



# City of Greensboro

Melvin Municipal  
Office Building  
300 W. Washington Street  
Greensboro, NC 27401

## Agenda Report

File Number: 2023-42

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### Agenda Item# J. 4.

**Agenda Date:** 2/21/2023. **Department:** Transportation

**Meeting Type:** Council Meeting **Category:** General Business Agenda

**Title:** 2023-42 Ordinance in the Amount of \$2,507,459 Increasing Budget for Contract 2019-0760 Construction Reimbursement Agreement Between the City of Greensboro and Elm Street Hotel, LLC for the Construction of the February One Parking Deck Project

**Council Priority: Place an 'x' in the box.**

- Create an Environment to Promote Economic Development Opportunities and Job Creation
- Maintain Infrastructure and Provide Sustainable Growth Opportunities
- Promote Public Safety & Reduce Crime
- Exceptional Customer Service and a Diverse City Government Workforce
- Ensure Fiscal Stewardship, Transparency, & Accountability

**Council District:** 3

**Public Hearing:** No

**Advertising Date/By:** NA

**Contact 1 and Phone:** Taiwo Jaiyeoba, 373-2002

**Contact 2 and Phone:** Hanna Cockburn, 373-2861

### **PURPOSE:**

A budget ordinance is needed to increase the budget for a requested change order to Contract 2019-0760, a reimbursement agreement with Elm Street Hotel, LLC for the February One Parking Deck Project. The change order accounts for unforeseen conditions encountered during construction and additional items required to complete construction of the parking deck.

### **BACKGROUND:**

In December 2017, City Council approved a resolution authorizing the City Manager to enter into a reimbursement agreement with Elm Street Hotel, LLC for construction of the February One Parking Deck in an amount not exceed \$25,866,241. The agreement was executed in September, 2019.

In December 2019, the contractor discovered the basement foundations and demolition rubble of the S&W Cafeteria during phase 1 demolition. This resulted in an 11 month project delay and

required significant revisions to the structural design and fundamentally changed the required site work. Additional site work included soil remediation, shoring walls to prevent damage to adjacent buildings and streets, additional utility relocations, and ground water management. The original design had to be modified to allow for a different foundation system that responded to the site conditions and add network IT rooms required to support the security camera system. Additional changes include adding upper floor security fencing, emergency phones, electric vehicle charging stations and reconfiguration of office space. There are no additional administrative fees associated with this change order. The \$5,810,724 change order represents a total increase in City participation of 18.3%.

MWBE goals were set at 10% MBE and 10% WBE. To date, 1.65% of the MBE and 1.98% of the WBE goals have been met. Change order #1 increases the total contract award to \$31,676,965. Performance monitoring on these goals will continue through the construction of the hotel.

Despite unprecedented construction cost volatility, supply chain issues and labor shortages, the construction team worked to limit impacts to the project cost by negotiating favorable price locks, storage arrangements for materials and effective management of subcontractors.

Substantial completion of the parking deck is expected in March 2023, with completion of the hotel by June 2024. Coordination will continue with the construction team as streetscape improvements to Davie Street and February 1 Place are initiated.

**BUDGET IMPACT:**

Funding for this change order will be as follows:

\$2,507,459	Unbudgeted revenue from bond proceeds, interest earnings and sales tax (Ordinance)
\$2,500,000	Remaining funds from Eugene St Deck (Budget Adjustment)
<u>\$ 803,265</u>	Appropriations Available in Project Account
\$5,810,724	

**ACCOUNT NUMBER:**

Funding will be budgeted in Feb 1 Deck Project Account 546-4510-01.6019

**RECOMMENDATION / ACTION REQUESTED:**

It is recommended that City Council approve the attached ordinance increasing the budget for change order to Contract 2019-0760, a reimbursement agreement with Elm Street Hotel, LLC for the February One Parking Deck Project.