



City Council

Approval of a Resolution Authorizing an Agreement with the Department of Enterprise Services for Phase 1 Design and Re-Construction Audit for the Armory

Agenda Date: 3/5/2024
Agenda Item Number: 6.A
File Number:24-0108

Type: resolution **Version:** 1 **Status:** Passed

Title

Approval of a Resolution Authorizing an Agreement with the Department of Enterprise Services for Phase 1 Design and Re-Construction Audit for the Armory

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve Resolution authorizing an agreement t with the Department of Enterprise Services for Phase 1 Design and Re-Construction Audit for the Armory.

Report

Issue:

Whether to approve Resolution authorizing an agreement with the Department of Enterprise Services for Phase 1 Design and Re-Construction Audit for the Armory.

Staff Contact:

Valerie Roberts, Armory Building Manager, Parks, Arts & Recreation, 360.753.8468

Presenter(s):

Valerie Roberts, Armory Building Manager

Background and Analysis:

Armory Project Background:

The City of Olympia will transform this Historic Building into a new Armory Creative Campus-a space that will support the arts as integral to Olympia's way of life; encourage community growth through creativity and innovation; use the arts to connect people, ideas, and place while working within an equity framework. The conceptual design through community visioning was completed in November 2022. In July 2023, artists, culture bearers, and a youth action council imagined possible uses of the space through art installations and creative projects through NEA funded Art Interventions.

In January of 2024, eight non-profit arts organizations were identified as future tenants (Anchor Partners for the building), including The Bridge Music Project, Capital City Pride, Community Print, Kokua Services/Hummingbird Studio, Olympia Film Collective, Olympia Lamplighters, PARC Foundation and TC Media. These organizations will create a core partner group to activate the campus and bring the community vision to life.

DES Energy Savings Program

The Washington Department of Enterprise Services (DES) Energy Savings Program allows the City of Olympia to complete essential upgrades to the Armory building while providing other multiple benefits including contracting support by way of their own Project Manager (in addition to the City's), to guide the process and ensure compliance, performance, price, and energy savings guarantee, and a faster turnaround on timeline. A majority (over 90%) of Phase 1 building enhancements fit within the scope for Energy Service Company (ESCO) work. Additionally, there is an opportunity for financial support with an ESCO through the pursuit of federal energy savings grants and the possibility to lease of some energy systems within the Armory to defer upfront costs.

Ameresco was selected as the primary contractor through the DES Energy Savings program for the Armory project in October of 2023. They are a leading cleantech integrator and renewable energy asset developer, owner, and operator. They work to reduce operating expenses, upgrade, and maintain facilities, stabilize energy costs, improve occupancy comfort levels, increase energy reliability and resiliency, and enhance the environment. They have successfully implemented energy-saving, environmentally responsible projects for federal, state, and local governments, healthcare and educational institutions, housing authorities, and commercial and industrial customers, including several cities, counties, and agencies across the State. Ameresco's local team offers more than 10 decades of combined design and integration experience and their expertise includes design, procurement, testing, construction, commissioning, ownership, operations and maintenance, and verification of savings or production. All of these skills and resources will be directed to the Armory Creative Campus project to create a sustainable, safe and accessible building for the community to use for decades to come.

Investment Grade Audit

The current Investment Grade Audit proposal includes energy audit services, engineering and environmental studies, and architectural and engineering services. The facilities which have been identified by City of Olympia are the Armory and Annex Building. Through preliminary efforts by the City of Olympia and Ameresco, it has been determined that the overall renovation and upgrade of the facilities expand beyond the current funding resources the City of Olympia currently has available. With this understanding, Ameresco, the City of Olympia and DES have discussed using a phased approach to the upgrades to the facility. The first phase of the overall project will have the overarching goal of making the Armory safe, accessible, functional, and open to the public while improving and implementing energy savings opportunities.

To meet the needs of the Olympia Armory, Ameresco (again in collaboration with the City of Olympia and DES) is proposing to begin design concurrent to the Investment Grade Audit. The goal is to design the whole project through a design development level (~80% Design) so that the future improvements are ready to proceed with a reduced design effort as additional funding becomes

available. Taking the design through to this level will provide sufficient design information to accurately budget the initial phase of construction and provide a clear design concept for future phases. This additional design effort will also empower the project team to achieve a thorough understanding and enable us to strategically plan the development and implementation process.

Ameresco is working with the City of Olympia to find additional funding opportunities, so that future Energy Conservation Measures can be implemented as additional funds become available.

Climate Analysis:

Through working with the DES Energy Program and Ameresco, all building improvements for the Armory Creative Campus will be approached through an Energy Conservation Lens. Because building use will change and occupancy will increase, we will most likely see an increase in energy use but a longer-term reduction of greenhouse gas emissions from the improvements to this building, especially as we commit to look for opportunities for clean self-sustaining energy such as solar.

Equity Analysis:

The Olympia Community, Arts Nonprofits, Anchor Partners and more will benefit from this work as it is the first step to upgrading the Armory to be available for community use. Although this portion of the work does not have a high community engagement component, it is based on community engagement work done previously through the 2022 Concept Plan. Finally, this work will be done with Ameresco, whose commitment to DEI and hiring local subcontractors who are minority and women owned is high and demonstrable.

Neighborhood/Community Interests (if known):

No concerns reported.

Financial Impact:

\$1,000,000 Capital Heritage Projects Grants will cover 1/3 of this cost, the remaining \$546,666 will be covered through Capital funds identified for the Armory Project.

Options:

1. Approve Resolution: Implications include moving forward on upgrading the Armory building to be usable for the Olympia Community, Anchor Partners and more.
2. Modify Resolution: Implications include delays to construction timelines and push out the opening date for the Armory Creative Campus
3. Don't Approve Resolution: Implications include no improvements to the Armory Creative Campus, leaving the Armory building unable to open or be used by the Community.

Attachments:

Resolution
Agreement
Energy Services Authorization
Ameresco Energy Audit Fee Proposal
DES Funding Approval