

STAFF REPORT

Date: July 31, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Staff Report (For Possible Action): Presentation and Update on the Design and Estimated Project Costs for the Neil Road Facility Remodel and Expansion Project.

From: Catie Harrison, Engineering Manager

Department: Public Works

Summary:

The Neil Road facility is currently leased to Community Health Alliance (CHA) to provide critical healthcare services to a traditionally underserved community. The scope of this project is to remodel the existing 5,120-square-foot facility and expand it with an additional 4,000 square feet of space. This will allow CHA to expand the services available to the community at this facility.

Council approved \$5 million in American Rescue Plan Act (ARPA) funds to this project under the Access to Healthcare priority category. The ARPA funds are required to be awarded to a project before December 31, 2024. The design for this project will be completed in August 2024 to advertise for bids and award a construction contract in December 2024. The engineer's estimate of probable cost is \$6.2 million, which includes design, permitting, construction, and contingency. CHA will be obligated to cover any funding gap over the allocated \$5 million at the time of bid award, contingent upon the successful execution of a new long-term lease. A new lease agreement is anticipated to come back to Council at the same time as the construction contract. Construction is anticipated to begin in January 2025 and is expected to take 18 to 22 months.

Alignment with Strategic Plan:

Economic Opportunity, Homelessness, and Affordable Housing
Infrastructure, Climate Change, and Environmental Sustainability
Economic and Community Development

Previous Council Action:

April 10, 2024 – Council approved a consultant agreement with Tectonics Design Group for the design and construction administration services for the Neil Road Facility Remodel and Expansion

Project in an amount not to exceed \$342,583 (ARPA Fund).

March 8, 2023 – Council approved an additional \$2 million ARPA fund allocation to the Access to Healthcare priority category and approved the Neil Road Facility Remodel and Expansion Project with an allocation of \$5 million.

January 26, 2022 – Council allocated \$24,499,998.50 in ARPA funds to seven priority categories as a result of the public engagement process, including \$3 million to Access to Healthcare.

August 25, 2021 – Council accepted the \$51,519,997 State and Local Fiscal Recovery Funds (SLFRF) allocated through ARPA and directed staff to begin a public engagement process.

Background:

The facility at 3915 Neil Road, shown on the vicinity map, is currently being leased to CHA to provide critical healthcare services to a traditionally underserved community. Council allocated \$5 million in ARPA funds for the Access to Healthcare priority category during the March 8, 2023, and January 26, 2022, Council meetings. Also, during the March 8, 2023, meeting, Council approved the Neil Road Building Remodel and Expansion Project for use of the \$5 million ARPA funds dedicated to the Access to Healthcare priority category. This project will expand and remodel the facility at 3915 Neil Road to increase the healthcare services provided to the community at this facility. Council approved a consultant agreement with Tectonics Design Group for the design and construction administration services at the April 10, 2024, meeting.

Vicinity Map



City of Reno
Public Works

NEIL RD FACILITY
VICINITY MAP

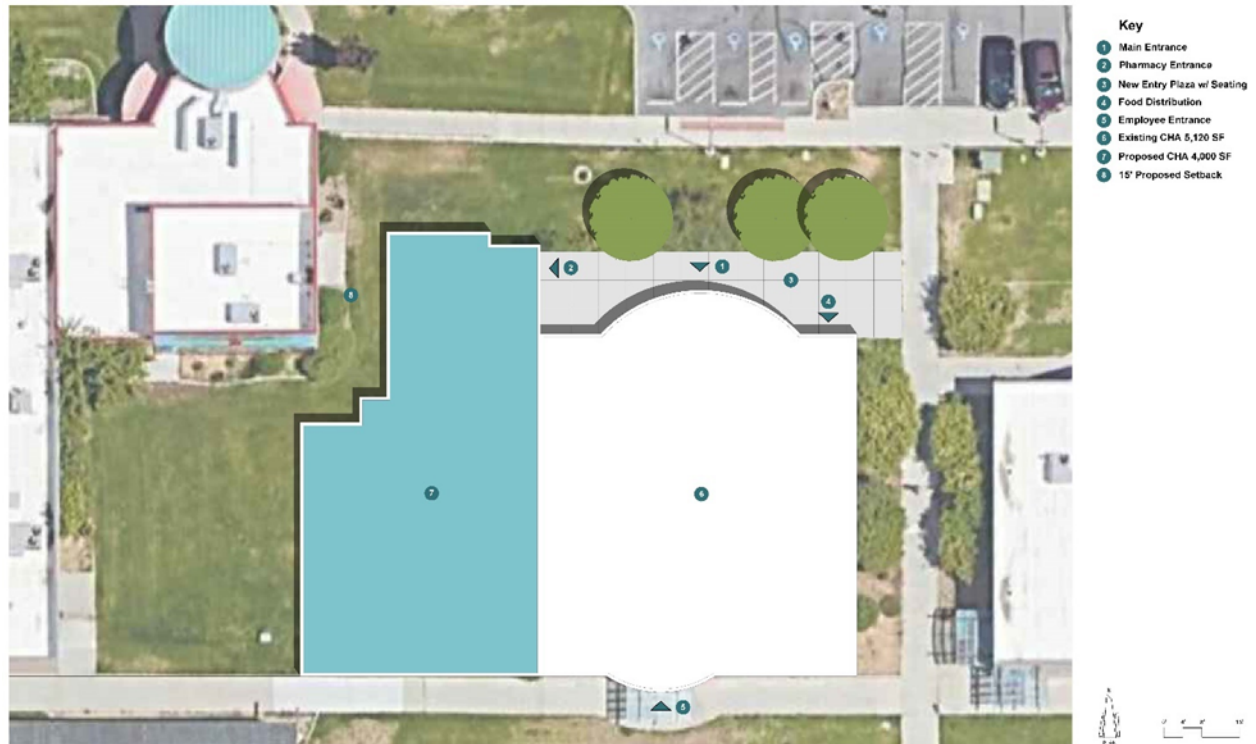
Date: February 2024

The information heron is
approximate and is intended
for display purposes only.

Discussion:

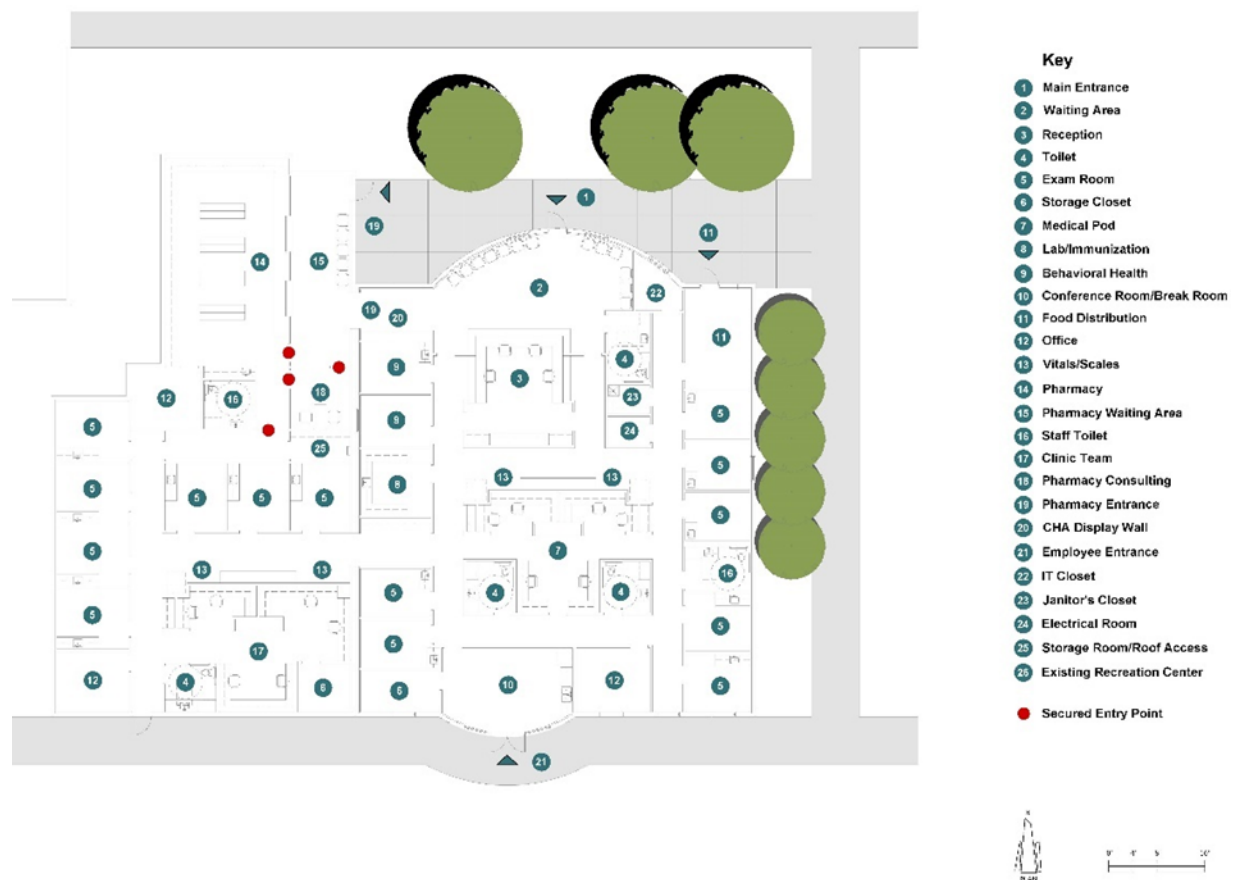
The facility at 3915 Neil Road is an existing 5,120-square-foot facility that provides healthcare services. The Neil Road Building Remodel and Expansion Project is planned to expand the area of this facility with a 4,000-square-foot addition and remodel of the existing 5,120-square-foot facility. Figure 1 is a conceptual site plan showing the existing facility for remodeling and the location for the new expansion.

Figure 1. Conceptual Site Plan



The planned expansion and remodel will allow CHA to expand the healthcare services provided at this facility. Figure 2 is a conceptual floor plan showing the anticipated layout for the renovated healthcare facility. The conceptual site plan and floor plan for this facility were developed by CHA.

Figure 2. Conceptual Floor Plan



The schedule for this project is tight as shown in Table 1 below. Staff anticipates bringing it to Council at the December 4, 2024, meeting. ARPA funds are required to be awarded by December 31, 2024, and spent by December 31, 2026.

Table 1. Project Schedule	
Award consultant agreement	April 10, 2024
Design	April - August, 2024
Estimate of probable construction cost	July 2024
Plan review & permitting	August - September, 2024
Advertise & bidding	October - November 2024
Council award	December 4, 2024
ARPA award deadline	December 31, 2024
Construction	January 2025 – October 2026
ARPA expenditure deadline	December 31, 2026

Tectonics Design Group prepared the estimate of probable construction cost shown in Table 2

below. The total project budget is anticipated to be approximately \$6.2 million. Included in the project budget are design and construction administration services fees, construction costs, plan review and permitting fees, utility fees required for facility expansion and remodels, special inspection fees for services during construction, and a design contingency to account for unknown conditions that could increase costs for scope changed during design and/or materials and labor costs that have the possibility to increase before bidding. Not included in the project cost are furniture, fixtures, and equipment (FF&E). The FF&E for this project is to be procured by CHA.

The City has allocated \$5 million to this project from ARPA funds. Any project costs above \$5 million will have to come from CHA as outlined in the memorandum of understanding (MOU) that is also on this agenda for Council consideration and approval.

Table 2. Project Budget	
Design & construction administration	\$ 303,600
Site Improvements	\$ 192,000
New Expansion	\$ 2,080,000
Remodel Existing Space	\$ 1,943,825
Permitting and GC Fees	\$ 919,714
Contingency (15%)	\$ 762,774
Grand Total	\$ 6,201,913

Financial Implications:

None

Legal Implications:

None at this time

Recommendation:

None

Proposed Motion:

None

Attachments: