



CITY OF

**WATERTOWN**

SOUTH DAKOTA

# City Facility Updates

**City Hall & Street Maintenance Facility**

**OR**

**City Services Center?**

# Current City Hall History



1930s (?) - Original Building Construction

1954 - Addition to the North

1974 - City Acquired Property

1992 - Boiler Project

2008 - ADA Improvements (elevator & restrooms)

2015, '16, '18 - Space Needs Additions/Remodels

- Currently houses 29 FTE Positions
- 7,600 SF per floor (15,200 SF offices and meeting room space, 7,600 SF basement, 22,800 SF total)



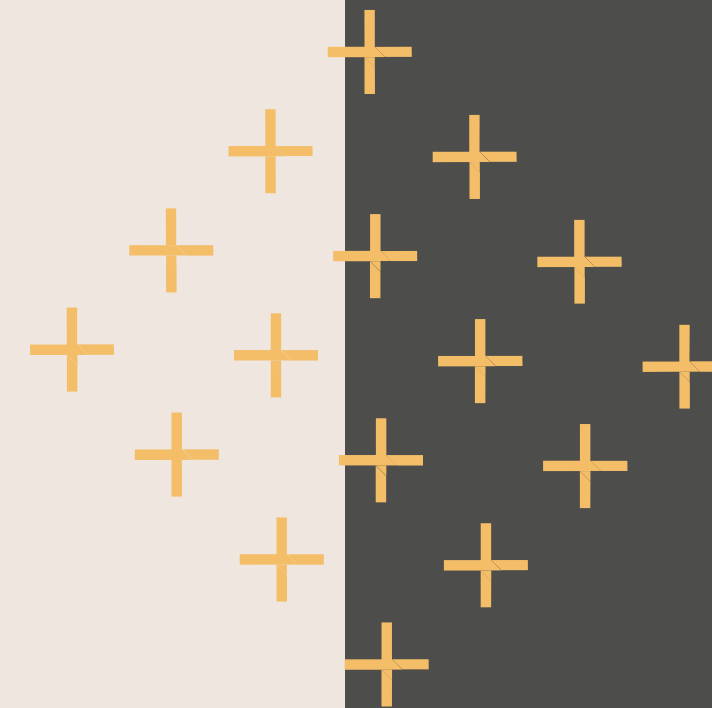
# City Hall Necessities



- 2011 - Mold Testing Services
- 2015 - Mold Testing Services
- 2020 - Radon Testing Services
- 2023 - Security Assessment

## Ongoing Needs

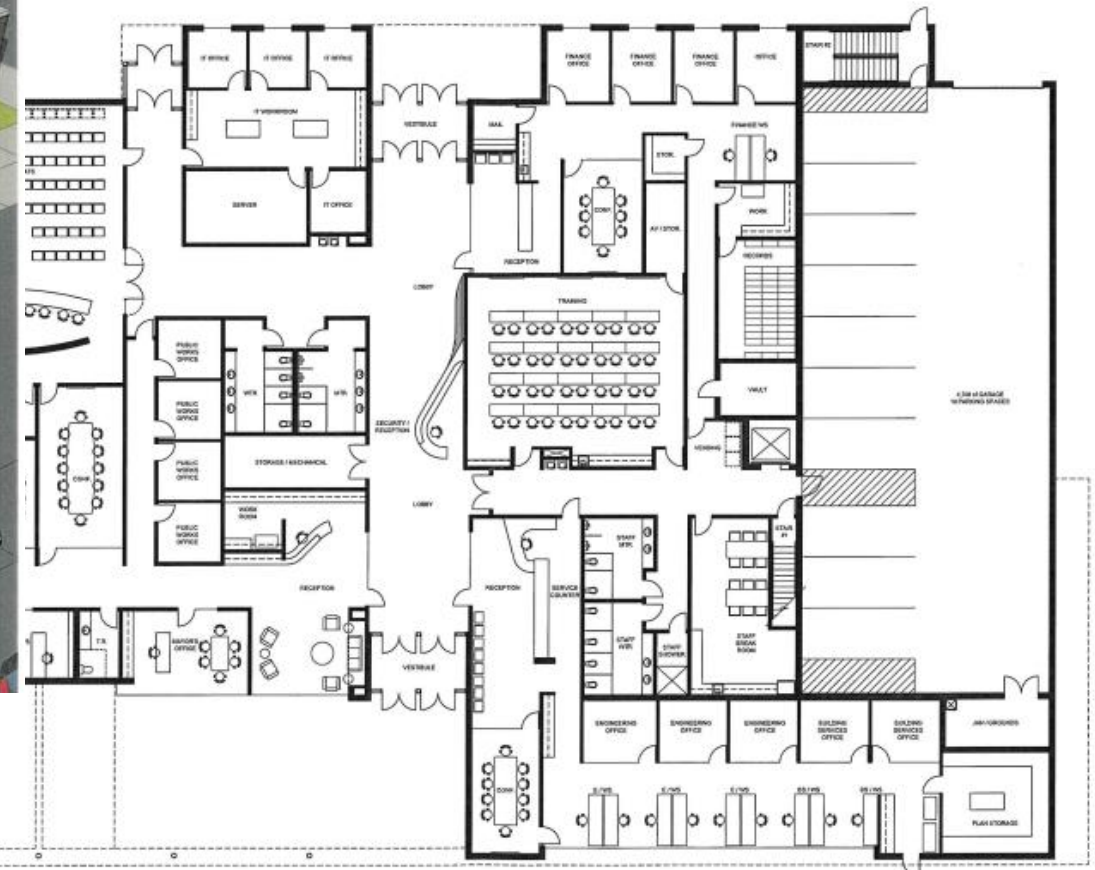
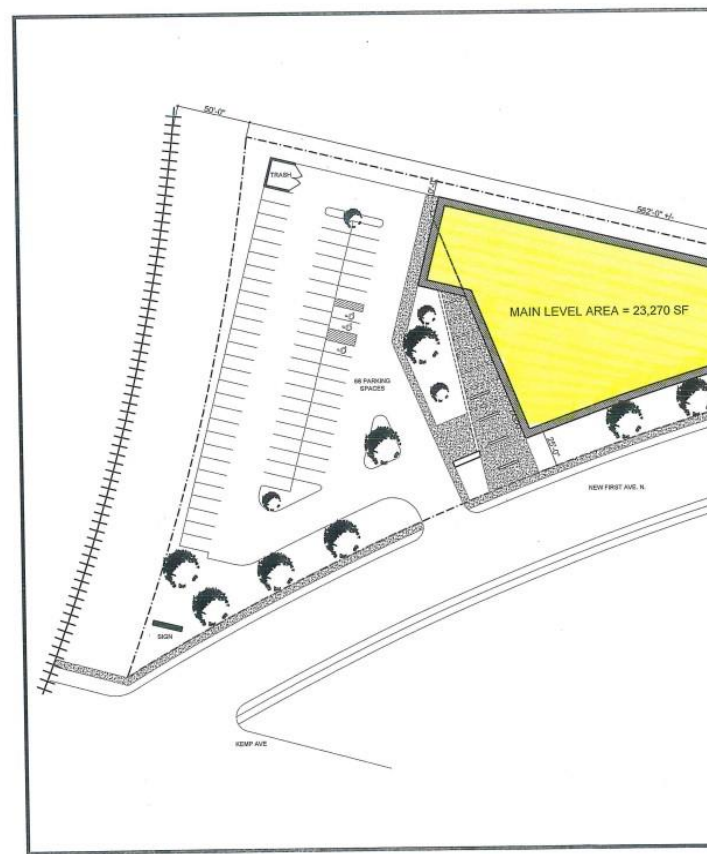
- New roofing
- Updated fire suppression system (to meet code)
- New HVAC (boiler system, AC, fuse panel)
- Lighting Upgrades
- Restroom Fixtures
- Electrical Upgrades
- Office space at capacity
- Access and safety
- Workflow



# City Hall Replacement History

● ● ● \*Prior to 2016 - City Hall replacement project budgeted in long-range CIP

**2016** - RS Architects: Location Analysis, Site Plans, building renditions, and interior layouts (1<sup>st</sup> Ave NW & Kemp)



# City Hall Replacement History



2019 – Stroh Architects: Design options for new CH leased space in Ruins Plaza



# City Hall Replacement History



2020 - Contract with TSP for design services

2021 - Closed on Purchase of Wells Fargo



# City Hall – WF Bid July ‘22

## Cost Estimate vs Bid



Base Bid- \$1,997,556 - **\$3,750,000**  
(Base bid excludes replacing 50 year HVAC, windows, etc.)

Alternate 1- Enclosed Drive Through- \$155,840 - **\$400,000**

Alternate 2- Council Chambers Addition - \$1,218,134 - **\$1,650,000**

Alternate 3- Vestibule Panels - \$4,500 - **\$25,000**

Alternate 4- Tree Grates - \$16,000 - **\$20,000**

Contingency (2.5%)- \$84,401

TOTAL CONSTRUCTION: \$3,476,431 - **\$5,845,000**

**(Approx \$2.4M over estimate)**



# ●●● City Hall – WF Bid July ‘22

## Other Costs:

Site Purchase- \$1,300,000

A/V Equipment - \$525,000

Architectural/Engineering- \$301,912

Geotech and Asbestos surveys- \$76,808

FF&E & Storage - \$637,000

TOTAL OTHER COSTS: \$2,840,720

Pre-Bid PROJECT ESTIMATE: \$6,317,151

**TOTAL PROJECT COST AFTER BID: \$8,685,720**

**Total est. costs that could be carried to new construction: \$8,300,000**



# ●●● City Hall – WF Bid July ‘22

## Value Engineering Considerations for Base Bid and Alternates

### **Description (things considered to be cut from project)**

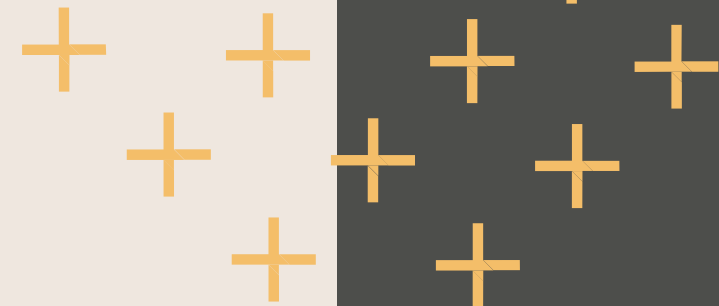
- Omit Alt 1 (vehicle storage) \$400,000
- Omit sprinklers \$198,000-\$242,000, \$190k for base, \$30k alt 2
- Omit reroofing \$144,000-\$176,000
- Omit remodel of RR 112 \$13,500-\$16,500
- Safety Deposit Door to Remain \$13,500-\$16,500
- Reduce data package \$27,000-\$33,000
- Reduce scope of refinishing \$45,000-\$55,000
- Revise Door and Frame \$27,000-\$33,000
- Keep existing lighting on main and lower level (no LED bulb replacement for existing fixtures) \$90,000-\$110,000
- Keep existing service panel \$17,100-\$20,900
- Omit fire alarm system \$40,500-\$49,500 (Square foot number)
- Aluminum Feeders \$3,600-\$4,400
- Minimize Site Work \$378,000-\$462,000 (Assume a \$130k for minimal site work)
- Omit high Density Storage \$43,200-\$52,800
- A/V & Tech \$38,250-\$46,750
- Omit Alt 2 (Council Chambers) \$1,650,000
- **Total VE Estimate \$2,513,200-\$3,200,000**



# Current Street Maintenance



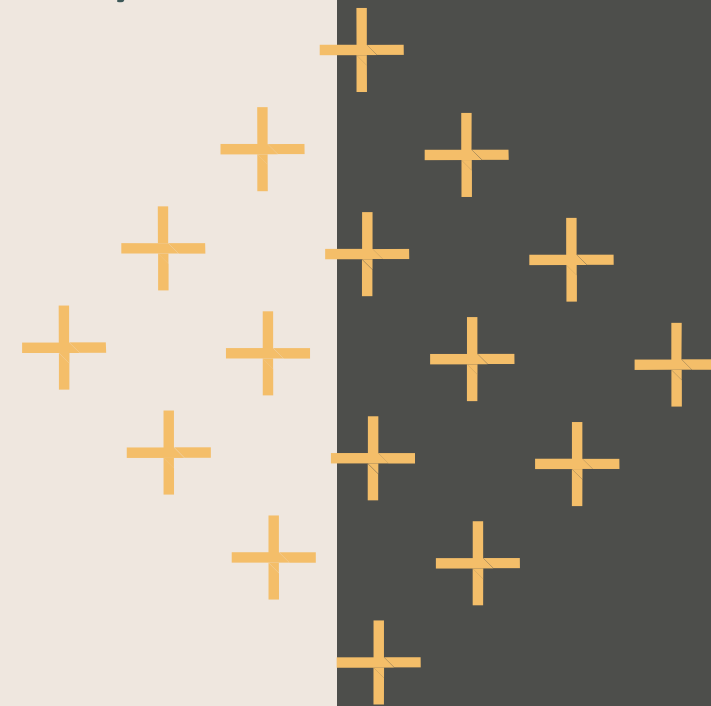
- 1940s – Original Admin Building Constructed
- 1950s – Three Additional Buildings
- 2002 – Shop Addition
- 2005 – Salt/Sand Storage Canopy



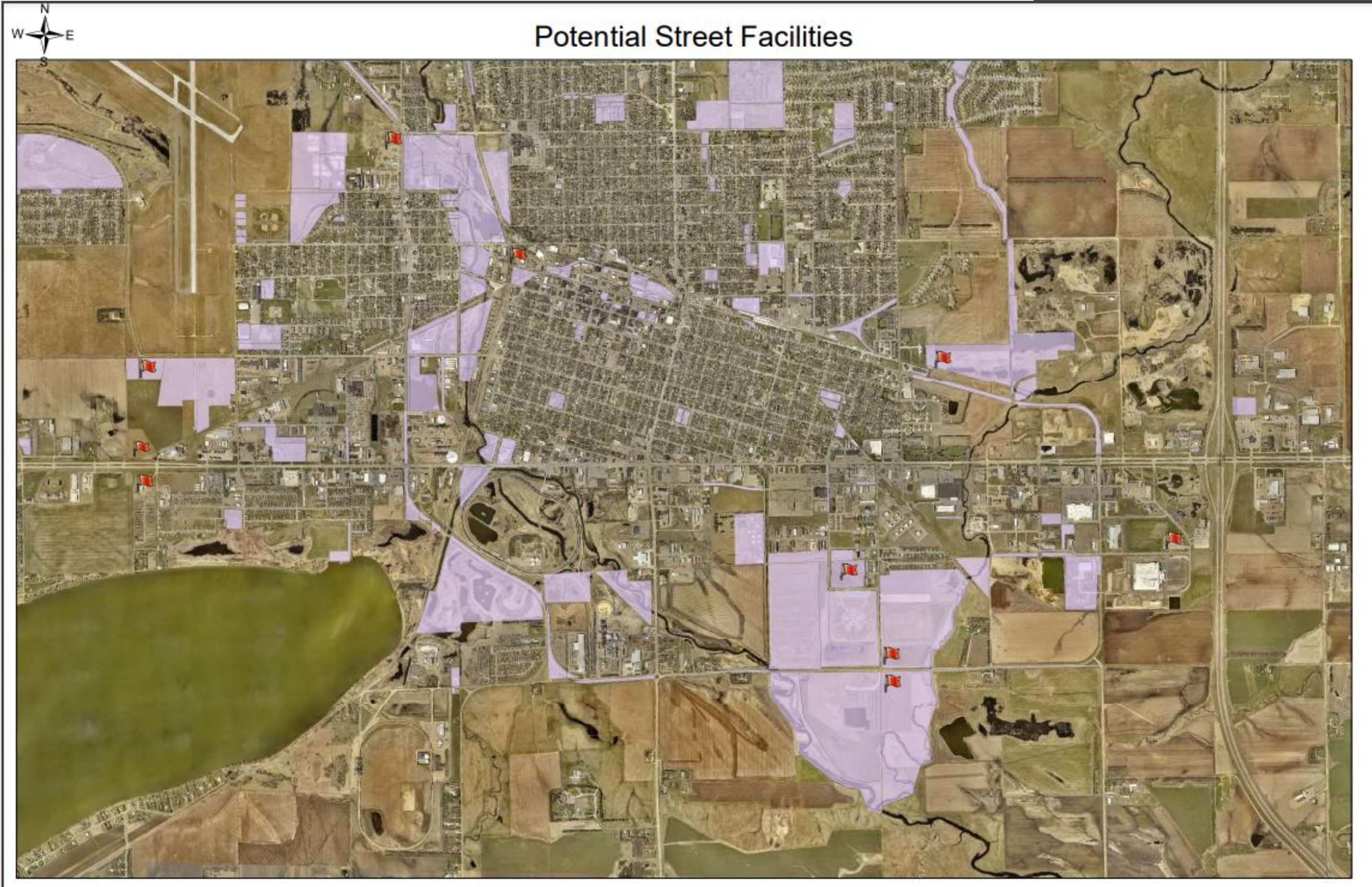
# Street Maintenance Facility Necessities



- 40,000SF equipment storage (13,400 current)
- Material storage needs
- 6,000SF Admin space needs
- Roofing
- Updated fire suppression system (to meet code)
- New HVAC
- Lighting Upgrades
- Restrooms
- ADA Access
- Electrical Upgrades
- Fleet Repair Bays



# Street Maint. Facility Siting Considerations



# Street Maint. Facility Siting Results



2022 – Land Acquisition in February  
27 Acres  
\$1,200,000

2022 – JLG Architectural Contract in April  
7.25% of construction costs  
current contract is through bidding

2022 – RJM Construction Manager At-Risk  
August  
1.95% of construction costs  
\$35,000 Preconstruction Fee



# Wells Fargo & Street Maintenance Facility Costs



Wells Fargo Remodel Project – Bid Cost to Complete  
Street Maintenance Facility – Estimate to Complete

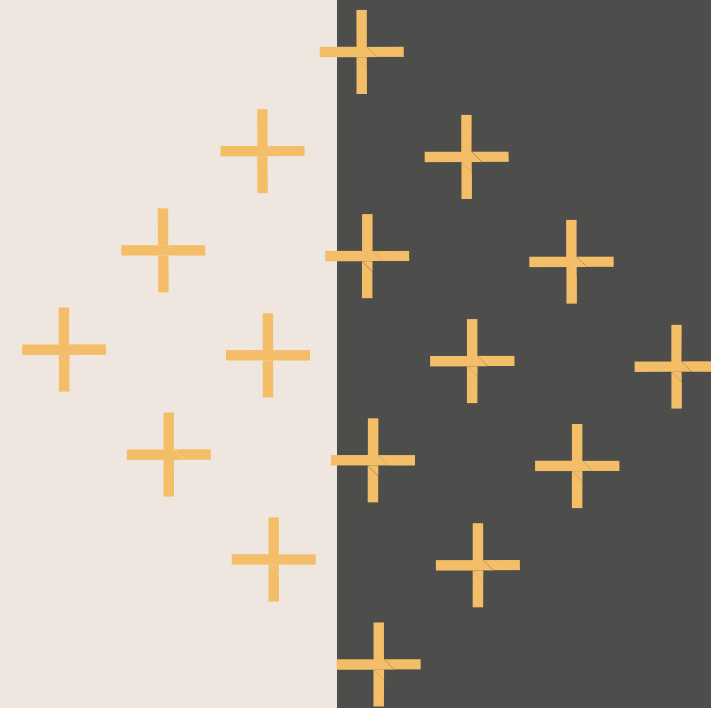


<b>New St Maint Facility &amp; Wells Fargo Remodel</b>		<b>Estimates for St Maint Facility, Actual Bid for WF Remodel</b>		
<b>Expense Category</b>		<i>as of December '22</i>	<i>bid from July '22</i>	
		<b>Street Facility</b>	<b>Wells Fargo Remodel</b>	<b>Total Costs</b>
Construction Cost		\$ 12,327,690.84	\$ 5,845,000.00	\$ 18,172,690.84
Escalation/Excise Tax	5%	\$ 616,384.54	<i>(included in const bid)</i>	\$ 616,384.54
Design Contingency	7%	\$ 634,876.08	\$ -	\$ 634,876.08
Construction Contingency	5%	\$ 634,876.08	\$ -	\$ 634,876.08
Contractor's Fee	2%	\$ 274,614.39	\$ -	\$ 274,614.39
<b>TOTAL CONSTRUCTION</b>		<b>\$ 14,488,441.93</b>	<b>\$ 5,845,000.00</b>	<b>\$ 20,333,441.93</b>
Soft Cost	15%	\$ 2,173,266.29	\$ 910,720.00	\$ 3,083,986.29
Owner Contingency	3%	\$ 724,422.10	\$ -	\$ 724,422.10
FFE		\$ 104,188.24	\$ 630,000.00	\$ 734,188.24
Land Acquisition		\$ 1,200,000.00	\$ 1,300,000.00	\$ 2,500,000.00
Site Development (streets/utilities at sale barn site)		\$ 2,700,000.00	\$ -	\$ 2,700,000.00
<b>TOTAL PROJECT</b>		<b>\$ 21,390,318.56</b>	<b>\$ 8,685,720.00</b>	<b>\$ 30,076,038.56</b>

**City of Watertown**

**What's Next...**

**City Services Center?**



# Proposed Project Schematics



# Proposed Project Schematics



EAST ELEVATION



# Proposed Project Schematics



**NORTH ELEVATION**







**FUTURE 10TH AVE NW**

FENCE LINE

25'-0"  
SETBACK

PUBLIC PARKING  
34 STALLS

5'-0" WALK

40'-0"  
SETBACK

**BUILDING 5 - SALT AND SAND  
PHASE 2 - 2024**

8,000 SF

**Building 4 - Washbay  
PHASE 4 - 2026**

3600 SF

**Building 3 - Cold Vehicle Storage  
PHASE 3 - 2025**

21,500 SF

**Building 2 - Heated Vehicle Storage +  
REPAIR BAYS  
PHASE 1 - 2024**

36,500 SF

**Building 1 - Admin  
PHASE 1, 2024**

21,000 SF

YARD  
ENTRANCE

PATIO

STAFF ENTRANCE

STAFF PARKING  
34 STALLS

477'-8 1/4"

**10TH ST NW**

STORAGE BINS

FUEL STATION

EX. COLD STORAGE  
3900 SF

SITE ENTER / EXIT

SITE ENTER / EXIT

**FUTURE 9TH ST NW**

EXISTING

SEMI-SHED

**FUTURE 10TH AVE NW**

FENCE LINE

25'-0" SETBACK

**BUILDING 5 - SALT AND SAND  
PHASE 2 - 2024  
8,000 SF**

**Building 4 - Washbay  
PHASE 4 - 2026  
3600 SF**



STORAGE BINS

**Building 3 - Cold Vehicle Storage  
PHASE 3 - 2025  
21,500 SF**

**Building 2 - Heated Vehicle Storage +  
REPAIR BAYS  
PHASE 1 - 2024  
36,500 SF**

**Building 1 - Admin  
PHASE 1, 2024  
21,000 SF**

PUBLIC PARKING  
34 STALLS

5'-0" WALK

40'-0" SETBACK

YARD ENTRANCE

PATIO

STAFF ENTRANCE

5'-0" WALK

STAFF PARKING  
34 STALLS

EX. OLD STORAGE  
3900 SF

SITE ENTER / EXIT

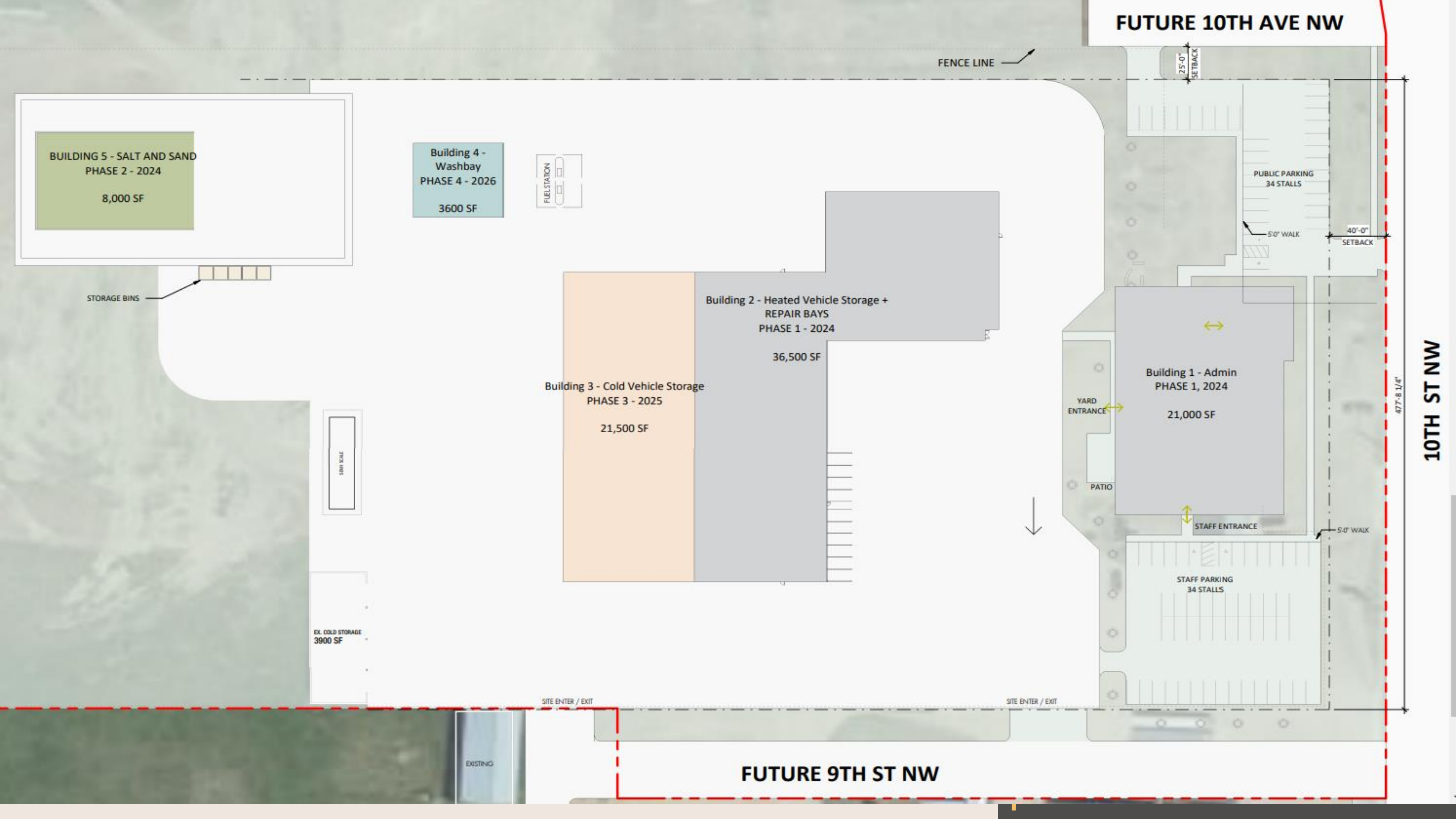
SITE ENTER / EXIT

477'-8 1/4"

**10TH ST NW**

**FUTURE 9TH ST NW**

EXISTING



# Proposed Project Fiscal Phasing



		Funding Sources		Building Expenses	
		Without Bonding	With Bonding		
2023 (construct in 2024)	Street Facility Bond	\$ 6,700,000.00	\$ 6,700,000.00	Building #1-Street Admin/City Hall	\$ 10,684,135.93
	City Hall Bond (Remaining)	\$ 3,700,000.00	\$ 3,700,000.00	Buidling #2- Vehicle Storage/Repair	\$ 8,391,615.48
	Unrestricted 212 -Reserve	\$ 6,000,000.00	\$ 2,500,000.00	Utilities	\$ 700,000.00
	Unrestricted GF-Reserve	\$ 1,500,000.00	\$ -	10th Avenue	\$ 700,000.00
	Sale of Existing Street Facility	\$ 750,000.00	\$ 750,000.00		
	Sale of Wells Fargo	\$ 1,300,000.00	\$ 1,300,000.00		
	Sale of Existing City Hall	\$ 300,000.00	\$ 300,000.00		
	Sale of Surplus Sale Barn Land	\$ 533,000.00	\$ 533,000.00		
	Project Bond	\$ -	\$ 6,000,000.00		
		<b>TOTAL for 2023</b>	<b>\$ 20,783,000.00</b>	<b>\$ 21,783,000.00</b>	
2024 (construct in 2024)	212 Funding-2024 Budget		\$ 2,300,000.00	Building #5- Sand/Salt Storage	\$ 1,496,901.60
				9th Avenue & 11th Street	\$ 1,300,000.00
	<b>TOTAL for 2024</b>		<b>\$ 2,300,000.00</b>		<b>\$ 2,796,901.60</b>
2025 (construct in 2025)	212 Funding-2025 Budget		\$ 1,700,000.00	Building #3- Wash Bay	\$ 1,675,741.89
	<b>TOTAL for 2025</b>		<b>\$ 1,700,000.00</b>		<b>\$ 1,675,741.89</b>
2026 (construct in 2026)	212 Funding-2026 Budget		\$ 3,000,000.00	Building #4- Cold Storage	\$ 2,958,734.63
				(P&R space needs identified?)	
	<b>TOTAL for 2026</b>		<b>\$ 3,000,000.00</b>		<b>\$ 2,958,734.63</b>
<b>Total Project</b>			<b>\$ 28,783,000.00</b>		<b>\$ 27,907,129.53</b>

# Summary

## Cost Comparison Summary

### Combined City Services Center vs. New St Maint & Wells Fargo Remodel

<b>City Services Center (combined CH and St Maint)</b>		<b>Estimates established through JLG Architects and RJM (CMAR)</b>		
<b>Expense Category</b>		<i>as of December '22</i>	<i>as of December '22</i>	
		<b>Street Facility</b>	<b>City Hall</b>	<b>Total City Center</b>
Construction Cost		\$ 12,327,690.84	\$ 5,025,707.16	\$ 17,353,398.00
Escalation/Excise Tax	5%	\$ 616,384.54	\$ 251,285.36	\$ 867,669.90
Design Contingency	7%	\$ 634,876.08	\$ 258,823.92	\$ 893,700.00
Construction Contingency	5%	\$ 634,876.08	\$ 258,823.92	\$ 893,700.00
Contractor's Fee	2%	\$ 274,614.39	\$ 111,035.46	\$ 385,649.85
<b>TOTAL CONSTRUCTION</b>		<b>\$ 14,488,441.93</b>	<b>\$ 5,905,675.82</b>	<b>\$ 20,394,117.75</b>
Soft Cost	15%	\$ 2,173,266.29	\$ 885,851.37	\$ 3,059,117.66
Owner Contingency	3%	\$ 724,422.10	\$ 295,283.79	\$ 1,019,705.89
FFE		\$ 104,188.24	\$ 630,000.00	\$ 734,188.24
Land Acquisition		\$ 1,200,000.00	\$ -	\$ 1,200,000.00
Site Development (streets/utilities at sale barn site)		\$ 2,700,000.00	\$ -	\$ 2,700,000.00
<b>TOTAL PROJECT</b>		<b>\$ 21,390,318.56</b>	<b>\$ 7,716,810.98</b>	<b>\$ 29,107,129.53</b>
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# ●●● Proposed Project Timeline



April 3<sup>rd</sup> – Design Contract Addendum with JLG (Council Action)

Spring '23 – Bond Resolution (Council Action in April or May)

April thru October – Design

July – early bid package for site grading, excavation, utilities,  
etc. To be performed September '23-November '23

Winter '23 – Bidding

Spring 2024 thru 2026 – Construction

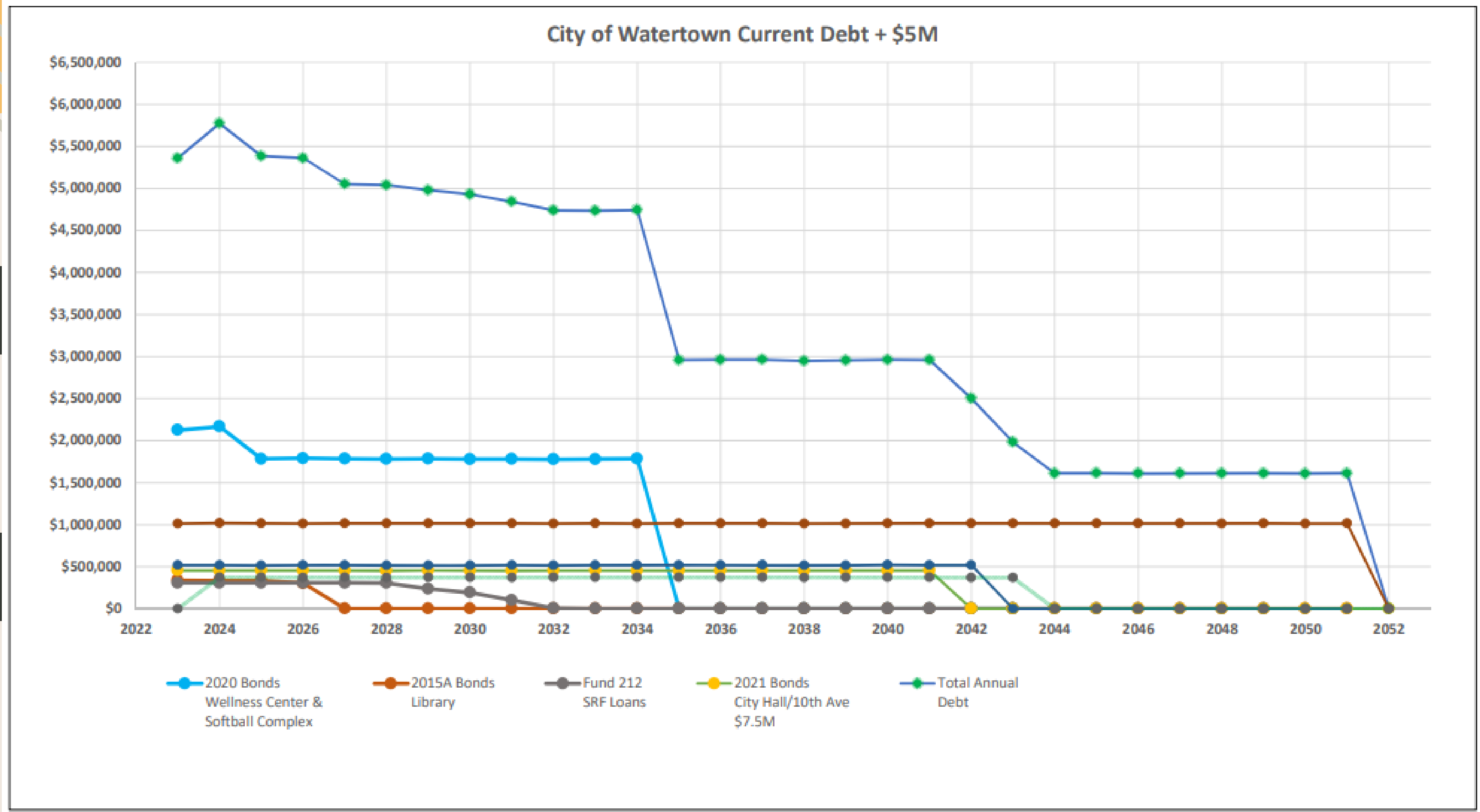


# Summary (Debt Projections w/\$5M Bond)

Year	2020 Bonds Wellness Center & Softball Complex	2015A Bonds Library	Fund 212 SRF Loans	2021 Bonds City Hall/10th Ave \$7.5M	2022 Street Facility	2022 Bonds Ice Arena	2022C Ice Arena Addn.	\$5M Addn. Street & City Hall	Total Annual Debt	Projected Sales Tax Revenue (3%) Growth	% Debt to Revenue	Available Sales Tax Revenue After Debt
2023	2,125,800	338,738	307,668	454,935	519,269	1,013,850	600,187	-	5,360,446	9,650,000	56%	4,289,554
2024	2,168,250	334,738	307,668	454,035	517,769	1,018,100	599,213	373,890	5,773,662	9,939,500	58%	4,165,838
2025	1,783,000	334,825	307,668	455,035	515,769	1,016,350	599,713	372,090	5,384,449	10,237,685	53%	4,853,236
2026	1,789,400	304,588	307,668	455,735	518,269	1,013,850	599,713	370,090	5,359,312	10,544,816	51%	5,185,504
2027	1,783,400	-	307,668	454,335	520,019	1,015,600	599,213	372,890	5,053,124	10,861,160	47%	5,808,036
2028	1,779,900	-	305,895	452,835	516,019	1,016,350	598,213	370,290	5,039,501	11,186,995	45%	6,147,494
2029	1,785,200	-	237,151	456,235	516,519	1,016,100	596,713	372,490	4,980,408	11,522,605	43%	6,542,197
2030	1,779,000	-	191,892	454,435	516,269	1,014,850	599,713	374,290	4,930,448	11,868,283	42%	6,937,834
2031	1,781,600	-	102,356	452,535	520,269	1,017,600	596,963	370,690	4,842,013	12,224,331	40%	7,382,319
2032	1,777,700	-	6,410	455,535	516,669	1,014,100	596,363	371,890	4,738,667	12,591,061	38%	7,852,395
2033	1,779,200	-	-	454,735	517,669	1,014,600	595,363	372,690	4,734,256	12,968,793	37%	8,234,537
2034	1,785,000	-	-	453,635	518,069	1,014,000	598,963	373,090	4,742,756	13,357,857	36%	8,615,101
2035	-	-	-	452,235	517,869	1,017,600	596,963	373,090	2,957,756	13,758,593	21%	10,800,836
2036	-	-	-	454,435	519,538	1,015,200	599,563	372,690	2,961,425	14,171,350	21%	11,209,925
2037	-	-	-	456,035	520,700	1,017,000	597,781	371,890	2,963,406	14,596,491	20%	11,633,084
2038	-	-	-	452,425	516,356	1,012,800	595,638	370,690	2,947,909	15,034,386	20%	12,086,477
2039	-	-	-	453,710	516,675	1,012,800	597,700	374,090	2,954,975	15,485,417	19%	12,530,442
2040	-	-	-	454,360	520,925	1,016,800	599,200	371,280	2,962,565	15,949,980	19%	12,987,415
2041	-	-	-	454,790	519,475	1,014,600	599,200	373,050	2,961,115	16,428,479	18%	13,467,364
2042	-	-	-	-	517,500	1,016,400	598,600	369,190	2,501,690	16,921,333	15%	14,419,643
2043	-	-	-	-	-	1,017,000	597,400	369,910	1,984,310	17,428,973	11%	15,444,663
2044	-	-	-	-	-	1,016,400	595,600	-	1,612,000	17,951,843	9%	16,339,843
2045	-	-	-	-	-	1,014,600	598,200	-	1,612,800	18,490,398	9%	16,877,598
2046	-	-	-	-	-	1,014,850	595,000	-	1,609,850	19,045,110	8%	17,435,260
2047	-	-	-	-	-	1,014,350	596,200	-	1,610,550	19,616,463	8%	18,005,913
2048	-	-	-	-	-	1,013,100	596,600	-	1,609,700	20,204,957	8%	18,595,257
2049	-	-	-	-	-	1,016,100	596,200	-	1,612,300	20,811,106	8%	19,198,806
2050	-	-	-	-	-	1,013,200	595,000	-	1,608,200	21,435,439	8%	19,827,239
2051	-	-	-	-	-	1,014,550	598,000	-	1,612,550	22,078,502	7%	20,465,952
2052	-	-	-	-	-	-	-	-	-	22,740,857	0%	22,740,857



# Summary (Debt Projections w/\$5M Bond)



# Summary

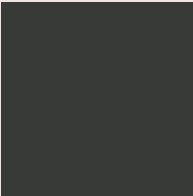

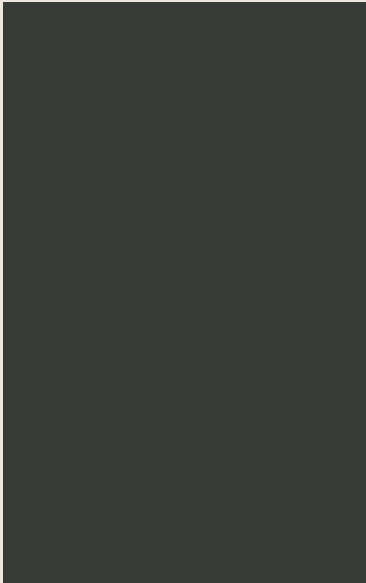
## Realities to Consider

- Final updating of existing City Government buildings
- Forward thinking decision with prioritized obligations
- Several “next steps”
  - Sale of WF, existing City Hall, sale barn land, current street facility
  - Ice Arena \$10M bond coverage through donations & sponsorships
  - Committing future CIP dollars to support completion of entire project
- Establishing/Committing this project as a financial priority
- Financial considerations
  - 3% sales tax growth (conservatively projected revenues)
  - Economic factors could change projections
  - Projections only based off of sales tax revenues (not withstanding grants, STP, or other funding revenues)
  - Complete new City Hall facility for \$7,717,000
    - No immediate further expenses for upgrades/improvements
  - Complete (potentially partial) remodeled facility for \$8,686,000
    - Potential further expenses for upgrades/improvements



# Summary

## City Center Benefits

- All City Hall needs met (Council Chambers, parking, offices, new construction vs remodel)
  - Centralize Fleet Maintenance (under PW)
  - Consolidating Services (PW-ST, CD, EN and all City Hall Services)
  - Department and Division Coordination
  - New service administration (software, etc.) – lower foot traffic
  - Geographically-Centered Location
  - Financial Projections keep reserves whole (to level of need)
  - Highway 20 – Gateway into/out of town - Beautification
  - Economies-of-scale
    - Conference rooms, break rooms, restrooms
    - Utility connections, parking, access
    - Construction – mobilization, materials, labor
  - Future Expansion Capabilities (designed for future P&R expansions)
  - Current City Facilities – Equity/resale, places property on tax rolls
  - Representing community - “quality of Watertown” benefit
- 
- 
- 

# Discussion

