



Finance Committee

January 21, 2020
6:15 p.m.

Civic Center
West Committee Room

Roll Call:

Alderpersons Wattawa, Feirer, Damon

1. Call to Order
2. Minute Approval
 - January 7, 2020 - [Finance Minutes 01-07-2020](#)
3. Discussion and Action Items:
 - Concord Contract – Campbell Development - [Final_ProposalFee_2019G956_St. Francis_Campbell Dev_20191111](#)
4. Adjourn

PUBLIC NOTICE

Upon reasonable notice, a good faith effort will be made to accommodate the needs of individuals to participate in public hearings, which have a qualifying disability under the Americans with Disabilities Act. Requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the St. Francis City Clerk at 481-2300 Extension #4305. The meeting room is wheelchair accessible from the east and west entrances.

NOTE: There is a potential that a quorum of the Common Council may be present.

MINUTES OF THE FINANCE COMMITTEE MEETING HELD JANUARY 7, 2020

Present: Alderman Wattawa, Alderman Feirer and Alderman Damon

Also Present: City Administrator Johnsrud, City Clerk/Treasurer Uecker, Police Chief Hunter, City Attorney Alexy, City Engineer Dejewski, Alderman Brickner, Alderwoman Schandel

Chairman Wattawa called the meeting to order at 6:00 p.m.

Moved by Alderman Feirer, seconded by Alderman Wattawa to place on file the minutes of the Finance Committee meeting held December 17, 2019. Motion carried.

December 2019 General Fund Financial Report – Preliminary:

City Administrator Johnsrud reviewed the report and noted that it is just preliminary. PD was over due to the HRA catchup with the current union contract

Resolution Regarding Non-Represented Employee's Wages and Salaries:

City Administrator Johnsrud reviewed the resolution. It is a 2%/1% split for 2020. These numbers were included in the 2020 Budget. We will also hire 2 crew chiefs for the Highway Department. The hope is to hire those positions from within and then hire to a total of 9 in the Highway Department. The job description and request to fill those positions will come before the Common Council at an upcoming meeting.

Moved by Alderman Feirer, seconded by Alderman Wattawa to recommend approval of the Resolution to the Common Council. Motion carried.

Moved by Alderman Feirer, seconded by Alderman Damon to adjourn. Motion carried.

Time: 6:12 p.m.



November 11, 2019

Mr. Mark Johnsrud
City Administrator
City of St. Francis
3400 East Howard Avenue
St. Francis, WI 53235

Re: Proposal for select Due Diligence/Observation Management services for the
St. Francis/Campbell Capital Group, LLC development, City of St. Francis, Wisconsin

Dear Mr. Johnsrud:

In accordance with your request, we are pleased to have the opportunity to submit a proposal for consideration to provide select Due Diligence and Observation Management services on the above-referenced project. The project is located at 4200 South Lake Drive, St. Francis, WI.

It is our understanding that the development will be a 4-story "luxury" apartment building with underground parking and high-end community amenities. It is proposed to include a blend of 1- and 2-bedroom apartments that total 236 residential units. The building will have an approximate lower level footprint of 93,000 square feet (SF) consisting of parking, storage, and utility rooms, and a total building square footage of approximately 331,410 SF. The Developer has estimated a total project budget of approximately \$48 Million with a proposed assessed value of \$38 Million. The City has committed to provide approximately \$9.6 Million to support the development. The development currently has conditional approval on a submitted DD-level set of drawings and anticipates construction beginning in April, 2020 with substantial completion occurring in May/June, 2021.

We propose the following fees based on the attached scope of services and the level of effort matrix. The scope of services described in the subsequent pages are based on our understanding of the City's needs as discussed in several telephone discussions last week and our fees are based on a time and material estimate broken down as follows:

| | |
|--|------------------|
| PHASE I – Documentation Review/Due Diligence | \$19,056 |
| Phase II – Site Observation/Monthly Reporting (approx. \$6,826/month for 14 months) | \$95,550 |
| PHASE III – Project Close-out | <u>\$ 5,824</u> |
| Total Estimated Base Fee | \$120,430 |

Additional Terms and Conditions:

Reimbursable Expenses:

The foregoing fees are exclusive of the following project related expenses:

1. Approved project related expenses outside the Milwaukee / St. Francis area. All travel to site and City Hall for meetings and observation visits are included in the fee above.

2. Cost for reproduction of drawings.
3. Cost for specialized consultants engaged at the direction of the City of St. Francis.

Payment of Fees and Reimbursable Expenses:

Terms and conditions related to payment are as follows:

1. An invoice will be submitted monthly and payment will be due within thirty (30) days.
2. Reimbursable expenses incurred will be reimbursed at actual net cost.
3. Additional services authorized will be reimbursed on either a pre-agreed lump sum basis, or on an hourly basis at the following rates:

Hourly Rates:

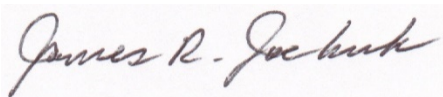
Additional services performed beyond the Scope of Services described and authorized by the Owner, shall be provided by The Concord Group and will be reimbursed on either a pre-agreed lump sum basis, or on an hourly basis at the following rates:

| | |
|----------------------------|--------|
| Principal | \$ 205 |
| Director/Project Executive | \$ 185 |
| Senior Project Manager | \$ 165 |
| Senior Cost Estimator | \$ 165 |
| Project Manager | \$ 140 |
| Cost Estimator II | \$ 140 |
| Cost Estimator I | \$ 125 |
| Assistant Project Manager | \$ 100 |
| Observation Manager | \$ 95 |
| Technical Assistant | \$ 78 |

* - The above hourly rates and the total estimated fees calculated include an anticipated price increase for TCG 2020/21 fiscal year.

Thank you for the opportunity to provide this proposal for your consideration and we look forward to working with you on the project.

Sincerely,



James R. Joehnk, PE
Director, Infrastructure Management

JJ/2019G956

AUTHORIZATION:

Entity: _____

By: _____

Title: _____

Date: _____

**City of St. Francis – Campell Capital Group, LLC Development Project
Proposed Scope of Services/Fee Summary dated November 11, 2019**

I. Scope of Services

A. PHASE I – Documentation Review/Initial Due Diligence

1. Prepare for and attend a kick-off meeting on the project that will clarify the scope of services anticipated to be performed. Obtain all pertinent documentation provided by the City as part of this meeting, such as plans, specifications, Developer's Agreement, shop drawings, material submittals/substitutions, etc.
2. In conjunction with the City staff, assist with the review and response process associated with the Developer's submittal package(s) in accordance with the final City approval for the project. On an as-needed basis, this requested effort will include review and comment on all submittal plans (building and site improvements), specifications, associated reports, and finish schedules, etc., to assist with representing the City through the final approval process. Any discrepancies with standard design/construction principles identified in the review process will be provided to the City in writing for inclusion with their applicable written responses. TCG has assumed for budgeting purposes, the level of effort to complete this task will be approximately 50 hours charged against a blended staff rate of \$150/hour for a total fee of \$7,500, and is included in the overall Phase I fee estimate below.
3. With the assistance of the City, TCG will obtain and review any agreements in place between the Design team (Architects/Engineers) and Construction team (Contractors/Sub-contractors).
4. Evaluate the above information and report on our findings.

B. Phase II – Site Observation and Reporting

1. TCG shall obtain and review pertinent documentation provided by the City.
2. We shall discuss/coordinate the status of existing and future construction procedures with representatives of the City and their building inspector in order to share information on the project.
3. TCG shall perform construction observation services to document and verify applicable materials/products were installed within the proposed building and associated site improvements in accordance with the construction documents. This effort will include providing an on-site construction Observation Manager approximately 2 hours per day, 5 days per week for a total of 40 hours per month over the course of the 14-month construction period, plus team project management/oversight support.
4. Request and review the Design team's punch lists and confirm whether work was completed based on TCG's previous site observations.

5. Review each application for the Finish Schedule items and participate in associated steps/phases related to Occupancy and make a recommendation that the work was completed in general conformance with general industry practices.
6. Prepare a detailed weekly report of construction summarizing the status of the project based on the site observations and our review of project documents, including project financial status of the TIF Loan disbursement payment process.

C. PHASE III – Project Close-out

The project close-out period will be completed shortly after the final construction ends, tentatively in the month of June, 2021. Services will be performed to prepare a final observation and financial report on the project.

D. Possible Additional Services

1. Provide an opinion of probable construction costs that can be used as a comparative cost analysis and highlight any potential discrepancies. The estimate will be prepared based on State approved drawings for both the building and site improvements. Essentially, this task will be performed to provide an opinion on the reasonableness of the project development costs provided by the Developer.
2. Evaluate and make recommendations for any requested Change Orders that potentially adjust the TIF Loan payments.
3. Provide additional Project Management services to coordinate potential issues that may arise during construction on the project.

II. FEE SUMMARY

The estimated fees will be invoiced in accordance with above Scope of Services and our standard rate schedule. The Time and Expense fee has been estimated to total approximately \$120,430 broken down as follows:

| | |
|---|------------------|
| A. PHASE I – Documentation Review/Due Diligence | \$19,056 |
| B. Phase II – Site Observation/Monthly Reporting (approx. \$6,826/month for 14 months) | \$95,550 |
| C. PHASE III – Project Close-out | <u>\$ 5,824</u> |
| Total Estimated Base Fee | \$120,430 |

D. Potential Additional Fees – Allowances, if services are requested:

| | |
|---------------------------------------|----------|
| 1. Comparative Cost Estimate Analysis | \$12,500 |
| 2. Change Order Review | \$ 5,000 |
| 3. Project Management Services | \$10,000 |

* - The above hourly rates and the total estimated fees calculated include an anticipated price increase for TCG 2020/21 fiscal year.

| TIF ADVISORY SERVICES City of St Francis - Campbell Development | | THE CONCORD GROUP | | | | | | Comments |
|--|--|-------------------|-------------|--------------|------------|------------|---|----------|
| Total Fee with Allowances: \$147,930 | | | | | | | | |
| No. | Task Description | Proj. Executive | Senior PM | Obs. Manager | Estimating | Admin Ass. | Subtotal | |
| A | Initial Due Diligency - PROJECT BUDGET - \$48MM | | | | | | | |
| A.1 | Review the project documents, contracts, developer agreements, design docs, shop drawings, etc. | 8 | 24 | 16 | | 12 | 60 | |
| A.2 | Provide plan review assistance through the final City approval process and document applicable comments | 4 | 28 | 16 | | 8 | 56 | |
| A.3 | Review the Developer's Bid results and contracts involving the Design and Construction Team | | 4 | | | 4 | 8 | |
| A.4 | Produce a report and master tracking spreadsheet | 4 | 8 | | | 8 | 20 | |
| | Sub Total Hours | 16 | 64 | 32 | 0 | 32 | 144 | |
| | Hourly Rates | \$185.00 | \$165.00 | \$95.00 | \$140.00 | \$78.00 | | |
| | Total Report Cost | \$2,960.00 | \$10,560.00 | \$3,040.00 | | \$2,496.00 | \$19,056.00 | |
| | Total Estimating Cost | | | | \$0.00 | | \$0.00 | |
| | Total Cost | \$2,960.00 | \$10,560.00 | \$3,040.00 | \$0.00 | \$2,496.00 | \$19,056.00 | |
| D | Additional Services | | | | | | | |
| D.1 | Prepare a comparative construction cost estimate | | | | | | 0 | |
| | | | | | | | \$12,500 Allowance for comparative estimate | |
| D.2 | Evaluate and make recommendations for any requested Change Orders that potentially adjust the TIF Loan payments. | | | | | | 0 | |
| | | | | | | | \$5,000 Allowance | |
| D.3 | Provide additional Project Management services to coordinate potential issues that may arise during construction on the project | | | | | | 0 | |
| | | | | | | | \$10,000 Allowance for assistance to above Add services | |
| | Sub Total Hours | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Hourly Rates | \$185.00 | \$165.00 | \$95.00 | \$140.00 | \$78.00 | | |
| | Total Report Cost | \$0.00 | \$0.00 | \$0.00 | | \$0.00 | \$0.00 | |
| | Total Estimating Cost | | | | \$0.00 | | \$0.00 | |
| | Total Cost | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| B | Construction Phase - Monthly Progress Review Assumed month duration | | 14 | 14 | | 14 | | |
| B.1 | TCG shall obtain and review pertinent documentation provided by the City. | 1 | 2 | | | | 3 | |
| B.2 | Discuss/coordinate the status of existing and future construction procedures with representatives of the City and their building inspector in order to share information on the project. | | 2 | 1 | | | 3 | |
| B.3 | perform construction observation services to document and verify applicable materials/products were installed within the proposed building and associated site improvements in accordance with the construction documents. | | 4 | 40 | | 3 | 47 | |
| B.4 | Request and review the Design team's punch lists and confirm whether work was completed based on TCG's previous site observations. | | 1 | 1 | | | | |
| B.5 | Review each application for the Finish Schedule items and participate in associated steps related to Occupancy and make a recommendation that the work was completed in general conformance with general industry practices. | | 1 | | | | | |
| B.6 | Prepare a detailed weekly report based on the on-site observations and review with City. | 1 | 2 | 1 | | 2 | 6 | |
| | Sub Monthly Hours | 28 | 168 | 602 | 0 | 70 | 59 | |
| | Hourly Rates | \$185.00 | \$165.00 | \$95.00 | \$135.00 | \$78.00 | | |
| | Total Section 2 | \$5,180.00 | \$27,720.00 | \$57,190.00 | \$0.00 | \$5,460.00 | \$95,550.00 | |
| 5 | Project Close Out | | | | | | | |
| C.1 | Prepare final project close-out report confirming compliance by owner, contractor and architect/engineer with all contractual obligations and confirmation that all of the projects financial and regulatory approval requirements have been satisfied | 2 | 10 | 2 | | 10 | 24 | |
| C.2 | Prepare a final accounting for the project. | 2 | 10 | 2 | | 8 | 22 | |
| | Sub Total Hours | 4 | 20 | 4 | 0 | 18 | 46 | |
| | Hourly Rates | \$185.00 | \$165.00 | \$95.00 | \$140.00 | \$78.00 | | |
| | Total Section 3 | \$740.00 | \$3,300.00 | \$380.00 | \$0.00 | \$1,404.00 | \$5,824.00 | |

Total Hours: 48 252 638 0 120 1058
SUB TOTAL: \$8,880 \$41,580 \$60,610 \$0 \$9,360 \$120,430
TOTAL: \$120,430
CONTINGENCY: \$0
CONCORD BASE FEE: \$120,430

Comparative Cost Estimate Allowance: \$ 12,500
Change Order Review Allowance: \$ 5,000
PM Coordination for Issues Arising on Site Allowance: \$ 10,000

CONCORD TOTAL FEE W ALLOWANCES: **\$147,930**