

To: **Mayor and City Council**  
From: **Ryan Schroeder, City Manager**  
Date: **February 24, 2020**

## **Award Dome Safety Entrance Construction Bid**

### **BACKGROUND INFORMATION:**

When the Sports Dome was originally constructed in 2012, the decision was made to construct the six western emergency exit stairwells in the current configurations in order to provide for more parking than would have resulted from differing configurations. However, the City has struggled with the stairwells since the first snowfall. A significant snowpack occurs within the stairwells due to the force of the snow sliding off the roof and into these emergency exits, which must be maintained as passable. In the past, the City constructed the current roof structures over the exits in an attempt to reduce this level of packing which makes snow removal extremely difficult. However, what has resulted from the snow impacts is that the structural elements are failing.

Last fall we had received a \$500,000 cost estimate on reconstruction of the stairwell structures. Subsequently, the engineering firm that designed the dome (Stantec) provided a differing view. On November 25, 2019, Council authorized plans and specifications from that firm at a cost of \$13,500 to replace the four interior stairwells at a cost estimate of \$50,000 each. On January 27, 2020, Council approved the plans and specs and authorized bids. Bids were opened on February 18, 2020 and the low bid, with alternate is for \$372,885.

The 2012 Dome construction was funded by \$1,850,000 in cash and debt issuance of \$5,080,000. The debt included a taxable abatement issue that will be retired in 2026. Currently that issue has a principal balance of \$1,485,000. Interest is at 2-2.75%. The other issue is a non-taxable abatement issuance at 2.125-2.75%. The City intent has been to begin payments toward principal upon retirement of the taxable debt. Current principal balance of this issue is \$2,560,000 with an expected pay off date of 2034.

2020 budgeted revenues are at \$1,087,929, which includes an infusion of tax levy revenue of \$236,329. The budget is essentially balanced including debt of \$313,819 and additional contribution to the debt fund of \$50,000. Our cash target for this operation is \$3,000,000 with year-end 2018 cash at \$1,648,681 and un-audited 2019 cash balance of \$2,022,596. Absent this project, we have been projecting fund reserves of \$2.4 MM by 2022 and \$3.0 MM by 2030. The primary need for cash is for \$1,000,000 in turf replacement in 2023 and \$600,000 for Dome fabric replacement in 2030. In January 2018, the current facility operator projected a 30-year life for the dome fabric (which would be 2042) and 15-20 life for the turf (2027-2032). However, taking a more conservative approach we have not adjusted our replacement schedule. The net of all of the above is that we have the fiscal capacity to conduct the proposed project.

The project recommendation is more than just a financial discussion. Of utmost importance, these safety exits must be maintained to ensure the security of users, contractors, and employees within the Dome facility. Further, snow events represent a significant burden upon City forces to conduct snow removal from the stairwell structures and, at times, an additional safety hazard as well. In other words, we believe we are compelled to address the stair structures. We believe the approach of reconstructing the structures is the appropriate approach.

The low bidder for this project is TMG Construction. The low bid is \$366,200 and the bid alternate is \$6,685. We are recommending the alternate as well which is reconstructing the roof structures on the two perimeter exits.

**FISCAL IMPACT: \$372,885**

		Amount
<b>Fund:</b>		
<b>Department:</b>		
<b>Account:</b>		

**STAFF RECOMMENDATION:**

Award reconstruction of the Dome safety exits to TMG Construction for \$372,885

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