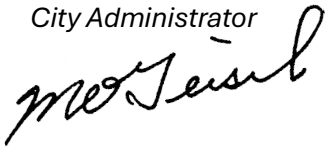


ITEM 2.a

Mike Geisel

City Administrator



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TO: Mayor and City Council

Date: June 21, 2024

RE: Chesterfield Aquatic Facility Replacement Strategy

One of Council's established goals and objectives for 2024 was to create and present a proposed strategy for moving forward with the desired demolition and replacement of the aged City Aquatic facility. This memo includes the strategy for "how we can get there".

The City previously funded a statistically valid community survey to assess the community's desires and expectations regarding the future disposition of the existing facility. That study was conducted by Waters Edge Aquatic Design and Capri Pools and Aquatics. Ultimately the study produced a final report. That report was reviewed by the Parks, Recreation and Arts Citizen's Advisory Committee (PRACAC), the Parks, Recreation and Arts Committee of Council (PRA), and City Council as a whole. The report includes public feedback, summary recommendations, six conceptual scenarios, and opinions of probable cost. On February 2, 2024, City Council voted unanimously to approve the final report as presented and directed staff to develop a strategy for complete replacement of the aquatic facility.

This proposed strategy is provided herein for Council consideration and acceptance. If approved, staff will immediately proceed to prepare a "Request For Proposals" (RFP), soliciting interest, qualifications, and project approach from qualified aquatic design professionals. Please note, selection of a design consultant is based on a qualification-based process. The State of Missouri, and the City of Chesterfield purchasing requirements require that consultants for professional services be selected based on their qualifications and experience, not bid as a commodity.

The proposed scope of work for the design professional includes additional supplemental public engagement, beyond the engagement previously completed by the Waters Edge survey. The design services portion of the strategy is proposed to be funded by the Parks Fund – Fund Reserve. A separate decision regarding engaging an owner's representative will be addressed during the upcoming budget workshops. The subsequent construction financing is not currently addressed, is complicated, and is dependent upon the product produced by the design professional. That product will then be used to develop the proposed strategy to

fund construction. That financing strategy can only be developed after the design and cost estimates have progressed sufficiently to provide adequate information to create a reasonable level of confidence.

Task 1 – develop the vision and concept design plan

Complete citizen survey for aquatic center, including discussion of facility elements. – *completed*

City Council determines plan for future of aquatic center. - *completed*

City Council unanimously agreed to move forward with a planned complete demolition and reconstruction of a community aquatic center, not a destination aquatic center.

City Council directed staff to prepare strategy for reconstruction, including financing proposal. – *IN PROGRESS, THIS IS THE STRATEGY DOCUMENT REQUESTED*

Task 2 – Aquatic Center preliminary design

Seek professional design firm to develop concept plans, construction plans, construction estimates, construction scheduling and provide construction services;

Consider and make a determination as to whether the City should contract with a professional “owner’s representative – contract manager” for this project, or should the City manage the project with “in-house” project management.

Seek City Council approval of strategy and funding for the preliminary design consultants.

For the purposes of this strategy, and using a project construction budget of \$20 million, we can anticipate that the design consultant fees to be ~\$800,000.

Please note, this estimate reflects the cost of services for the design consultant. If the City elects to utilize a project construction manager, those services would be a separate expense, a separate fee and separate contract with an associated expense between \$400k and \$800k, depending on final scope and project timeline.

For the preliminary design services to proceed in a timely manner, to initiate the public engagement process as soon as practicable and to refine the project financial needs as soon as possible which would allow us to identify potential funding mechanisms for the demolition and reconstruction. The professional design services are not an annual operational expense and as such, *I recommend that the aquatic*

design consultant be funded immediately after their selection, by a transfer from the Parks Fund – Fund Reserve. The Parks Fund – Fund Balance is projected to be in excess of \$5 million at the end of 2024 (12/31/2024). While the Parks Fund will have other future capital needs, decisions related to the future of the aquatic facility are an absolute priority due to the age and condition of our existing facilities. The professional services contract would be itemized by activity, e.g. preliminary design & public engagement, design and construction documents, Bidding and award, and finally construction services such that the City would only be obligated for services rendered in the event the City is unable to fund the construction of the project.

I also recommend that when Council approves the fund transfer and design contract, that they express the expectation that the design expense will be reimbursed if funded by debt. While the funding mechanism cannot be determined until a more accurate cost estimate is provided, the City should preserve its ability to be reimbursed for the design services. Such expression does not commit the City to do so, but failure to make such a statement will most certainly limit the City's future ability to be reimbursed.

Initial Project concept level estimates are roughly \$20 million. It must be understood that this is not an actual construction estimate, but simply represents the best information currently available for the project. Budgetary estimates will be provided by the design professionals as the project proceeds.

Staff prepares "Request for proposals" soliciting proposals from professional design firms, with specific expertise in aquatic facility design and operation, to provide these services on behalf of the City. The scope of work will include at least, but not limited to:

Public engagement regarding project elements, not less than three public meetings providing for full public interaction, allowing the public to express their expectations for the new proposed aquatic facility.

Prepare a preliminary aquatic facility plan, based on input from all stakeholders, accompanied by an initial construction estimate (including demolition) and initial schedule for project commencing with the closure of the existing facility and proceeding through construction and opening the new facility for public use. *It should be understood that the preliminary project cost estimates prepared at this phase are not final cost estimates, but will include both design and construction contingencies, as well as project escalation estimates.*

City Council shall consider and provide approval of the concept design and initial project cost estimates before the professional consultant(s) are authorized to move to the construction design\development phase of the project. It should be further understood that the project cost estimates will evolve and be continuously revised as design details, construction methods, schedule and market pricing considerations begin to be resolved.

Task 3 – Aquatic Center Financing (to be done concurrently with Task 4)

Upon approval of the preliminary concept design and cost estimates approved by City Council as referred to herein, task #2, Staff will provide a recommendation to City Council for project funding.

I anticipate that some may suggest that the project financing be committed prior to engaging the design professional and expending funds to define the project components and create a preliminary design. Unfortunately, that is simply not practical. To establish funding, to seek public consent, without a full understanding of the project and the associated costs, cannot end well. The public, as well as the City, must know what the project is and how much it will cost. There are numerous examples of failed projects where communities have proceeded with projects lacking a fundamental knowledge of scope and expense, only to face massive project funding shortfalls and underwhelming project results by not meeting the public expectations.

It must be understood that the City of Chesterfield does NOT have the capacity to fund this project with current revenue streams and a public financing component will likely be required. While it is probable that some portion of the project costs will be offset by other revenues, e.g. TIF, Parks Fund reserves, those funding sources simply are insufficient to fund this project in its entirety. It is impossible to provide a specific financing strategy until the scope, expense, and project timeline is defined.

Finally, this phase of the project will include a public informational campaign\effort, to ensure that the public is fully informed as to the project and costs related thereto. Council may determine that a third-party consultant be engaged to assist in this function.

Task 4 – Aquatic Center construction design and development

This phase of the project will authorize the design consultant to proceed to the design development, construction documents, code compliance, agency approvals, permitting, and refinement of the construction schedule and cost estimates.

During the design and development stage, City officials will consult with neighboring communities to determine whether opportunities exist to negotiate sharing their aquatic facilities during the construction period when the Chesterfield Aquatic facility is out of operation.

Task 5 – Aquatic Center – Approval of Financing

Inasmuch as the financing strategy is to be presented to City Council in Task 3 above, it may require a period for consideration, public engagement, or even a ballot proposal.

Task 6 – Aquatic Center – Advertising, Bidding, and Construction

Once tasks 3 and 4 have been completed, and Financing has been obtained in task 5, the project will be advertised for bids in conformance with statutory requirements. The timing of the bids will consider whether the current aquatic facility is still in operation, and the anticipated duration of construction. There is no opportunity for the current aquatic facility to remain in operation while construction is underway.

Task 7 – Aquatic Center – Facility opening and operation

Under the best conditions, I estimate that the strategy described herein could not be completed and a new facility placed into operation prior to May of 2027. I am concerned that even May 2027 may be overly optimistic. However, even using the 2027 pool season as a target completion date, we face the real possibility that our existing facility may fail prior to the anticipated closure date, leaving us without a community aquatic facility.

We recognize that replacement of the aquatic facility is a major financial decision and will likely require voter approval. We have been discussing the disposition of this facility for several years and quite frankly, we are on borrowed time. Each year we identify additional repairs and maintenance of obsolete components and leaks that must be identified and resolved for the facility to remain open. It should be reasonably expected that we will, in the near future, be confronted with a significant failure, which may result in the permanent closure of the aquatic facility.

I look forward to discussing this with each of you. While this document serves to satisfy one of my established goals and objectives for 2024, more importantly, it describes a process which if approved by City Council, provides direction for staff to move the effort forward. As such, I am forwarding this strategy to both the Parks, Recreation, and Arts Committee, as well as the Finance and Administration Committee, such that they can review and provide their individual recommendations to the full Council for final direction.