



MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Donna Leahy, Budget Analyst
Mark Whitley, Assistant City Manager
SUBJECT: Amending the Fiscal Year 2024 Budget to Appropriate Funds for the Renovation of the Executive Plaza for the New Visitor Center and Awarding a Contract to Paddox, LLC. to Renovate the Executive Plaza for the New Visitor Center
DATE: December 4, 2023 (for the December 12, 2023 Council Meeting)

ISSUE

Shall the City Council adopt a resolution amending the Fiscal Year 2024 budget for the renovation of the Executive Plaza Visitor Center as well as a resolution that awards a contract for this work?

RECOMMENDATION

Yes. Staff recommends that City Council approve the attached appropriation resolution on first and second reading and the contract award resolution requiring one reading at the December 12, 2023 meeting.

There is no scheduled second meeting in December and staff recommends proceeding with the acceptance of the bid and the start of construction. The City is currently leasing space from the Economic Development Authority for the current location of the Visitor's Center.

BACKGROUND – APPROPRIATION RESOLUTION

The first resolution associated with this project appropriates funds for the renovation of the Executive Plaza for a new Visitor Center. For nearly fifty years, Fredericksburg's Visitor Center has been located at 706 Caroline Street. In August 2022, through Ordinance 22-15, City Council authorized the sale of 706 Caroline to the Economic Development Authority (EDA) in order to establish a larger, more modern and accessible Visitor Center at the City's Executive Plaza Building at 601 Caroline Street. In December 2022, the City sold 706 Caroline to the EDA for \$1,260,000 and leased the building back from the EDA until the Executive Plaza Building renovation is complete. Total revenue received from the sale of the building was \$1,143,679.

The Fiscal Year 2023 Capital Improvement Plan included \$1,000,000 for this project. Expenditures and encumbrances for architectural design and development and construction administration as of November 2023 total \$149,965.82. City Council is currently considering a Fiscal Year 2023 to Fiscal Year 2024 capital carryover in the amount of \$850,035 for this project.

At the September 12, 2023 Work Session, Assistant City Manager Mark Whitley provided a Visitor Center Project update. In that presentation, he noted that total Executive Center renovation costs were projected to total \$2,300,000:

Visitor Center Cost Estimate – September 12 Worksession

Item	Notes	Total
Design	Remaining to Carry Forward for FY 2024	\$89,212
Construction	Includes a 5% Design Contingency	\$2,018,024
Allowance	Moving Expenses	\$10,000
Allowance	Furniture Fixtures & Equipment	\$40,000
Contingency	Overall Project Contingency	\$142,764
		\$2,300,000

\$1,243,683 of these costs were reported as directly related to the Visitor Center project:

Item	Total
HVAC for first floor	\$350,035
Lobby work	\$180,400
50 percent electrical costs	\$182,500
IT storage area	\$25,000
Data and fire safety	\$50,000
50 percent of project contingency	\$71,382
50 percent of design work	\$75,000
Total not related to VC	\$1,056,317
Total related to VC	\$1,243,683

The City issued IFB 24-0403 Visitor Center Renovation bid on October 13, 2023. The bidding closed on November 16, 2023. Two companies provided bids: Paddox, LLC, bidding at \$2,430,000, and Hammerhead Construction at \$2,875,000.

Visitor Center Project – Update After Bid Opening

Item	Notes	Total
Design	Remaining to Carry Forward in FY 2024	\$89,212
Construction	Based on Low Bid Received	\$2,430,000
Allowance	Moving Expenses	\$10,000
Allowance	Furniture Fixtures & Equipment	\$40,000
Contingency	Reduced	\$100,000
Total		\$2,669,212

Staff proposes reducing the Owner’s Contingency on this project to \$100,000, as there is a project contingency included in the base bid as well as the “owner’s contingency” on the project. The total project budget for FY 2024 is recommended as **\$2,669,212**, with an updated total of \$1,441,374 directly related to the Visitor Center.

ADDITIONAL BACKGROUND – CONTRACT AWARD RESOLUTION

The second resolution associated with this project awards a contract for renovation of the 1st floor of the Executive Plaza Building to serve as the new Visitor’s Center for the City of Fredericksburg, as well as storage for the Information Technology Department. Staff anticipates the construction period to be six to seven months.

The IFB 24-0403 Visitor Center Renovation bid closed on November 16, 2023. Paddox, LLC, bidding at \$2,430,000, was the lowest responsive and responsible bidder. Staff recommends that City Council adopt the attached resolution that allows the City Manager to award a contract to Paddox, LLC. of Leesburg, Virginia for this work.

FISCAL IMPACT

Of the \$2,669,212 total proposed budget for the Executive Plaza first floor renovation, City Council is considering a \$850,035 that was already budgeted for this project in FY 2023 to carry forward to FY 2024, which shows as Public Facilities Capital Fund Balance. Of the remainder project total of \$1,819,177, staff is proposing a \$200,000 transfer from the Opportunity Fund, and use of \$1,619,177 in Public Facilities Capital Fund Balance. After the transfer, the balance in the Opportunity Fund would be \$564,252. The fund balance total in the Public Facilities Capital fund would be \$829,686.

The Public Facilities Capital Fund balance use incorporates the remaining proceeds from the sale, the use of bond proceeds dedicated to Executive Plaza Improvements, and surplus funds in the Public Facilities Capital Fund.

ATTACHMENTS: Resolution

Cc: Bill Freehling, Director of Economic Development and Tourism
M.C. Morris, Assistant Director of Economic Development and Tourism
Ray Regan, Assistant Director of Public Works



December 12, 2023
Regular Meeting
Resolution 23-

MOTION:

SECOND:

RE: Amending the Fiscal Year 2024 Budget to Appropriate Funds for the Renovation of the Executive Plaza for the New Visitor Center

ACTION: APPROVED: AYES: 0; NAYS: 0

FIRST READ: _____ SECOND READ: _____

In Fiscal Year 2023, City Council budgeted for the architectural design and development of a plan to renovate the first floor of the Executive Plaza at 601 Caroline Street for a new state-of-the-art Visitor Center. On November 16, 2023 bidding closed for Visitor Center renovation construction. Paddox, LLC was the lowest responsive and responsible bidder.

Therefore, City Council resolves that the following appropriation be made amending the FY 2024 budget for the construction of the new Fredericksburg Visitor Center in the 1st floor of the Executive Plaza Building:

Opportunity Fund (Fund 0226)

Sources

Opportunity Fund, Surplus Fund Balance	0226 361010	\$ <u>200,000</u>
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Uses

Opportunity Fund, Transfer to Capital Fund	0226 492040	\$ <u>200,000</u>
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Public Facilities Capital Fund (Fund 0305)

Sources

Executive Plaza Visitor Center, Transfer from Special Rev	30594563 341055	\$ <u>200,000</u>
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Public Facilities Capital Fund, Committed Fund Balance	0305 361015	\$ <u>1,619,177</u>
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<u>Total Sources</u>		\$ <u><u>1,819,177</u></u>
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Uses

Executive Plaza Visitor Center, Construction Contracts	30594563 431700	\$ <u><u>1,819,177</u></u>
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Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 23-, adopted at a meeting of the City Council held December 12, 2023, at which a quorum was present and voted.

Tonya B. Lacey, MMC
Clerk of Council