



John Engen

OFFICE OF THE MAYOR

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Memorandum

TO: Council Members

FROM: John Adams, Strategic Projects Administrator

SUBJECT: Interlocal Agreement for Federal Building design and construction

DATE: February 2, 2022

The next step in acquisition and redevelopment of the Federal Building is to design the building's rehabilitation—to plan repair of structural deficiencies and replacement of archaic mechanical and electrical systems, to jigsaw dozens of departments with greatly varied needs into the existing footprint, to help us navigate tradeoffs between cost and functionality, to plan and estimate costs for phased construction, and etc. Today's proposed Interlocal Agreement between City and County codifies how the two entities can collaboratively oversee design and, later, construction. On February 22, 2022, the Board of County Commissioners will consider the same Interlocal. If the Interlocal is approved, staff will complete contracting with A&E Design to commence design.

Project Summary

The City of Missoula and Missoula County tentatively expect to receive title to the Missoula Federal Building in autumn of 2022. The historic Federal Building, 200 East Broadway, is one of Missoula's most important landmarks and a critical part of Missoula's Downtown. The property has been declared surplus to federal requirements and will go to auction unless acquired by the City of Missoula and Missoula County. The City and County seek to:

- 1) Acquire the building at no cost;
- 2) Rehabilitate the building to house City Hall and County central services;
- 3) Protect the building in perpetuity.

The City urgently needs additional space to better provide public service and to house Municipal Court. Acquiring the Federal Building would allow the City to address this need more cost effectively than any available alternative; improve public service through the co-location of City and County services and staff; and permanently protect one of the most important historic buildings in Missoula.

In July, 2021, Council approved City application to the National Park Service (NPS) and the General Services Administration (GSA) to receive the Federal Building via the federal Historic Surplus Property Program. (GSA requires application from a single government; the City applied but will ultimately transfer ownership to a joint City-County entity.) Under that program the City will receive the building free of cost and, in return, commit to the preservation of the building in perpetuity. NPS has approved the City's application and plan for preservation and use of the building. We await formal notice from GSA that the

City will receive the building; staff have not identified any potential barriers to that outcome. If the City is not awarded the building it will go to public auction.

City and County Collaboration

The City and County have worked together on the Federal Building from the outset of this project. The two entities previously completed two interlocal agreements relating to the Federal Building and expect a fourth in the future. The four would include:

- July 2020: provided for due diligence investigation of the Federal Building;
- July 2021: memorialized mutual agreement to create an entity that can own and manage the Federal Building on behalf of the City and the County;
- February 2022 (proposed here): creates a structure for City and County to jointly oversee design and rehabilitation of the Federal Building;
- Winter 2022-2023 (anticipated): creates the entity or mechanism that owns and manages the Federal Building.

The Proposed Interlocal Agreement

The proposed interlocal agreement is designed to enable the City and County to jointly oversee design and construction of the Federal Building. The interlocal was modeled on the previous successful joint effort to design and construct Fort Missoula Regional Park. Key provisions include:

- Creation of a Management Team with three individuals from each entity to oversee day-to-day management of the project: work with the design team, coordinate with staff across the two entities, procure services, review billing, etc. This team will likely include myself, County project lead Mel Fisher, City Facilities Manager Matt Lawson and others.
- Creation of an Oversight Team with the Chief Administrative Officer (CAO) and two other individuals from each entity to provide high-level oversight, resolve any disagreements and ensure budgetary fidelity.
- A commitment to evenly split costs for joint building elements, but to permit assignment, in whole or in part, to the City or the County costs attributable to specific needs or desires of the respective entities.
- Designation of the County as the contracting party of record.
- Agreement to design the building with an integrated and unified design, reserving to each entity substantial discretion to make design choices for areas of the building designated for their sole use.

Commencing Design

To minimize the lag between receiving fee title to the Federal Building and the beginning of rehabilitation, design needs to begin. A&E Design has proposed a scope of work for a Master Plan and Schematic Design that will take approximately 9 months from contracting. Additional details on the scope of work can be found in Attachment A. End results will include evaluating existing systems and developing as-built plans, a phased plan for construction, cost estimates, and the design essentials that will allow for subsequent, phased design and construction. Deliverables will include, among other things:

Final Program Report:

- Building Code Review & Compliance
- ADA Compliance
- Program Summary
- Concept Design Floor Plans – General Layout, Spatial Arrangements, Functional Adjacencies

- Environmental Graphics Options & Autonomy
- Interiors - Suggested Materials & Finishes
- MEP Concept Plans & Narratives
- Sustainability & Energy Use Intensity (EUI) Narrative
- Decarbonizing Opportunities/Carbon Neutrality Narrative
- Site & Landscaping Improvements
- Preservation and Use Plan Impacts
- Secretary of the Interior's Standards (SOI) for Historic Rehabilitation Compliance
- Revised Phased Development / Phased Occupancy / Phasing Impacts & Schedule

Schematic Design:

- Preliminary Site Plan
- Conceptual Floor Plans – General Layout, Spatial Arrangements, Functional Adjacencies
- Computer Generated 3D Renderings
- Interiors Integration
- Environmental Graphics Integration
- Building Standards – Product Cut Sheets

A&E anticipates this will take approximately 9 months and cost \$613,000, to be split between City and County. The City's FY 2022 budget earmarked \$2.2 million in the Capital Improvement Program for total project design costs. Future design costs will be contracted for by construction phase.

City and County staff approve of A&E's proposed Scope of Work and are working to develop a contract memorializing it. If the Interlocal Agreement is approved by both Council and Board of County Commissioners (BCC), the County will function as contracting agent on behalf of the two entities. Accordingly, the BCC will be asked to approve the A&E contract. Council should be aware that a Council vote on the contract will not follow.

Additional Background

Additional background is available in Attachment B, the memo that was provided to Council in June 2021, informing Council's decision to apply to NPS and GSA to receive the building. At heart, the City's population has more than doubled in size since construction of City Hall, and existing City facilities are inadequate to efficaciously deliver the service citizens expect and merit. Alternatives space needs solutions – such as redeveloping/expanding City Hall and building new – would cost as much or more than rehabilitation of the Federal Building project, with fewer ancillary benefits. Those ancillary benefits notably include improved constituent service, improved collaboration with Missoula County and preservation of the Federal Building: if the building goes to auction the community will lose control of the fate of the building, and it will potentially be demolished.

~ End ~