

**TOWN COUNCIL
Work Session
Cape Charles Civic Center
April 6, 2023
6:30 PM**

At approximately 6:30 p.m. Mayor Adam Charney, having established a quorum, called to order the Work Session of the Cape Charles Town Council. In addition to Mayor Charney, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Butta, Follmer and Grossman, and Councilwoman Holloway. Also, in attendance were Town Manager John Hozey, Project Manager Bob Panek, Treasurer Deborah Pocock, Assistant Treasurer Adrian Oei, Planner/Zoning Administrator Katie Nunez and Town Clerk Libby Hume. There was one member of the public in attendance.

Town Manager John Hozey began by thanking Mayor Charney for his efforts to mediate issues between some property owners in the town. Things were being worked out and VDOT will be contacted.

ORDER OF BUSINESS:

A. *Capital Improvement Projects & Program:*

The discussion of the current capital improvement projects began with a review of the Town facilities options from the April 21, 2022 Town Council Regular Meeting (Please see attached). At that meeting, Council opted for option #5, which was a new building for all functions except the library, which would remain at its current location. The Town Hall and Civic Center buildings would be sold along with the third floor of the library building.

Councilman Grossman stated that, given the cost estimates on the proposed new municipal building, he requested reconsideration of option #1, which was less costly than constructing a new building and the option recommended by staff last year.

John Hozey interjected that the reason option #1 was recommended last year was strictly because it was the cheapest option, not necessarily the best option. Option #5 was the better option. The big issues were the unknowns that could drive up the costs. There were more unknowns in renovating an old building, than constructing a new building. He appreciated Councilman Grossman's comments, adding that this was an important discussion to have. In order to get comparable cost estimates, the same design effort was needed for option #1 which would be a considerable cost.

Project Manager Bob Panek noted that the Town had spent approximately \$250K on the project. The current estimate did not include construction management. Staff also had a list of deficiencies in the existing buildings.

There was much discussion regarding the options, but a general consensus was reached by the majority of Council to continue with option #5.

Council proceeded to review the current capital projects as follows:

John Hozey stated that significant reductions in scope were proposed for all projects including owner furnish/contractor install of some equipment to save on markup, however, this would require additional staff resources to implement. Items already excluded from the general contractor scope included IT wiring and setup, relocation and modification of surveillance system in the park, restrooms, Bay Avenue, etc., and relocation of office furnishings and equipment.

New Municipal Building (at 60% design): Bob Panek reviewed the potential reductions in scope to include: i) change in roofing materials from standing seam to asphalt shingle; ii) reduction of decorative treatments on the exterior of the building; iii) reduction in the quantity of brick veneer; iv) reduction in the amount of ceramic tile and replace with vinyl flooring; v) reduce the amount of asphalt/increase shell paving; vi) eliminate the golf cart path/parking; vii) fence screen for trash receptacles versus masonry (this would also require a zoning amendment); viii) owner furnish/contractor install the generator; ix) change all restroom flush valves from sensor flush to manual.

There was much discussion related to the recommended reductions and some other possibilities. John Hozey stated that staff would make a list of practical items for Council review. Additional items could be the light poles and landscaping.

Vice Mayor Bennett cautioned against about going into crisis mode and making final decisions based on the 60% estimate, adding that costs could go down as well as up. All suggested changes needed to be incorporated prior to putting the project out to bid.

John Hozey recommended holding off on the municipal building until after the sale of the public utility facilities or the Town would have to obtain a bridge loan. Bob Panek would work with HBA for reasonable bid alternates and listing of owner furnished equipment.

Visitors Center & Restroom (at 60% design): Potential reductions include: i) change in roofing materials from standing seam to asphalt shingle; ii) change open air corridor at restrooms to interior corridor to save on insulation and exterior materials in corridor; iii) reduction in the amount of ceramic tile and replace with vinyl flooring; iv) reduce amount of concrete paving, where not required for accessibility, and change to oyster shells; v) switch water supply plumbing from copper to PEX (flexible polyethylene tubing); vi) eliminate the urinals in the unisex restrooms; v) provide only heat and ventilation in the restrooms, no cooling. If cooling is absolutely necessary, change layout to two large restrooms with stalls versus six individual rooms. None of the Town's current public restrooms have air conditioning.

Bob Panek added that the public utilities staff could run the utility pipe which would save labor costs, and the project could be reduced to only build the restroom, which was the original concept, and the visitors center could be added later.

There was much discussion regarding: i) water and sewer connections; ii) the need for separate unisex facilities as well as ADA accessibility; iii) the need for air conditioning since the restrooms would be used primarily during the summer; iv) the possibility of wood framing versus cement blocks; v) keeping the floor as concrete versus installing tile; vi) keeping or eliminating the urinals; vii) possibly having three restrooms with two stalls for men (without urinals), two stalls for women, and one unisex room; viii) elimination of concrete paving in areas not necessary for ADA access, which was about 50% of the paved area; ix) using a local concrete contractor for the work and the fact that no local contractors had ever submitted a bid on a town project; x) the lack of a firm lease on the land from Canonie.

Bob Panek would work with HBA identifying areas that could be included as bid alternates.

Library Renovation (at 50% design): A request for proposals was advertised for the sale of the building and redevelopment of the front mezzanine and third floor. The building would be condominiumized and the library area would either be purchased back or leased. The proposals were due May 1. This project could be delayed and folded into the private redevelopment as part of negotiations to create economies of scale and eliminate project administrative burden.

There was some discussion and a consensus to delay the project and let the developer make the renovations. The Town would then buy the library area back after renovations were completed.

Keck Wells Connection (at 90% design): The only options for reduction would be in materials. The last estimate used HDPE (high density polyethylene) pipe, but PVC could be used. John Hozey recommended moving forward with this project since the project would be funded from the Facility Fees Reserve.

Community Trail, Phase 3 (at 100% design): This was a project tied to VDOT's processes and there were not many options to reduce costs. The proposed invitation to bid contained two bid alternates – south park entrance and pedestrian light poles. These could be withheld from the contract award until additional funding was available. Although materials were commonly available, there was limited competition for small transportation projects on the Eastern Shore. The project was advertised in 2019 but not awarded due to high bids. Readvertisement was significantly delayed by VDOT's lengthy review process. The project would be funded by 80% grant/20% town match.

Inner Harbor Bulkhead Rehabilitation (at 100% design) and Inshore Breakwater Repair & Reinforcement (at 100% design): An application was submitted for funding under the Virginia Port Authority Aid to Local Ports grant which would cover 75% of the cost. The main cost reduction option was to combine these two projects. Combining the projects would delay the work on the inshore breakwater repair until after the summer season. The Town should have notification of the VPA grant funding later in May, but the money would not be available until July 1.

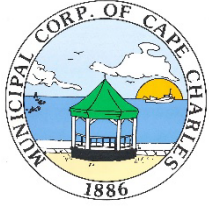
John Hozey thanked everyone for their ideas, and noted that the first budget work session would be scheduled for May 4th.

Motion made by Councilman Buchholz, seconded by Councilwoman Holloway, to adjourn the Town Council Work Session. The motion was approved by unanimous vote.

The work session adjourned at 7:51 p.m.

Mayor Charney

Town Clerk

 TOWN OF CAPE CHARLES	AGENDA TITLE: Town Facilities Options		AGENDA DATE April 21, 2022
	SUBJECT/PROPOSAL/REQUEST: Select option to advance to the design and engineering phase		ITEM NUMBER: 7A
	ATTACHMENTS: (1) Summary of Options, (2) Cost Estimates, (3) Estimating Factors, (4) Assessed Values		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): Bob Panek, Project Manager	REVIEWED BY: John Hozey, Town Manager	

BACKGROUND:

An analysis of alternatives to address the many deficiencies of the current Town facilities housing the administrative, police, library, and council chamber functions has been completed. Four options for renovation of existing buildings and construction of a new building on Cassatt Parkway were presented to Council in the Work Session of March 31, 2022. Council added a fifth option to be considered and requested that the matter be brought back for a decision.

DISCUSSION:

Option 1 – Renovate Municipal building for all administrative functions, new building for police, archives and council chambers, library remains at current location. Sell Civic Center and third floor of Library building.

Option 2 – Renovate Municipal and Civic Center buildings for most administrative and library functions, new building for police, archives, council chambers and some administrative functions. Sell all of Library building.

Option 3 – Renovate Civic Center building for continued use as council chambers, new building for all other functions. Sell Municipal building and all of Library building.

Option 4 – Renovate Library and Civic Center buildings. Library remains at current location. Administrative functions spread among third floor of Library building, Civic Center building and new building. New building for police, archives, council chambers and some administrative functions. Sell Municipal building.

Option 5 – New building for all functions except library. Library remains at current location. Sell Municipal and Civic Center buildings and third floor of Library building.

The attachments contain the estimating factors, assessed values of existing properties to be sold to generate revenue, and **initial** cost estimates for each option. Note that all systems and restrooms at first floor of Library building require renovation if the function remains at that location. Also, 50% of assessed value is assumed for sale of third floor of Library building. This will be refined during negotiations with a developer. Design/engineering/construction admin are placeholder figures only (12%) and will be formally proposed by HBA after selection of preferred option. Note: construction contingency placeholder also included (5%).

RECOMMENDATION:

While discussion and “back of the envelop” calculations during the work session seemed to favor option 5, following development of detailed estimates, Option 1 appears to be the most cost effective. Staff therefore recommends Option 1.

Summary of Town Facilities Options

21-Apr-22

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>
Renovation	1,450,000	1,418,040	248,040	1,218,040	280,000
Construction	2,255,000	2,645,000	5,120,000	2,705,000	4,565,000
Design/Eng/CA/Cntcy	629,850	690,717	912,567	666,917	823,650
Total	4,334,850	4,753,757	6,280,607	4,589,957	5,668,650
Building Sales	<u>828,050</u>	<u>1,203,500</u>	<u>1,554,200</u>	<u>350,700</u>	<u>1,178,750</u>
Total	3,506,800	3,550,257	4,726,407	4,239,257	4,489,900
Randolph Lot Sales	<u>340,000</u>	<u>340,000</u>	<u>340,000</u>	<u>*</u>	<u>340,000</u>
Total	3,166,800	3,210,257	4,386,407	4,239,257	4,149,900

*Assumes keeping lots for parking if Library third floor is used for Town offices.

Town Facilities Cost Estimates, April 21, 2022

<u>Option 1</u>	<u>Sq. Ft.</u>	<u>\$/sq. ft.</u>	<u>Cost</u>
Municipal Building	5,850	200	\$ 1,170,000
New Building	7,100	300	\$ 2,130,000
Water & Sewer			\$ 125,000
Library First Floor	2,800	100	\$ 280,000
Design/Eng/CA/Contgcy			\$ 629,850
Total			\$ 4,334,850
<u>Divestitures</u>			
Civic Center			\$ 226,300
Library Third Floor			\$ 601,750
Total			\$ 828,050
Net			\$ 3,506,800
Randolph Lots			\$ 340,000
Net			\$ 3,166,800

<u>Option 2</u>			
Municipal Building	5,850	200	\$ 1,170,000
Civic Center	1,378	180	\$ 248,040
New Building	8,400	300	\$ 2,520,000
Water & Sewer			\$ 125,000
Design/Eng/CA/Contgcy			\$ 690,717
Total			\$ 4,753,757
<u>Divestitures</u>			
Library Building			\$ 1,203,500
Net			\$ 3,550,257
Randolph Lots			\$ 340,000
Net			\$ 3,210,257

<u>Option 3</u>			
Civic Center	1,378	180	\$ 248,040
New Building	16,650	300	\$ 4,995,000
Water & Sewer			\$ 125,000
Design/Eng/CA/Contgcy			\$ 912,567
Total			\$ 6,280,607
<u>Divestitures</u>			
Municipal Building			\$ 350,700
Library Building			\$ 1,203,500
Total			\$ 1,554,200
Net			\$ 4,726,407
Randolph Lots			\$ 340,000
Net			\$ 4,386,407

<u>Option 4</u>	<u>Sq. Ft.</u>	<u>\$/sq. ft.</u>	<u>Cost</u>
Library First Floor	2,800	100	\$ 280,000
Library Third Floor	2,760	250	\$ 690,000
Civic Center	1,378	180	\$ 248,040
New Building	8,600	300	\$ 2,580,000
Water & Sewer			\$ 125,000
Design/Eng/CA/Contgcy			\$ 666,917
Total			\$ 4,589,957
<u>Divestitures</u>			
Municipal Building			\$ 350,700
Net			\$ 4,239,257
Randolph Lots*			\$ -
(*needed for parking)			
Net			\$ 4,239,257

<u>Option 5</u>			
Library First Floor	2,800	100	\$ 280,000
New Building	14,800	300	\$ 4,440,000
Water & Sewer			\$ 125,000
Design/Eng/CA/Contgcy			\$ 823,650
Total			\$ 5,668,650
<u>Divestitures</u>			
Municipal Building			\$ 350,700
Library Third Floor			\$ 601,750
Civic Center			\$ 226,300
Total			\$ 1,178,750
Net			\$ 4,489,900
Randolph Lots			\$ 340,000
Net			\$ 4,149,900

Estimating Factors
April 21, 2022

<u>Size</u>	<u>Square Feet</u>
Municipal Bldg. – first floor	2,925
Municipal Bldg. – second floor	2,925
Library Bldg. – first floor & rear mezzanine	2,800
Library Bldg. – third floor & front mezzanine	2,760
Civic Center Bldg.	1,378

<u>Renovation Cost</u>	<u>Per Sq. Ft.</u>
Municipal Bldg.	200 (including elevator)
Library Bldg. – first floor & rear mezzanine	100 (systems, restrooms, etc.)
Library Bldg. – third floor & front mezzanine	250 (including elevator)
Civic Center Bldg.	180

<u>New Construction Cost</u>	
Including site work, parking, stormwater, etc.	300
Water & sewer (700', pump station, etc.)	\$125,000

Assessed Value (2022)

April 21, 2022

<u>Property</u>	<u>Parcel</u>	<u>Land</u>	<u>Improvements</u>	<u>Total</u>
Municipal Bldg.	587	150,000	200,700	350,700
Library Bldg.	643	387,500	586,000	973,500
Library paved lots	642B	230,000	0	230,000
Civic Center Bldg.	476	100,000	126,300	226,300
Randolph Lots	644	170,000	0	170,000
	641	170,000	0	170,000

April 6, 2023

Project: New Municipal Building (60% design)

Purpose: Construct new Municipal Building to replace current Municipal Building and Civic Center which are inadequate and substandard in almost every respect.

Scope: Will consolidate legislative, administrative and law enforcement functions in a new building located on an undeveloped Town-owned two-acre parcel on the north side of Cassatt Parkway. Encompasses:

1. 15,800 sf two story building, including a three bay garage
2. Entrance drive, lighted parking lot, storm water management ponds
3. Water and wastewater service connections to Old Cape Charles Road
4. Golf cart and pedestrian access trail from Old Cape Charles Road

Design Firm: HBA

Cost Containment Measures:

1. Consider changes proposed by HBA below, including owner furnished items
2. Pursue moderate redesign, e.g., two bay garage, reduce space for future staff growth
3. Pursue significant redesign, e.g., police and legislative remain at current buildings

Considerations:

Leaving police and/or legislative functions at existing buildings will require additional costs to design and implement improvements to those buildings. It would also forgo revenue of about \$750,000 from divestiture of those properties.

There may be additional opportunities, beyond the emergency generator proposed by HBA, to contract separately for owner furnished items to save general contractor overhead and profit mark ups. Examples: parking lot light poles, landscaping, golf cart/pedestrian access trail. However, this will require additional staff resources to implement, and the items must be carefully chosen to minimize risk of integration into the construction process. It should be noted that certain items are already excluded from the general contractor scope that will require staff implementation: IT wiring and set up, relocation and modification of remote surveillance system (park, restrooms, Bay Avenue), relocation of office furnishings and equipment.

Cape Charles Projects Cost Control Concepts:

General

- Owner Furnish/Contractor Install where possible and practical to save GC markup on equipment
- It is suggested that the project be bid and then engage with the low bidder to propose the most effective VE ideas

Municipal Building

Architectural:

- Change standing seam roofs to asphalt shingle
- Reduce quantity of brackets
- Reduce quantity of brick veneer
- Reduce amount of ceramic tile and switch to LVT

Site:

- Reduce asphalt/increase shell paving
- Eliminate golf cart path/parking
- Fence screen for trash can enclosure vs masonry

PME:

- Owner Furnish/contractor install the generator
- Change all sensor flush valves to manual

April 6, 2023

Project: **Downtown Restroom & Visitors Center (60% design)**

Purpose: Construct a new public restroom and visitors center to replace the current inadequate mobile restroom and porta-potties, and to provide tourist information resources.

Scope: 1,200 sf building (half each restrooms & visitors center), ADA parking spots, ADA sidewalk from Strawberry Street Plaza, water and wastewater connections to Mason Avenue, storm water management pond.

Design Firm: HBA

Cost Containment Measures:

1. Consider changes proposed by HBA below
2. Have Public Utilities staff install water and wastewater connections
3. Return to original concept of only a restroom facility

Considerations:

This building was not included in the original analysis of Town facilities options. It was added to the HBA design scope as a restroom facility, and subsequently expanded to include a visitors center as a less costly approach than converting the rail passenger car.

The cost estimate includes the water and wastewater connections to Mason Avenue, excluding the wastewater grinder pump station. These two lines could be installed by the Public Utilities staff to save contract labor, overhead and profit. Of course, this would be dependent on the availability of staff and displace other work.

Redesign to return to the original restroom only concept will require additional minor architectural and engineering costs. The overall site footprint and stormwater management provisions could be retained for potential future expansion of the building.

Cape Charles Projects Cost Control Concepts

General

- Owner Furnish/Contractor Install where possible and practical to save GC markup on equipment
- It is suggested that the project be bid and then engage with the low bidder to propose the most effective VE ideas

Visitor's Center

Architectural:

- Change standing seam roofs to asphalt shingle
- Change open air corridor at restrooms to interior corridor to save on insulation and exterior materials in corridor
- Reduce amount of ceramic tile and switch to LVT

Site:

- Reduce concrete paving and change to oyster shells where concrete is not required for accessible route

PME:

- Switch to PEX for water supply
- Eliminate urinals
- Provide heat and ventilation in restrooms, no cooling (*alternatively, if cooling is absolutely required, change the layout to two large toilet rooms with stalls so that only two indoor cassettes are needed rather than 6, however this would require some redesign*)

April 6, 2023

Project: **Library Renovation** (50% design)

Purpose: Limited renovation of the first floor and rear mezzanine of the Library Building.

Scope: New HVAC system, new kitchenette/break area, structural repair of beams in rear of building, replace deteriorated sidewalk at rear, update interior restroom.

Design Firm: HBA

Cost Containment Measures:

1. Combine with Downtown Restroom & Visitors Center to create economies of scale

Considerations:

Design has lagged due to availability of structural subconsultant. Inspection now accomplished and work will resume soon.

Original plan included modification of lobby restroom to ADA standards. Removed from scope since ADA restroom would be available at visitors center across the street.

RFP out for sale of building and redevelopment of front mezzanine and third floor. Library area would be retained either as a condominium unit or by long term lease. Proposals due May 1. Could defer library renovation and fold into private redevelopment as part of negotiations to create economies of scale and eliminate project administration burden. Improvements would be delayed (not critical). Risk of a false start if an acceptable redevelopment deal does not come together.

April 6, 2023

Project: **Keck Wells Connection** (90% design)

Purpose: Increase production capacity of Water Treatment Plant (WTP) to meet projected near-term peak demand during summer season. Supply potable water to planned workforce housing development and potential future development on adjacent Town-owned parcel. Need identified by monitoring steadily increasing demand and projections reflected in recent GHD and AES capacity studies.

Scope: Approximately 3,300 linear feet of 8" raw water main from KW1 and KW2 to WTP and 12" finished water main back to well site. Includes well pumps, controls and instrumentation.

Design Firm: GHD

Cost Containment Measures:

1. Allow alternate pipe materials – HDPE or PVC.

Considerations:

Cost estimate has increased substantially since original 2015 estimate.

- Added finished water main
- Jack and bore under new Cassatt Parkway
- Eight years of inflation – 27%. Higher in construction sector due to supply chain issues

Should be funded from Facility Fees Reserve as it increases WTP production capacity.

April 6, 2023

Project: **Community Trail, Phase 3** (100% design)

Purpose: Construct Phase 3 of the Community Trail master plan to improve pedestrian mobility. Also, rationalizes parking on south Peach Street between Mason and Randolph avenues and improves south entrance to Central Park.

Scope: Replace substandard sidewalks and missing sections with new wide sidewalks with pedestrian lighting. Build head-in angle parking median and parallel parking spaces on both sides of street, as well as vehicle turn-around and vendor parking area at south park entrance.

Design Firm: Land Studio

Cost Containment Measures:

1. Cost estimates have been reviewed and updated using most recent VDOT unit pricing data
2. IFB contains two bid alternates, south park entrance and pedestrian light poles, that can be withheld from award to descope project to available funding

Considerations:

Materials are commonly available, but there is limited competition for these small transportation projects on the Eastern Shore.

Project was advertised in 2019 but not awarded due to high bids. Several design changes have since been made removing about \$75,000 of estimated cost.

Readvertisement has been significantly delayed by lengthy and unreasonable VDOT review. Bid package is now awaiting FHWA authorization to advertise for construction.

Federal Transportation Alternatives Program grant funds a substantial portion of the project.

April 6, 2023

Project: Inner Harbor Bulkhead Rehabilitation (100% design)

Purpose: Rehabilitate sections of bulkhead around the inner harbor that have suffered damage from side-to docking of large commercial vessels over the past twenty years. Will prevent localized acute failures and extend service life to about fifty years. Need identified in recent Harbor Capital Asset Evaluation.

Scope: Replace approximately 54% of the king piles and horizontal wales, about 600 linear feet, supporting the vinyl bulkhead around the inner harbor.

Design Firm: Langley & McDonald

Cost Containment Measures:

1. Combine with Inshore Breakwater Repair & Reinforcement project to create economies of scale.

Considerations:

Materials are commonly available, but some minor supply chain issues were experienced during last major repair of the inshore breakwater.

Applied for a VPA Aid to Local Ports grant (75%).

Project can be restructured for execution in two phases, but about \$23,000 of additional mobilization costs will be incurred.

April 6, 2023

Project: **Inshore Breakwater Repair & Reinforcement (100% design)**

Purpose: Repair suspected pile damage below the mud line caused by a large vessel collision. Improve survivability by installing a new section to dampen reflected energy from "A" Dock and protective dolphins.

Scope: Install nine new pile sets along northern section. Add dogleg spur at north end and four 5-pile dolphins.

Design Firm: Langley & McDonald

Cost Containment Measures:

1. Combine with Inner Harbor Bulkhead Rehabilitation project to create economies of scale

Considerations:

Materials are commonly available, but some minor supply chain issues were experienced during last major repair.

Could be structured as a bid alternate to the bulkhead rehabilitation project. Would create economies of scale and still isolate work to be partially funded by VPA Aid to Local Ports grant.

Would be preferable to accomplish this before the summer hurricane season, but could wait until the fall for execution with the bulkhead rehabilitation project planned for after the busy summer season. The recent interim repairs have held up fairly well through two very intense storms.