



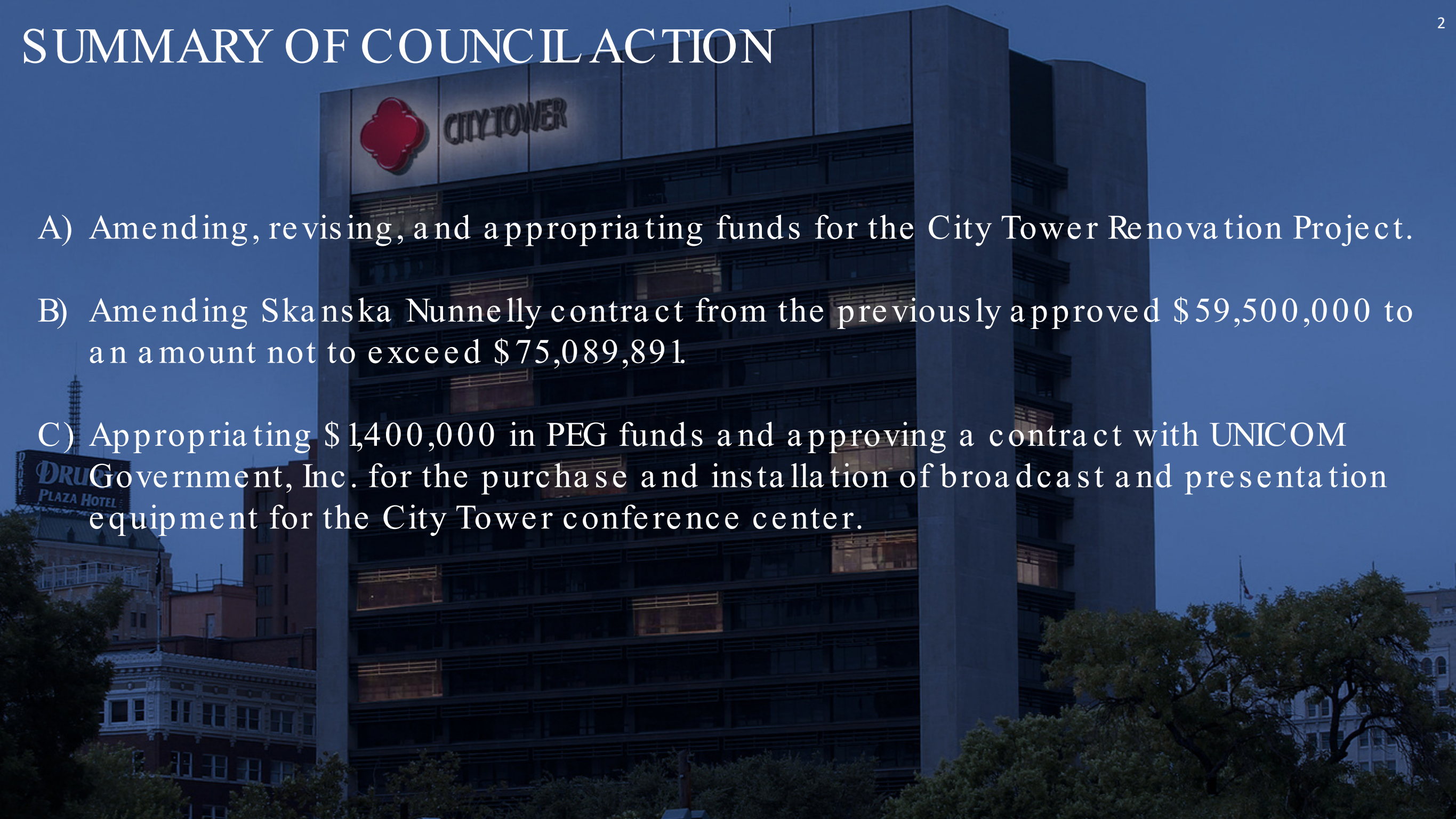
CITY TOWER

Contract Amendment & Purchase of Broadcast Equipment

Item #14

Lori Houston, Assistant City Manager

SUMMARY OF COUNCIL ACTION

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- A photograph of the City Tower building at dusk. The building is a modern, multi-story structure with a dark facade and many windows. The top of the building features a red logo and the words "CITY TOWER". In the background, other buildings are visible, including one with a sign that says "DRUG PLAZA HOTEL". The sky is a deep blue, and there are some trees in the foreground.
- A) Amending, revising, and appropriating funds for the City Tower Renovation Project.
 - B) Amending Skanska Nunnally contract from the previously approved \$59,500,000 to an amount not to exceed \$75,089,891.
 - C) Appropriating \$1,400,000 in PEG funds and approving a contract with UNICOM Government, Inc. for the purchase and installation of broadcast and presentation equipment for the City Tower conference center.

The City purchased the former Frost Tower office building as a component of a Public-Private Partnership (P3). The P3 project facilitated:

- The construction of the new Frost Tower
- The future redevelopment of Municipal Plaza as residential housing
- Adds a minimum of 265 housing units downtown
- Consolidation of City staff in a renovated office building located near other important City facilities, including Council Chambers and City Hall.



PROJECT PROFORMA

The project budget is tied to a proforma projecting revenues and expenses over 30 years. Below are significant components of the proforma:

Revenues and Contributions:

- Lease savings from departments moving to the tower
- Proceeds from sale of City-owned properties
- Projected office and retail rent revenues
- Parking revenue from attached garage
- Savings from maintenance & utilities at facilities to be vacated
- Savings from organizational efficiencies

Expenses:

- Debt Service
- Brokerage fees & tenant improvement allowances
- Maintenance, custodial, & utility costs
- Parking stipends for employees at properties that previously had free parking
- Insurance

The City Tower Project Proforma is Cost Neutral to the City's Budget



ITEM A - CITY TOWER PROJECT BUDGET

	Building Acquisition	Renovation Budget	Total Project Budget
Initial Budget [June 2015]	\$ 51,000,000	\$ 41,457,074	\$ 92,457,074
Budget approved with Skanska Nunnelly contract [Sept 2018]	\$ 52,866,908	\$ 75,666,087	\$ 128,532,995
FY20 Budget Briefing [Sept 2019]	\$ 52,866,908	\$ 80,793,456	\$ 133,660,364
Current Project Budget	\$ 52,866,908	\$ 88,118,232	\$ 140,985,140

ITEM A - CITY TOWER PROJECT BUDGET

Total City Tower Renovation Project Budget – \$140,985,140

Sources of Funding:

- Debt Issuance
- Property Tax Supported Tax Notes
- Sale of City Property
- City Tower and Garage Fund
- Other Cash Contributions
 - PEG Funds
 - Solid Waste Fund
 - Wellness Challenge Grant

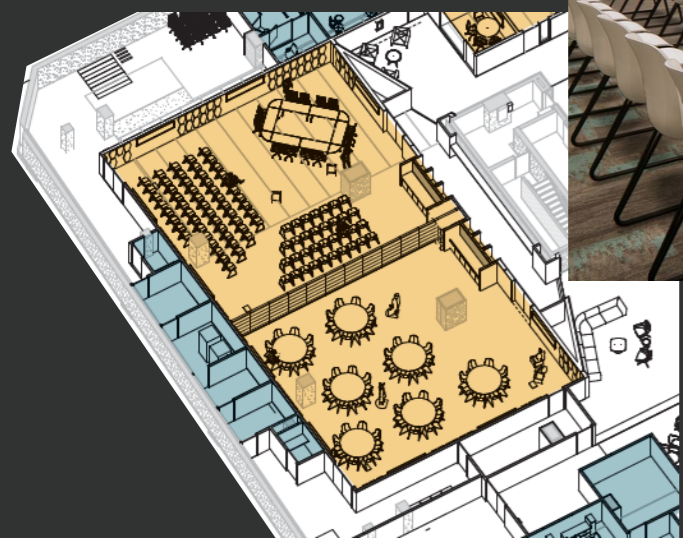
ITEM B - CONTRACT AMENDMENT

Additional scope in the amount of \$15.59 million has been added to the Skanska contract to account for the items below. Funding was added in the FY20 & FY21 Budgets to cover these contract additions.

- Enhanced Security - \$2.67 million
- Lower Level Conference Center Build-out (PEG Funds) - \$773k
- Adds a floor for Solid Waste (SWMD Operating Fund) - \$2.38 million
- Additional Funding for Furniture - \$1.29 million
- Funds for Moving Services and Disposition - \$500k
- Increased Project Contingency - \$1.65 million
- Return to Work Redesign - \$1.73 million
- Significant MEP items not identified or appropriately priced in due diligence - \$4.58 million

ITEM C - PURCHASE OF PRESENTATION & BROADCAST EQUIPMENT

- Adds \$1,400,000 in PEG Funds for broadcast and presentation equipment for the City Tower conference center
- Approves a contract with UNICOM Governments, Inc. to provide and install the equipment.



PROJECT SCHEDULE

Council Action	Dec. 17, 2020
Approval of GMP	Dec. 18, 2020
Move-in for CoSA Departments	July 2021–Feb. 2022
Substantial Completion	Feb. 17, 2022
Completion of Force Protection	Sept. 20, 2022

24
City
Departments
1,400 Employees

RECOMMENDATION

Staff recommends approval of this item.



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