



"...meeting community needs...enhancing quality of life."

**PARKS, RECREATION & FACILITIES
MANAGEMENT**

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TO: Finance Committee

FROM: Dean R. Gazza

DATE: 11/22/2021

RE: Information Item: Library Design Update

The Library design process is progressing according to schedule and has transitioned from schematic design to design development. Design development moves beyond general concepts and schematics and begins to incorporate details and specifications required for construction. This includes increased plan detail such as interior and exterior building finishes, specific dimensions, code review, and building system requirements. The design development phase prepares us for the construction document phase which is scheduled to occur in spring of 2022.

The input from user groups, stakeholders, staff and others has been invaluable and has shaped the design, which seeks to meet the current and future needs of our community. We are thankful for this feedback and will continue to provide further opportunities as the design progresses.

Upon completion of the schematic design, our architect and construction manager provided initial estimates of cost including numerous options for consideration. At this relatively early stage of design development, cost estimates serve as an important checkpoint to understand whether all project elements can be included, or if some need to be rethought. There is a wide variety of choices that can be made in regards to the degree of technology, sustainability, aesthetics, quality of finishes and other factors that affect cost. In construction projects, the process of identifying cost savings across these various components of the project is often referred to as "value engineering."

From the outset of this process, the City's commitment of tax-funded borrowing for the project has been capped at \$26.4 million. The 2022 Executive Budget and Service Plan held firmly to that commitment, and the Mayor has committed to do the same for the 2023 budget. In addition, the City Council has supported allocating \$2 million of our municipal ARPA allocation for broadband network infrastructure to the library project as well. If the total cost of the project exceeds this allocation, the balance will need to come from other sources such as fundraising and/or grants.

Overall, the initial estimate, prior to significant value engineering as discussed above, is approximately \$39 million for the total project. This figure includes pandemic-induced cost escalation of roughly 27% since the initial cost estimate of this project, an issue affecting labor and materials costs across the country. **Despite these increases, as previously stated, the City of Appleton's borrowing commitment to the project remains unchanged at \$26.4 million,** thus the work ahead on the project funding will be focused on securing additional resources from a variety of sources. Although the pandemic created challenges due to these extreme cost escalations, there are also Federal and State funding opportunities that have never existed before. Our project is well-positioned to take advantage of these opportunities and staff is working diligently to pursue these alternate sources. We are optimistic that we will be able to put together a successful and diverse funding package.

It is important to note that this cost estimate is preliminary, and at this phase, generally considered a target until further design is developed. Also, these estimates include features and systems that stakeholders have expressed should be a community priority. For example, this estimate includes initiatives related to sustainability and health such as geo-thermal, a green roof, photovoltaics, advanced technology, high-end finishes, furniture and equipment, and landscaping of the roof terrace and site. Many of these items can be modified or eliminated without changing the core vision and goals of the project which is providing quality library services, but are desired to maximize the potential use of the facility. Some of these initiatives would also provide long-term operating cost savings. Upon completion of design development, we will again update the project estimate. In addition, we hope to have updates on the status of fundraising efforts and grant awards.

In conclusion, the project continues to progress well. Our team is working hard to deliver a project that will meet stakeholder expectations in a financially responsible manner. Thank you for your support, and thank you to the community as a whole, for providing input at a level not previously experienced, to bring Appleton a Library for everyone.

Please contact me at 832-5572 or at dean.gazza@appleton.org with any questions.