, so the importance of the space becomes an issue to maintain our training ability by putting the trolley station there.

Vice Mayor Kerdyk: How often do you use that space?

Chief Stolzenberg: Well currently we use the drill ground five days a week, and we have multiple types of training that are going on, so that's why when you might be doing high-rise training on the outside and maybe something going on, on the inside.

Vice Mayor Kerdyk: So in other words we probably would be using it not exclusively, but pretty much exclusively for your usage, right?

Chief Stolzenberg: Well in the discussion it was a portion of it – yes.

Vice Mayor Kerdyk: A portion of...?

Chief Stolzenberg: A portion of the second floor.

Vice Mayor Kerdyk: Meaning 50 percent?- 20 percent?

Chief Stolzenberg: If its 9,000, if I said 4,000 – 50 percent.

Vice Mayor Kerdyk: OK. So 50 percent, so we have enough for 4,000.

Mayor Cason: So it's unlikely it's going to be much of a multi-purpose?

Chief Stolzenberg: Well the other side of the multi-purpose side of it, I looked at it from the City's perspective, from an emergency management perspective, right now during a rescue recon or a hurricane we bring in about 120 operational people to work the fields. We house them right now in the Youth Center, which is not an ideal location for a storm security and as well as we are trying to move some into Station 1 or to the public safety building and even kind of coordinate with Merrick Park to house some people in there, but the reality was to even get those people out of the Youth Center that would be our goal that also would serve as our backup EOC.

Vice Mayor Kerdyk: So this would be a hardened...

Chief Stolzenberg: Yes, it would be a hardened...

Vice Mayor Kerdyk: And this number is a hardened structure.

Mr. Kephart: The numbers of programming estimate at this time as the consultant understands it; it needs to be a hardened structure.

Vice Mayor Kerdyk: OK, that is my next question then.

Mayor Cason: So you made a pretty good case for the second floor. I guess the question is, do we need to do anything no in terms of the trolley or just keep moving forward.

Vice Mayor Kerdyk: So you could bring it back for the trolley next meeting and discuss that and then – right?- segregate the two out.

Mr. Kephart: If I could speak to that because I think it is a problem to segregate the two out. The site plan has been done comprehensively to enhance the Fire Department and the trolley building. If we were not going to do anything to the Fire Department other than the current renovations that we have in our CIP, we would do the trolley a little bit different because we are

encroaching a little bit too much into the Fire Department's operations, I believe Mark would say.

Chief Stolzenberg: The host tower is sitting exactly where the trolley station would be going.

Mayor Cason: So is there anything that would suffer if we continue this discussion once we have the hard numbers maybe in mid-November or even if we have to have a Special Meeting or something, is there anything that would suffer by postponing any more discussion till we have hard numbers?

Mr. Kephart: What would suffer is, I mean if you are OK with us continuing with the design criteria package, which is the first phase before we would do an RFQ for a design-build contract, we are talking up front design cost on this is going to be in excess of \$100,000, and that's where we would be if we go forward and we change our mind down the road some of that would be sum cost.

Interim City Manager Olazabal: This is a discussion item, so in a certain way we don't have to take any action, but the issue becomes that we had more than one site plan analysis and this is one of the options that was explored, but by having the trolley facility in a certain area you have to make certain commitments. It's a package, so there were, I believe in the last one we presented the different options.

Mr. Kephart: Yes, we presented – and if we don't – at this point we are ready to begin to develop that design criteria package anytime and I understand the dilemma here and it's hard, no question about it, but the reality is the time we do this now on not beginning the trolley will add on to the other end. Right now this program putting together has us in the trolley facility last spring of 2016, which is not too bad, it's about a year from the time we'd lose it. If we don't start now that date will just move from whatever the delay is from this date.

Mayor Cason: So you would want from us today then from your perspective, the Commission to go forward with a comprehensive plan that we may have some costs if we end up finding that we can't do all of it.

Mr. Kephart: Technically you approve that by resolution the last meeting, but we want to make sure there is full understanding. We have not executed the contract with our design firm, we are close and we have been negotiating.

Mayor Cason: Anybody have a problem with moving forward?

City Attorney Leen: Mr. Mayor before you move forward, I just want to make it clear for the record that this is still in the planning phase, as was just mentioned, we are doing an equity analysis under Title 6, and also community outreach. My understanding is we will have the results of that in 30 to 60 days and I don't foresee any issues with it, but I just wanted to make it clear we obviously don't want to have the same issue come up again. So we are complying fully with Title 6, I just wanted to make you aware of that.

Vice Mayor Kerdyk: How long will it take for them to develop the plan basically?

Mr. Kephart: We are talking early – we should have the design criteria package in by mid-January.

Vice Mayor Kerdyk: OK. So we are going to have the answer back as far as this structure on Salzedo that we can augment what we are talking about when we present it to the architects.

Mr. Kephart: Yes. Comprehensively it will sort of grow the...

Interim City Manager Olazabal: Yes – so before investing, I think that's where you were going, before investing in construction we would know where we stand with the public safety building; and I guess what we are proposing right now...

Vice Mayor Kerdyk: But we might change things is what I'm saying.

Commissioner Keon: Move some components that are there.

Interim City Manager Olazabal: We may, but we wouldn't be nearing construction...

Vice Mayor Kerdyk: So by starting the process still gives us the opportunity to revisit this issue in November, correct?

Mr. Kephart: Yes.

Vice Mayor Kerdyk: When we get the results from Salzedo.

Mr. Kephart: November is a tough – but it does – you can modify the design as you go as you do normally with any project, so yes.

Commissioner Keon: I wanted to ask you about the estimate that you have here for the trolley station – 3.5 for the new trolley facility. I remember when we first began the discussion with

Astor as to what their actual construction cost and the land and construction cost was, I had thought it was \$3 million, so we already have the land, so we are not paying for land and we know that some of the equipment, I'm assuming that the lifts and the different things that were there will be useable in the new facility. Why would you project a \$3.5 million cost when it's so much more than what they cost them?

Mr. Kephart: Again, remember these are programming estimates at this time based on square footage and I hope that they are a little bit high because I don't want to come back to you and ask for additional money, but not unreasonably high; and in addition, this trolley facility we have put in that the actual construction of a new...which is about \$200 and some thousand, so the actual trolley facility based on our programming estimate was about \$3.2 million.

Commissioner Keon: This is with the second floor, is that what you are saying?

Mr. Kephart: No – \$3.2 (million) without the second floor.

Commissioner Keon: Without the second floor.

Mr. Kephart: And that includes fully loaded cost for design and engineering and general conditions and all of that.

Mayor Cason: What's some of the equipment that they are going to give us from the Coconut Grove?

Commissioner Keon: That's why I said I'm surprised that the cost is, even the estimate is as high as it is.

Mayor Cason: You are going high so you don't have to come back to us again.

Mr. Kephart: We are going what we believe is reasonable at a programming stage because things change. We are not trying to go high, we are not trying to go low, we are trying to go reasonable. At a programming stage there are some percentages you put in there because of the unknowns.

Commissioner Keon: Because of the unknowns. OK.

Commissioner Lago: Commissioner Keon, just had a conversation with the City Manager yesterday. For example on the 9,000 square feet of the second floor, you are averaging about \$245 a square foot, which I think is a little high for the market place right now even though construction costs have been going north. When you take this out to the street you'll probably get

a reduction in price. I don't know if you'll get it under \$200, I doubt it, but you'll get a reduction in price.

Mr. Kephart: Understand that this stage of the game when you do the programming for what it should actually cost, construction cost, there is 35 percent added on to that for engineering, design, general conditions, unknown conditions, and that's pretty standard. We didn't make it that high, I think...

Commissioner Keon: OK.

Commissioner Lago: What is your, let's say, your contingency in regards to the project? Are you putting out a 5 percent?- 10 percent?

Mr. Kephart: Ernesto do you...

Commissioner Lago: Because that will also answer a lot of the Commissioner's questions.

Mr. Kephart: 15 percent.

Commissioner Lago: 15 percent. For example, on a standard construction project is usually around 5 to 10 percent, 15 is safe.

Mr. Kephart: Its high but at this stage of the game there is just so much...

Mayor Cason: So in other words the sticker shock that we see of the possible loan could be much lower depending on – maybe Salzedo may be higher, but...

Mr. Kephart: Mr. Mayor and Commissioners we certainly hope so.

Commissioner Lago: It goes back to what I was saying about Salzedo, that project doesn't have any plans, so what they are basing their numbers off of hopefully we will have some sort of detail. It's just going to take some time to put those numbers together probably.

Mayor Cason: Do we have this with consensus or you move forward with the...that you want and you'll come back to us as soon as you can with some more hard data and then reassess if necessary then.

Mr. Kephart: Thank you.

Mayor Cason: Alright. Thank you very much.

Commissioner Lago: Thank you so much

[End: 12:44:54 p.m.]