

 <b>ST. CHARLES</b> SINCE 1834	<b>AGENDA ITEM EXECUTIVE SUMMARY</b>					
	Title:	Change Orders to First Street Parking Deck Construction Costs				
	Presenter:	Chris Bong, P.E. Bob Vann, Building and Code Enforcement Division Manager				
<i>Please check appropriate box:</i>						
	Government Operations				Government Services	
X	Planning & Development				City Council	
Estimated Cost:	\$76,117		Budgeted:	YES	NO	X
If NO, please explain how item will be funded:						
The budget amendment requested will be funded through a transfer from the general fund reserves.						
<b>Executive Summary:</b>						
<p><b><u>Parking Deck Change-Order Summary</u></b></p> <p>In March of 2015 the City entered into a Redevelopment Agreement (RDA) with First Street Development II, LLC (Developer) to redevelop City-owned property bounded by First Street, Illinois Street and the Fox River. The redevelopment consists of 3 buildings and a public City-owned parking deck. The RDA calls for the Developer to construct the parking deck and for the City to reimburse the Developer for a total cost not to exceed \$1.9 million (Section 4.4 of the RDA and Exhibit F-1 attached). The parking deck is about 75% completed with an anticipated completion date by the end of September.</p> <p>A team of City staff from Community Development, Public Works, Fire Department and the Police Department have been coordinating the construction of the parking deck on an ongoing basis. This will be a City-owned parking deck and the City will be responsible for its maintenance.</p> <p>As the parking deck progressed, staff encountered required change-orders during construction that were necessary for a proper public parking deck, but were not contemplated in the RDA. City staff collectively recommended these changes for the long term durability and ease of maintenance of the parking deck. In addition to staff requested changes, federal and state requirements and general site conditions also contributed to required change orders.</p> <p>The project has progressed to a point where the probability of significant change orders between now and project completion is reduced; however, these change orders are based on the best available information at this time and there is a potential for some minor adjustments as the construction is finalized. Staff will bring back the final change order for approval in September/October if there are any unanticipated changes.</p> <p>The current change-order <u>expense</u> to the RDA is \$126,415; however, change-order <u>savings</u> brings the total amount over the original budget to \$76,117 or 4% of the total contract.</p>						
<b>Attachments:</b> <i>(please list)</i>						
<ul style="list-style-type: none"> <li>• <b>Memo</b></li> <li>• <b>Related excerpts of the RDA</b></li> <li>• <b>Related excerpts of the Building Code</b></li> </ul>						
<b>Recommendation / Suggested Action</b> <i>(briefly explain):</i>						
Staff recommends approval of the construction change orders for the First Street Parking Deck in the amount of \$76,117.						
<i>For office use only:</i>	<i>Agenda Item Number:</i> 3e					

**Community & Economic Development  
Development Engineering Division**

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## Memo

Date: August 2, 2016

To: Chairman Todd Bancroft  
And the members of the Planning and Development Committee

From: Chris Bong, P.E., Development Engineering Division Manager  
Bob Vann, Building & Code Enforcement Division Manager

RE: Change Orders to First Street Parking Deck Construction Costs

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### **Parking Deck Change-Order Detailed Information**

The current change-order expense to the RDA is \$126,415; however, change-order savings brings the total amount over the original budget to \$76,117 or 4% of the total contract.

Gross Change Orders =	\$126,415
Original RDA Deck Cost =	\$1,900,000
Current Deck Cost =	\$1,976,117
Net Change in Cost =	+\$76,117
Net % Change in Cost =	+4%

(all costs include construction management fee)

Below is a detailed list of change orders to the RDA:

### **Concrete Foundations & Walls**

Items 1-4 are all related to work performed by the Developer's concrete contractor Cerami Construction. Cerami is the low quote contractor for all concrete work for building 1 and the parking deck. Staff has reviewed the costs to ensure that the price for all of the additional work in this category is in-line with unit cost rate from the original contract.

#### **1. Dedicated Electrical Room = \$4,220**

A dedicated electrical room was not anticipated in the original design. The original design called for hanging the electrical boxes on a wall. Staff recommended providing a separate room that could be locked to house the electrical equipment. The additional cost for the electric room is the cost of the added concrete walls.

**2. Vehicle Ramp Widening = \$16,321**

The vehicle ramp from First Street to the deck upper level was originally designed to be 21 feet wide. Staff recommended that the width be extended to 23 feet for overall safety and traffic circulation. This widening resulted in more concrete for the ramp and also a larger concrete foundation.

**3. Foundation Wall Changes Due To Site/Soil Conditions = \$14,854**

Throughout the project, variable site bedrock and design conditions necessitated taller/deeper foundation walls in some areas, resulting in the need for additional concrete.

**4. Structural Engineer Review Changes = \$1,736**

The City's structural engineering review consultant, Walker Parking Consultants, recommended a slight thickening of the floor edges, resulting in additional concrete. This was recommended in order to provide for better durability and structural capacity of the floor.

**Miscellaneous Changes**

**5. Storm Sewer Pipe Material Upgrade= \$13,129**

There was an existing storm sewer that runs through the site that was replaced as part of the development. Much of the storm sewer is underneath the parking deck, making the storm sewer more difficult than usual to maintain. Staff recommended upgrading the pipe to a stronger material to reduce the chance of future maintenance. The pipe material quote from P&M Sewer & Water based on the original design called for a combination of concrete pipe (\$32/foot) and ductile iron pipe (\$120/foot). Staff requested upgrading the entire pipe run to watermain-quality PVC at \$100/foot. This price is in-line with unit cost rate from the original contract.

**6. Electric heat system for pedestrian ramp ice melting = \$9,975**

Per code, the ADA ramp on the north side of the deck requires a snow and ice removal plan. This can be achieved through a manual removal program or other methods. Our analysis showed that an ice-melting heat system within the ramp floor is more cost effective than a manual labor snow removal program. Multiple quotes were received and staff chose the lowest-priced high-quality system.

**7. Brick Façade for Vehicle Ramp = \$25,000**

The ramp leading from the parking deck down to First Street has a wall that can be seen at certain angles from First Street. The wall surface was originally to be bare poured concrete; however, for aesthetic reasons staff recommended a brick façade to match the surrounding walls. DTM Masonry was the low quotes for both the building 1 and parking deck brick work. The cost for the extra brick façade is in-line with unit cost rate from the original contract.

**8. Pedestrian Stairway Code Requirements = \$32,940**

As we finalized the parking deck design staff discovered that the building code (section 1009.6.2 Outdoor Conditions) required roofs over the 2 outside ingress/egress stairways for safety reasons in order to protect the surface of the stairs from the elements. The developer received multiple quotes for the roofs and the lowest quote was used.

**9. Extra Electrical Convenience Outlets and Associated Conduit = \$8,240**

Staff recommended adding more convenience outlets at strategic locations to allow for more efficient future maintenance of the deck. Kellenberger Electric is the low quote contractor for building 1 and parking deck and the price for these electrical extras is in-line with unit cost rate from the original contract.

**Recommendation /Suggested Action**

Staff recommends approval of the construction change orders for the First Street Parking Deck in the amount of \$76,117.

**Attachments**

- Related excerpts of the RDA
- Related excerpts of the Building Code

**EXHIBIT F-1**

**DEVELOPER PUBLIC IMPROVEMENTS  
Developer's Responsibility to Construct  
City to Reimburse**

	<b><u>Costs</u></b>	<b><u>Construction Dates</u></b>
<b>Phase 1</b> (Two (2) Structured Parking Deck with a minimum of not less than 110 spaces Parking Deck by Developer	\$1,809,500.00	7/1/15-12/31/16
Developer Management Fee 5%	\$91,500.00	
<b>Public Improvements - Developer</b>	<b>\$1,900,000.00</b>	

**ARTICLE IV.  
USE AND DEVELOPMENT OF THE  
PROPERTY AND THE TIF IMPROVEMENTS**

**4.1 Redevelopment Project.**

- (A) In furtherance of the objectives of the Redevelopment Plan, the Developer shall, subject to the terms of this Agreement, Substantially Complete (as hereinafter defined) each Phase of the Project undertaken by Developer in accordance with the objectives of the Redevelopment Plan, the Site Plan, the Scope of Project and all Governmental Requirements.
- (B) Subject to and conditioned upon Developer satisfying and funding the construction escrow for each Phase, in a timely manner and pursuant to the default dates outlined in Exhibit G, the Developer shall have the right to develop and construct each Phase, in accordance with the Construction Phasing Schedule set forth in Exhibit E, provided, however, that each previous Phase of the Project is reasonably progressing in accordance with the Construction Phasing Schedule as shown in Exhibit E. The opening of the construction escrows and deposit by the City of the applicable Conveyed Property for construction loan funding for a particular Phase on or before the dates identified in Exhibit G shall satisfy the construction escrow funding default dates.

**4.2 Zoning Approval.** This Agreement is contingent upon and the City's conveyance of the Conveyed Property to the Developer for a particular Phase is subject to the City Council approving applications for such zoning relief and subdivision platting as may be necessary to develop the Project, or any particular Phase thereof, including the approval of any rezoning, special uses, site plans, and plats therefore. The Developer shall timely submit applications for zoning relief to the City for review and processing, including any required Plan Commission public hearings, if any, to comply with and permit any Phase of the Project to be developed in accordance with the Property Conveyance Schedule set forth on Exhibits E and G. The City shall timely prepare and submit applications for subdivision platting for review and processing. Provided that the Developer shall have first caused proper and complete applications for desired zoning and subdivision relief to have been filed with the City, should the approval of relief requested under the provisions of this Section 4.2 be unreasonably delayed solely by the City and said such delay unreasonably hinders the Developer from timely compliance with the dates provided in Exhibits E and G, then the dates provided in said Exhibits shall be extended, as appropriate, so as to give the Developer a reasonable amount of additional time as may be needed to comply with said timely compliance. The preceding sentence is intended to provide the Developer with relief when such delay occurs solely as a result of the City's inaction and not otherwise caused by the Developer.

**4.3 INTENTIONALLY OMITTED.**

**4.4 Public Parking Deck.** As part of the improvements to be constructed in conjunction with Phase I of the Project, the Developer shall construct, or caused to be constructed, a two-level parking deck containing at least 110 parking spaces, and appurtenants (the "Public Deck"), on land



owned by the City ("*City Deck Property*") in accordance with the Site Plan and Scope of Project and Governmental Requirements incorporated herein as Exhibits D-1, D-2 and D-3. The Public Deck shall be constructed in conformance with the plans and specifications approved by the City. Subject to the contribution by the City of the Public Deck Cost, as provided for in this section, the entire cost to Substantially Complete construction of the Public Deck shall be paid for by Developer, regardless if the total cost exceeds the City's contribution of the Public Deck Costs. The City shall pay the Developer cash for the actual cost of the Public Deck but not to exceed the amount of One Million Eight Hundred Nine Thousand Five Hundred Dollars (\$1,809,500.00) (the "*Public Deck Cost*"), plus a construction management fee of 5%), for a total of One Million Nine Hundred Thousand (\$1,900,000.00) Dollars, as set forth in Exhibit F-1. The Public Deck Cost shall be paid to Developer in one or more progress payments, regardless of whether the Public Deck is partially or Substantially Complete (as hereinafter defined) as provided in this Section 4.5 and shall be made in accordance with Section 5.3 upon Developer's submittal of a Reimbursement Application as provided in Exhibit H. The amount of an actual progress payment shall be the lesser of the following: (A) the dollar amount of the progress payment applied for and approved pursuant to Section 5.3; or (B) the dollar amount calculated as follows:

$$\text{Maximum progress payment} = \frac{\text{Actual Public Deck Construction Costs incurred to date by Developer}}{\text{Total Estimated Construction Cost of Public Deck}} \times \text{Public Deck Cost}$$

Prior to commencement of construction of the Public Deck, the City shall provide to and enter into with Developer a mutually agreed upon construction license agreement, pursuant to which Developer shall construct the Public Deck on the City Deck Property ("*Deck License Agreement*"). If, as reasonably determined by the City Representative and subject to Force Majeure : (A) Developer falls more than forty-five (45) days behind the time schedule to commence, or fails to diligently pursue to Substantial Completion (as hereinafter defined) or complete construction of the Public Deck of the Project as set forth on Exhibit E; or (B) the Developer is otherwise in default under this Agreement, then, notwithstanding any other rights the City may have hereunder, then such events shall constitute a default under this Agreement. If the Developer does not cure any and all such defaults within thirty (30) days of receipt of the notice of default, then the City shall have the right, at its election, to (i) terminate the Deck License Agreement and (ii) suspend and/or terminate any further progress payments for any work commenced or to be completed. The election by the City to suspend and/or terminate any progress, as previously provided, shall not operate as the City's sole remedy in this event and it shall be entitled to pursue any and all other remedies available to it under this Agreement. Further, notwithstanding anything contained herein to the contrary, the City shall not be obligated to pay all or any part of the Developer's five percent (5%) management fee for the Public Deck, unless and until the Public Deck has been Substantially Completed (as hereinafter defined).

Prior to the temporary occupancy permit for the Phase 1 building, the City and Developer shall enter into a reciprocal easement and operating agreement concerning cross access easements,

operating and maintenance rights, duties and obligations between the Public Deck and the Phase 1 building, in a form satisfactory to the Parties, to permit a Public Deck.

**4.5 Tax Information.** Developer shall use its best efforts to include in all leases for the Retail Component a provision providing that the tenants shall file with the City copies of the ST-1 monthly sales tax forms, or any appropriate successor forms, that are filed by retailers with the State of Illinois. For all leases in which the tenant is required to provide to Developer its gross income and sales tax returns with respect to the portion of the Retail Component being leased by such tenant, and/or including all original sales records as defined in any such lease, Developer shall provide the City with copies of all such documents. Developer also agrees that, with respect to all leases which do not provide for the release of such information to Developer or the City under the terms of the lease, Developer shall use its best efforts to secure from each such tenant a letter substantially in the form as shall be reasonably required by the City and the Illinois Department of Revenue in order to release such information to the City. Such information shall be used solely for the purposes of determining sales tax due to the City and shall otherwise be kept confidential, except to the extent required by applicable law.

## **ARTICLE V. REIMBURSEMENT OF REDEVELOPMENT PROJECT COSTS**

**5.1 Reimbursement of Redevelopment Project Costs Incurred by Developer.** For purposes of this Agreement, "*Redevelopment Project Costs*" shall mean and include all costs defined as "redevelopment project costs" in Section 5/11-74.4-3(q) of the Act (as amended from time to time) which are eligible for reimbursement under the Act and which have been approved in the Redevelopment Plan.

### **5.2 Establishment of Fund; Use of Tax Increment.**

- (A) In connection with its establishment and ongoing administration of the Redevelopment Project Area, the City has established a special tax allocation fund pursuant to the requirements of the Act (the "*Tax Allocation Fund*"). None of the monies contained in the Fund shall, at any time, be commingled with any other funds of the City.
- (B) It is the obligation of the City to pay or reimburse Redevelopment Project Costs, which may be satisfied by the issuance of Bonds, as hereinafter defined in Section 5.4 hereof, or from the Tax Allocation Fund. The Tax Allocation Fund shall hold that portion of the real property taxes collected with respect to taxable real property in the Redevelopment Project Area that is required to be paid to the City Treasurer for deposit to the Tax Allocation Fund pursuant to Section 11-74.4-8 of the Act, as such provision may be amended from time to time, and/or the proceeds of any other tax or other source of legally available revenue which the City designates as part of the Tax Allocation Fund, and interest or other investment income earned on monies on deposit in the Tax Allocation Fund.
- (C) For purposes of this Agreement, "*Tax Increment*" shall mean all ad valorem real property taxes, if any, arising from the levies upon the Property attributable to the then current



stairway tread, not front to back.

Exception 2 is applicable in factory, industrial, storage and high-hazard occupancies. This provision is intended to apply primarily to stairs that provide access to areas not required to be accessible, such as pits, catwalks, tanks, equipment platforms, roofs or mezzanines. Walking surfaces with limited-size openings are typically used because open grate-type material is less susceptible to accumulation of dirt, debris or moisture, as well as being more resistant to corrosion. Most commercially available grate material is manufactured with a maximum nominal 1-inch (25 mm) opening; therefore, the limitation that the openings not allow the passage of a sphere of  $1\frac{1}{8}$  inch (29 mm) diameter allows the use of most material as well as accounting for manufacturing tolerances.

**1009.6.2 Outdoor conditions.** Outdoor stairways and outdoor approaches to stairways shall be designed so that water will not accumulate on walking surfaces.

- ❖ Outdoor stairways and approaches to stairways are to be constructed with a slope that complies with Section 1009.6.1 or are required to be protected such that walking surfaces do not accumulate water. While not specifically stated, any interior locations, such as near a pool, should also have the stair designed to limit the accumulation of water in order to maintain slip resistance (see Section 1003.4).

Where exterior stairways are used in moderate or severe climates, there may also be a concern to protect the stairway from accumulations of snow and ice to provide a safe path of egress travel at all times, including winter. Maintenance of the means of egress in the IFC requires an unobstructed path to allow for full instant use in case of a fire or emergency (see IFC Section 1030.2). Typical methods for protecting these egress elements include roof overhangs or canopies; heated slabs; grated treads and landings as permitted in Section 1005.1; or when approved by the building official, a reliable snow removal maintenance program.

**1009.6.3 Enclosures under stairways.** The walls and soffits within enclosed usable spaces under enclosed and unenclosed stairways shall be protected by 1-hour fire-resistance-rated construction or the fire-resistance rating of the stairway enclosure, whichever is greater. Access to the enclosed space shall not be directly from within the stair enclosure.

**Exception:** Spaces under stairways serving and contained within a single residential dwelling unit in Group R-2 or R-3 shall be permitted to be protected on the enclosed side with  $\frac{1}{2}$ -inch (12.7 mm) gypsum board.

There shall be no enclosed usable space under exterior exit stairways unless the space is completely enclosed in 1-hour fire-resistance-rated construction. The open space under exterior stairways shall not be used for any purpose.

- ❖ This section addresses the fire hazard of storage under a stairway, both inside and outside a structure. The stairway must be protected from a storage area under it, even if the stair is not required to be enclosed. The

section also requires that the storage area not open into a stair enclosure. This limits the potential of a fire that starts in the storage area from affecting the stair enclosure. The exception provides specific criteria for separation for storage areas under an interior stairway for the indicated residential occupancies.

**1009.7 Vertical rise.** A flight of stairs shall not have a vertical rise greater than 12 feet (3658 mm) between floor levels or landings.

**Exceptions:**

1. Aisle stairs complying with Section 1028.
  2. Alternating tread devices used as a means of egress shall not have a rise greater than 20 feet (6096 mm) between floor levels or landings.
- ❖ Between landings and platforms, the vertical rise is to be measured from one landing walking surface to another (see Figure 1009.7). The limited height provides a reasonable interval for users with physical limitations to rest on a level surface and also serves to alleviate potential negative psychological effects of long and uninterrupted stairway flights.
- Exception 1 provides for aisle stairs in assembly occupancies that are regulated by Section 1028 and not by this section.
- Exception 2 allows for 20 feet (6096 mm) between landings for alternating tread devices given their limited application and low occupant loads. In addition, Exception 2 recognizes that additional vertical rise is needed for steeper devices used where space is often too restrictive for a landing.

