

**City of Carson City
Agenda Report**

Date Submitted: June 9, 2015

Agenda Date Requested: June 18, 2015
Time Requested: 1 hour

To: Mayor and Supervisors

From: City Manager

Subject Title: For Possible Action: To conduct a public hearing and take public comment regarding a proposed plan amendment to the Plan of Expenditure for a one-eighth of one percent (0.125%) sales tax that was originally approved by the Board of Supervisors on February 20, 2014, for public infrastructure projects pursuant to NRS 377B, including but not limited to construction of an animal services facility, a multi-purposes athletic center, and street and pedestrian improvements in the downtown area and Carson Street and William Street/Highway 50 East commercial corridors, and/or other projects as directed by the Board of Supervisors. (Nick Marano)

Summary: The Carson City Board of Supervisors originally approved the Plan of Expenditure for a one-eighth of one percent (0.125%) sales tax pursuant to NRS 377B on February 20, 2014. Because of additional costs required to build the Animal Services Facility, staff is requesting the Board amend the plan to increase the proposed budget of the Animal Services Facility to approximately \$4.5 million. Of this amount, sales tax proceeds would account for \$4.247 million and contributions the remaining \$253,000. The \$4.5 million would be used to construct the Animal Services Facility and related site improvements and fund related contingencies.

Type of Action Requested:

Resolution

Formal Action/Motion

Ordinance

Other (No Action)

Does This Action Require A Business Impact Statement: () Yes (X) No

Recommended Board Action: (No action; public comment and discussion only.)

Explanation for Recommended Board Action: Recently, the City designed and prepared bid documents for the new Animal Services Facility with an ambitious schedule hoping to complete construction of the shelter before December 2015. Design started in December 2014, with 100 percent plans completed the first part of March. The 3.9 million dollar Animal Services Facility went to bid soon after. At the bid opening on March 24, bid results revealed costs beyond the budget. The estimate for the construction bid was \$2.9 million, and the apparent low bidder was \$4.1 million. Since that time City staff has been working with the design team to Value Engineer (VE) the project while attempting to keep a functional, facility that meets stated requirements determined from previous planning efforts undertaken during 2011-2012. By mid-April, a comprehensive list of over \$1.2 million in VE items was compiled. After presenting those items to Health and Human Services, Carson Animal Services Initiative (CASI) and the Nevada Humane Society, most parties raised concerns about the end facility we would end up with. It became apparent that a portion of the VE items were either degrading the security of the facility, the inviting nature of the facility for adoptions, or saving up front capital costs but adding future maintenance and power costs.

Amended Cost Summary for Animal Services Facility

	<u>Original Budget</u>	<u>March 2015 Bid</u>	<u>6/18/15 Proposed Budget</u>
Construction	\$ 2,900,000	\$ 4,134,000	\$ 3,350,185
Contingency	\$ 200,000	\$ 200,000	\$ 335,019
FFE Budget	\$ 275,000	\$ 250,000	\$ 225,000
Owner Furnished items for Construction			\$ 41,320
Design,CM, Testing,Inspection	\$ 450,000	\$ 460,695	\$ 460,695
Permitting / Utilities	\$ 75,000	\$ 86,590	\$ 86,590
TOTAL COSTS	\$ 3,900,000	\$ 5,131,285	\$ 4,498,809
Funding			
Infrastructure Tax	\$ 3,700,000	\$ 3,700,000	\$ 4,245,709
CASI	\$ 200,000	\$ 200,000	\$ 193,777
Donations			\$ 59,323
TOTAL FUNDING	\$ 3,900,000	\$ 3,900,000	\$ 4,498,809

Applicable Statute, Code, Policy, Rule or Regulation: NRS 377B

Fiscal Impact: The proposed budget of the Animal Services Facility will increase from \$3.9 to a maximum of \$4.5 million.

Explanation of Impact: Contributions will account for \$253,000 and sales tax collections will account for the remaining \$4.247 million. Because the sales tax currently being generated is more than was originally projected, there will be no impact to any of the other projects in the Original Plan of Expenditure

Funding Source: One-eighth of one percent sales tax on all taxable sales in Carson City and contributions.

Alternatives: N/A, public comment and discussion only.

Supporting Material:

- 1) Amended Plan of Expenditure

Prepared By: Nick Providenti, Finance Director

Reviewed By: Wick Manans
(City Manager)

[Signature]
(District Attorney's Office)

Nick Providenti
(Finance Director)

Date: 6/9/15

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Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

PLAN OF EXPENDITURE
CARSON CITY
ANIMAL SERVICES FACILITY,
MULTI-PURPOSE ATHLETIC CENTER, COMMUNITY CENTER,
CARSON STREET AND WILLIAM STREET CORRIDORS IMPROVEMENT
PROJECTS

(This Plan of Expenditure expires June 30, 2047.)

DESCRIPTION OF PROPOSED PROJECTS

This Plan of Expenditure (this “Plan”) was developed by Carson City, Nevada (the “City”) pursuant to Nevada Revised Statute (“NRS”) 377B.100(7). This Plan encompasses several capital projects of the City, including: (i) improvements to the Carson Street and William Street corridors; (ii) the construction, expansion, improvement, and/or equipping of a new animal services facility (the “Animal Services Facility”); (iii) the construction, expansion, improvement, and/or equipping of a multi-purpose athletic center (the “MAC”); (iv) and the construction of improvements to, remodeling, and/or equipping of the existing Community Center.

Corridor projects, such as proposed improvements to Carson and William Streets, may be constructed in several phases, if necessary, based on the timing of the receipt of available funding (including grants and other agency funding), certain design timeframes, and the relinquishment of right-of-way by the Nevada Department of Transportation. The Animal Services Facility and the MAC will each be constructed in a single phase. The Community Center improvements would be done in several phases based on available funding.

Each of the projects described in this Plan are proposed to be funded, in whole or in part, with the proceeds of a 1/8th cent sales tax (the “Sales Tax”) imposed by the City pursuant to chapter 377B of NRS. It would be permissible to fund the Carson Street and William Street corridor improvements with the proceeds of the Sales Tax pursuant to NRS 377B.160(3)(e), because they would constitute a “projects” under NRS 373.028(2). The construction, expansion, improvement, and/or equipping of the Animal Services Facility would be permissibly funded with the proceeds of the Sales Tax pursuant to NRS 377B.160(3)(f), because the Animal Services Facility would relate to “public safety” by preventing disease and protecting the public. The construction, expansion, improvement, and/or equipping of the MAC would be permissibly funded with the proceeds of the Sales Tax pursuant to NRS 377B.160(3)(f), because the MAC would be a “recreational” facility. The Community Center improvements would be permissibly funded with the proceeds of the Sales Tax pursuant to NRS 377B.160(3)(d) and (f) since the improvements would be “cultural” and/or “recreational” facilities.

Animal Services Facility

The Animal Services Facility would replace the existing animal services facility constructed in the early 1960's. The Animal Services Facility would be a 10,955 square foot building constructed on a 1.6 acre site located at the City corporate yard on Airport Road. The Animal Services Facility would accommodate up to 134 dogs, 104 cats and 7 exotic animals. The Animal Services Facility would promote adoption and provide City staff sufficient area to manage and shelter animals. The proposed budget for the Animal Services Facility is approximately \$[4.0] 4.5 million for the building, the site improvements, and a related contingency.

Multi-Purpose Athletic Center (MAC)

Approximately \$5.7 million of available funds exist for the design and construction of the MAC but current costs for the MAC are estimated to be approximately \$8.0 - \$8.5 million. The MAC is 60% designed and plans can be completed in approximately six (6) months. The MAC is proposed to be an approximately 41,500 square foot recreation and tournament facility. The MAC would include four (4) high school sized basketball courts (84' x 50') that would provide space for multi-purpose recreational uses, including basketball, volleyball, and futsal. In addition to the courts, the proposed MAC facility would include locker rooms, restrooms, a lobby, administrative offices, a storage room, and a second floor walking track. The MAC envisioned with this Plan would be multi-functional and allow for tournament play to provide enhanced economic vitality for the City by attracting out of area attendance, which would increase sales taxes by putting heads in beds. The MAC would be designed to accommodate expansion in the future to a full recreation center if funding allows.

Community Center

The Community Center project will consist primarily of improvements to the theater and to the gymnasium in order to enhance and update the facilities and may include a staging area for the theater, a remodel of the gymnasium, and related equipment and other facility improvements.

Carson Street & William Street Corridor Improvement Projects

The street corridor projects are designed to improve each corridor segment by: (i) enhancing business access; (ii) increasing safety through lighting and roadway improvements; (iii) improving pedestrian access and connectivity; (iv) adding bike lanes; and (v) enhancing aesthetics through parkway landscaping and streetscape improvements. All such improvements would be made in an effort to make the corridors more inviting to the public and thereby increase the attractiveness of the local businesses located along the corridors, which would increase the City's economic vitality. The Carson City "History In Motion" design theme utilized as part of the Carson City Freeway landscape enhancement project could be extended to each of the street corridors to enhance the projects. Overall costs anticipated for all the corridors is approximately \$11 - \$17 million, which would be funded through a combination of Sales Tax revenues, grants,

donations and other agency funding. Water, sewer, and storm drain replacement improvements would be included in the projects but would be funded separately by City utility funds.

Downtown Carson Street

The downtown corridor segment would be developed generally in accordance with the Downtown Envision Plan prepared in 2006 and extend along the corridor from Fifth Street to William Street, which could include reducing Carson Street to one through lane in each direction, adding bikes lanes, and adding a turn lane at intersections. The parallel parking originally proposed would be significantly reduced in scope and generally limited to handicap parking and loading, which would reduce traffic conflicts and allow for better traffic flow. As a result, wider sidewalks would be constructed allowing business access to the area for outside seating for cafes, displays, and public events. Another component of the downtown project would include improvements to Curry Street from Musser to Washington and include improved parking, improved pedestrian access, street furniture such as benches, themed lighting, and directional signage.

North Carson Street

The northern portion of this project, north of Winnie Lane to the I-580 Freeway, would include street frontage and storm water improvements, street lighting for safety, and landscaping the existing traffic islands. In addition, an urban streetscape environment from Winnie Lane to William Street is proposed. This phase would include new themed street lighting for safety, improved pedestrian street crossings, and urban site amenities including benches, waste receptacles, business district signage, and a possible landscaped roundabout at Carson Street and William Street. The North Carson Street corridor could be developed in phases depending on funding availability.

William Street

The segment from Carson Street to the Freeway interchange would include street frontage and storm water improvements, new themed street lighting, urban site amenities including benches, waste receptacles, and business district signage; wide concrete sidewalks; and street frontage landscaping. The segment from the Freeway interchange to the College Parkway and Fairview Drive intersection would include street frontage and storm water improvements, wide concrete sidewalks, multi-use path improvements, street lighting for safety, landscape planting beds, and greenbelt landscaping along the existing multi-use path. The William Street corridor could also be developed in phases depending on funding availability.

South Carson Street

The South Carson Street corridor would be divided into two segments; Segment - 1- from Fifth Street to Fairview Drive; Segment 2 – from Fairview Drive to the proposed new I-580 freeway. Segment 2 would have to be delayed to wait for the completion of the Carson City Freeway. The Segment 1 improvements would include signage, street lighting, and pedestrian connections, as well as a possible landscaped roundabout at Stewart Street. A significant storm drain project

would be included for this segment and this corridor project would be coordinated with the storm drain project to take advantage of the storm drain capital investment planned to allow for better utilization of available funding. Segment 2 of the South Carson Street corridor would be done once the freeway is completed and would include reducing the six (6) lane street to four (4) lanes with left-turn lanes. Landscaped medians would be added along with parkway improvements, street lighting for safety, pedestrian walkway improvements, bike lanes, frontage business access improvements, signage and other street improvements. The Nevada Department of Transportation is required to make some roadway improvements in the corridor pavement section before relinquishing the right-of-way to the City. So, an opportunity for jointly pursuing overall corridor improvements with the City would be pursued.

PROJECT COSTS

The anticipated overall project costs have been developed through several sources depending on the particular element of the project.

The projected Animal Services Facility costs were developed based on an architectural study and preliminary concept design of the facility. The proposed budget for the project is approximately \$[4.0] 4.5 million for the building and site improvements. Contributions would be available for the project, reducing the funding required from the Sales Tax. Therefore, funding from the Sales Tax would not exceed [be less than \$4.0] 4.247 million.

The anticipated MAC costs were also prepared by the architect and contractor engaged by the City for the facility design. Costs for the MAC are currently projected to be approximately \$8.0 - \$8.5 million, with \$5.7 million available from current funds. Therefore, funding from the Sales Tax would be approximately \$2.3 - \$2.8 million.

The Community Center costs are estimated to be as much as \$2 million. A planning process is necessary to define the project and costs further and then subsequently proceed with design and then construction.

Projected costs for the corridors have been developed with greater specificity for the downtown segment since significant planning has been done for this element. The anticipated costs for the other corridors are based on general concept plans/ideas, and square footage allocations for each have been developed. Detailed planning and design would be required for all of the corridor projects. It is anticipated not all the landscaping proposed for the corridors would be able to be included in initial project construction. Even so, the underground infrastructure to support future addition of these elements would be included as funds became available. Costs allocated for the downtown and corridors funded by the Sales Tax would approximately amount to \$11 million initially, growing over time as additional funds became available.

Also, additional funding for the corridors would be identified as a part of the projects where applicable to replace water, sewer, and storm drain infrastructure funded by City utility funds; to enhance lighting through safety grants; roadway pavements using transportation funding from either the Regional Transportation Commission or Nevada Department of Transportation; and private funding along the corridors.

The projects would be designed to allow budget limits plus any additional funding including private donations, grants, and other agency funding as may be available. The corridor projects as funded above are a start of a larger effort to enhance the business activity along the corridors. Further future investments are anticipated from various sources including grants, donations, private funding, and other agency funding over the next 10 years. Future funding is also anticipated as growth of the Sales Tax revenue increases over time with an improved economy and this would be invested into continued enhancement of the corridors.

In addition a business vitality district or other funding mechanism would be formed/developed for each corridor to contribute funding annually to the city to provide for routine maintenance required for the corridors such as cleaning sidewalks, maintaining landscaping, servicing trash receptacles, etc.

PROJECT TIMING

The Animal Services Facility would be constructed in one phase. Design could begin as early as 2014 and the facility could be constructed in 2015 or later to allow for additional contributions to off-set the capital costs.

The MAC final design can be completed in 2014 and could begin construction in 2015.

The Community Center will be done over several years as planning and project definition is completed. Construction is anticipated in several phases and could begin as early as 2017 or 2018.

The corridor improvement projects are more complex and some segments or phases would be completed over a longer timeframe. Each corridor would require a 4-6 month project planning effort ahead of detailed design. The Downtown Carson Street improvements could be designed beginning in 2015 after defining the project through a public planning process in 2014. Construction is anticipated during 2016 or may wait until 2017 when the freeway is completed. The Curry Street improvements would follow as a separate phase. The North Carson Street and East William Street corridors could be designed beginning in 2015 and constructed in 2016. The South Carson Street corridor segments would need to wait for completion of the Carson Freeway and relinquishment of right-of-way to the City as well as the stormwater capital projects planned as part of the City's capital plans. These segments would likely be designed in approximately 2016/2017 and constructed in 2018/2019 depending on completion of the freeway and securing funding.

In addition, completion of the remaining portions of the landscaping and other components for the corridor projects would be dependent upon identifying additional funding which may include grants, donations, and other agency funding as it becomes available over the next 5-10 years.

FINANCING

The City may issue bonds, notes or other obligations to fund the capital needs of the projects and may pay for certain of the costs of the projects on a pay-as-it-goes basis. The projects can be financed with bonds, notes, and/or other obligations that are payable from the proceeds of the Sales Tax or the revenue generated by the projects themselves, or may be secured in whole or in part with a pledge of the proceeds of the Sales Tax or the revenue generated by the projects themselves. In addition, it is anticipated that bonds, notes or other obligations would not be issued immediately upon implementation of the Sales Tax since initial construction would not begin for approximately a year after implementation. Funds for the first year of about \$1,000,000 from the Sales Tax would be used for project design costs. It is anticipated that two debt issuances could be issued to support the projects. An initial debt issuance of approximately \$12.0 - \$14.0 million to support the first round of projects followed two years later with a debt issuance of approximately \$2.0 - \$[4.0] 4.5 million or greater depending on available bonding capacity. Or the funding for the balance of the corridor program could be paid with current revenues on a pay as you go basis.