

# **CITY COUNCIL Work Session**

Wednesday, November 6, 2019

# **Work Session**

Receive a work session update on the final two remaining bond projects from the FY17 bond election: Fire Station #2 relocation and Fire Station #6 design.

# Background

## ➤ Fire Station #2

- Relocation to another more suitable site within the City.
- Identified a site within the La Cima neighborhood.
  - This site was donated to the City as part of the development agreement, which Council approved.
- The City entered into a design/build agreement.
- Funding of Budget amendment

## ➤ Fire Station #6

- To be located on a parcel of donated land within the Trace subdivision on the South end of the City
- Requesting approval to move forward
- Funding of budget increases

# New Fire Station Elevation



# **Fire Station #2 Relocation**

## **Bond Language**

**Shall the City Council of the City of San Marcos, Texas be authorized to issue the bonds of the City, in one or more series, in the aggregate principal amount of \$17,450,000, with the bonds of each such series, respectively, to mature serially within not to exceed thirty years from their date, and to be sold at such prices and bear interest at such rates, as shall be determined within the discretion of the City Council, in accordance with law at the time of issuance, for the purpose of constructing, improving, renovating and equipping Public Safety Facilities to include the police and fire departments and related emergency and training facilities, including improvements to the police station, construction of a new Fire Station No. 8 and replacing existing Fire Station No. 2 and the acquisition of any necessary sites and related water, wastewater, drainage, streets, sidewalks, parking, infrastructure and other related costs; and shall said City Council be authorized to levy and cause to be assessed and collected annual ad valorem taxes on all taxable property in the City in an amount sufficient to pay the annual interest on said bonds and provide a sinking fund to pay the bonds at maturity.**

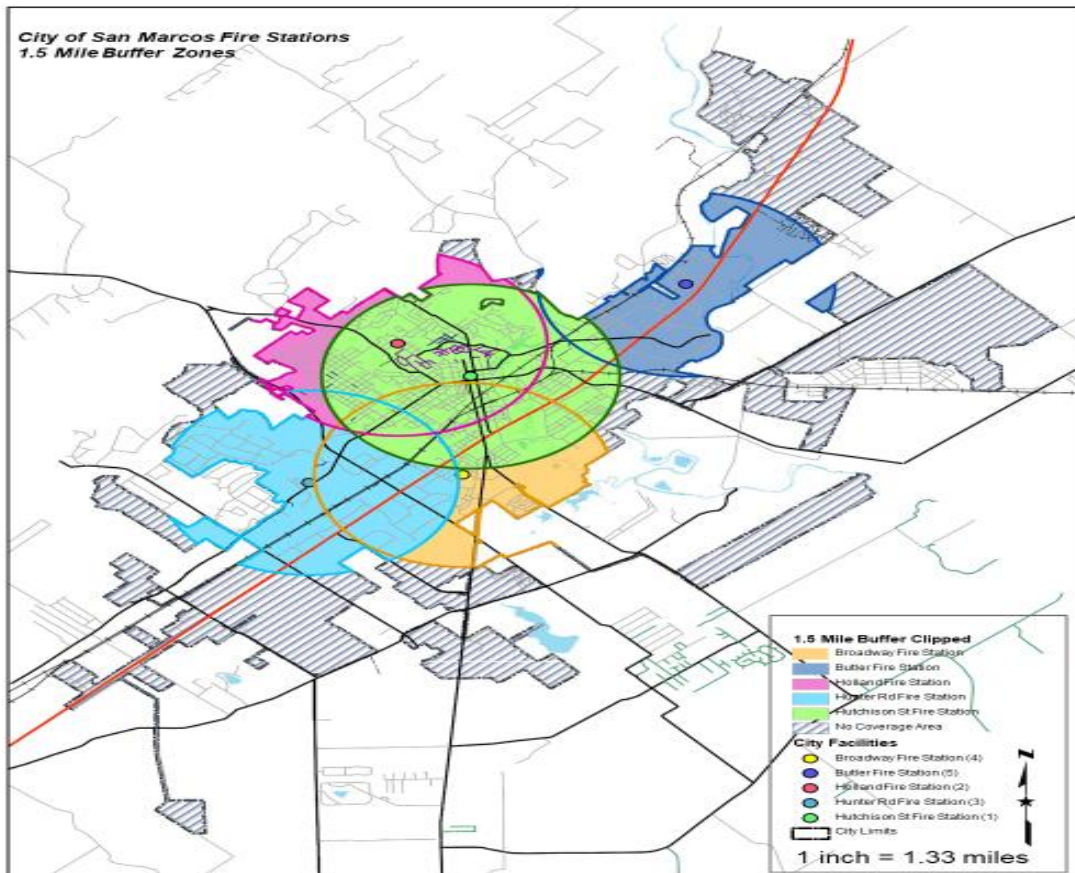
## **Fire Station #2 Relocation**

### **Voter Education Language:**

**Holland Fire Station # 2 relocation (Capital costs \$5.2 million): This project will relocate Fire Station #2 to a new site approved by the Task Force. The new facility will replace the 63 year old structure that the department has occupied since 1954. Over 76% of the existing Station's coverage area is overlapped by other stations which has resulted in a very low call volume. The station's new location was recommended by a fire consultant who specializes in Insurance Services Office ratings, which is one of the primary ways insurance companies develop fire insurance rates for residential and commercial customers. Constructing the new station at a location near Wonder World Drive and Old Ranch Road 12 improves the distribution of fire department facilities which will result in shorter response times for a larger portion of the overall community.**

# Station Coverage Overlap

Current Station 2 and Station 1



# Initial Location Considered – Station 2

2.3 acres at Wonderworld and Old RR12

(no longer available)

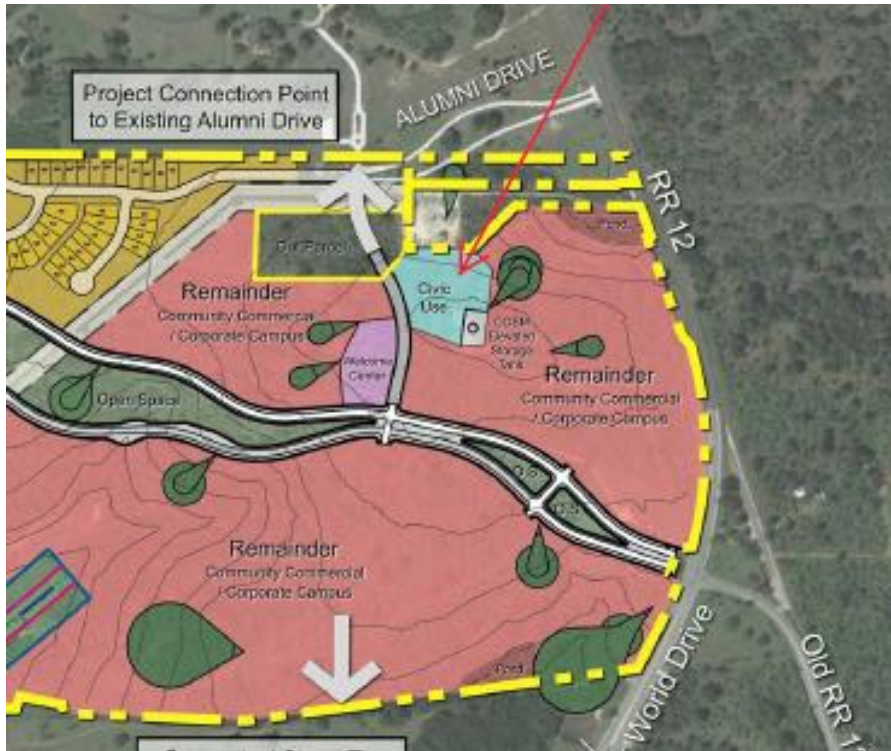




# New Location – Station 2

3.5 acres inside La Cima (donated by developer)

Design Build Agreement Authorized by Council in 2019.



# Station 2 Budget Considerations

- **Original budget estimates**
  - Based on the pre-construction cost estimates for the new Station 4 on East Wonder World Drive
- **Site concerns**
  - The La Cima site is over the Edward Aquifer recharge zone and will require more extensive site prep.
- **Construction costs**
  - Cost estimates since Station 4 have escalated by 17.4%
  - Cost reduction efforts by Jacobs and City staff identified \$250,750 in savings through design.
- **Comparable projects cost data**
  - Indicates we are in line with the market (\$428 - \$438 per sq ft)
- **Funding overage**
  - Will be covered by interest earnings on bonds that were sold [sanmarcostx.gov](http://sanmarcostx.gov) early – about \$1 million in capacity.

## Station 6 Estimates and Design

- **Original budget cost estimate**
  - \$4.5 million plus \$2 million to be contributed by the developer to be put toward the cost of the Fire Station and equipment.
- **Developer must achieve milestones, per the funding agreement, before payments are triggered.**
  - 1<sup>st</sup> payment \$500,000 received in 2019
  - 2<sup>nd</sup> payment \$750,000 due in 2020
  - Final payment \$750,000 due in 2022
- **Staff is concerned about cost increases while waiting for 2<sup>nd</sup> payment. Again, interest earnings could offset if bonds are sold early.**
  - Apparatus cost is \$785,000 if ordered before 12/31/19. 5% increase effective January 2020
  - Construction cost escalation similar to that seen on Station 2
  - Funding overview – same methodology used with Station 2

# **Staff Recommendations**

- **Approve Guaranteed Maximum Price amendment to the design/build agreement for Station 2 (La Cima)**
- **Approve moving forward with design and construction of Station 6**

## **Questions and Discussion**