



Legislation Text

File #: 22-509, **Version:** 2

Ordinance No. 22-58 amending Ordinance No. 21-112 (2022 Budget Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$2,500,000 to complete the replacement of the heating, ventilation and air conditioning (HVAC) system at the Colorado Springs Pioneers Museum

Presenter:

Chris Fiandaca, City Budget Manager
Charae McDaniel - Chief Financial Officer
Britt Haley - Acting Parks, Recreation and Cultural Services Director

Summary:

The Colorado Springs Pioneers Museum requests supplemental funding for HVAC upgrades to the 1903 El Paso County Courthouse. This request is based on a best value proposal from a qualified general contractor.

This supplemental appropriation in the amount of \$2,500,000 from the General Fund available fund balance is necessary to meet current health and safety codes, conserve energy, provide reliable occupant comfort, ensure longevity of artifacts and the building, and allow proper control and maintenance into the future. The project remains an emergency as a collection storage area on the fourth floor is closed due to a roof leak, a major third-floor gallery is closed due to active leaks from the air handlers, and four new pipe leaks have been discovered in the first-floor hallway in the past few months.

In 2021, City Council approved a supplemental appropriation of \$3,000,000 to support the emergency HVAC repairs. That appropriation was based on an initial estimate of the costs provided by Facilities Maintenance and Museum Staff. The supplemental funding was used, in part, for an analysis of the current conditions of the museum's aging HVAC system and for engineered drawings for use in the procurement process. It was determined that in addition to urgent issues with failing HVAC piping and old, inefficient boiler and air handlers, there are significant problems with the duct board that was installed in the 1970s. This cardboard like material is failing and the existing ducts do not provide climate control to every area of the building. The galleries and collections storage areas are subject to damaging temperature and humidity spikes. Additionally, in order to remove the old and install the new equipment in the fourth floor mechanical rooms, new roof hatches will be required, which means a complete replacement of the existing roof installed in the 1990s.

Beyond changes in the scope of work to ensure the museum has a complete and functioning HVAC system and to meet current building codes, supply chain issues and labor costs also account for the increase in the budget.

City staff anticipated that costs would exceed the initial budget allocation and worked to seek other funding opportunities. The Museum has received grants from the LART Fund (\$250,000), the

Museum Nonprofit Board (\$125,000), and the Gates Family Foundation (\$20,000). Staff is also committed to seeking or identifying additional support of up to \$350,000 to provide funds for contingency.

Background:

The original Museum HVAC system consisted of steam radiators and small tunnels below the first floor that would introduce outdoor air into the spaces. Heating was generally sufficient; however, cooling was a problem. The building was able to cool down during the night hours and maintain reasonable temperatures during most business hours. However, in the early evening, temperatures would become uncomfortable in the summer. Nevertheless, the heat would radiate into the night sky which would allow the building to cool down for morning occupancy. The first major mechanical redesign was in 1972 with additional enhancements completed in the 1980s. Since then, periodic repairs have been made along with the installation of a new chiller in 2017 which can be incorporated into the proposed replacement system.

Recently, the number of repairs has increased. Since January 2020, there have been over 20 service calls to address boiler issues, steam leaks, condensation/humidity issues and temperature problems. Initial cost estimates to perform short-term repairs are averaging \$450,000 with defined timelines for replacement and anticipated increased costs. Due to such high short-term repair costs and the potential for catastrophic failure of the system, staff is conducting a full replacement of the HVAC system to be completed prior to winter to ensure the system will be fully operational before winter.

Replacement heating will be provided by two high-efficiency condensing boilers located on the fourth floor near the air handling equipment to minimize the addition of new piping risers within the lower levels of the building. Existing steam and condensate piping risers will be abandoned in place. A new riser for natural gas will be routed up to the fourth floor.

The existing steam boiler also provides humidification for the museum, an absolute requirement for storing artifacts. Replacement equipment will be gas-fired steam generators, located on the fourth floor as well.

Previous Council Action:

On July 27, 2021, City Council approved a supplemental appropriation to the General Fund in the amount of \$3,000,000 for the replacement of the HVAC system at the Colorado Springs Pioneers Museum, per Ordinance 21-58.

On December 14, 2021, City Council approved the 2022 Budget per Ordinance No. 21-112, which included the appropriation for the General Fund.

Financial Implications:

This supplemental appropriation increases the 2022 General Fund expenditure budget by \$2,500,000. The source of these funds is the General Fund available fund balance, reducing it by 0.6%.

City Council Appointed Board/Commission/Committee Recommendation:

This supplemental appropriation was discussed with the City Council Budget Committee at the meeting on August 9, 2022.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move approval of the supplemental appropriation to the General Fund in the amount of \$2,500,000 to complete the replacement of the HVAC system at the Colorado Springs Pioneers Museum

An ordinance amending Ordinance No. 21-112 (2022 Budget Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$2,500,000 to complete the replacement of the heating, ventilation and air conditioning (HVAC) system at the Colorado Springs Pioneers Museum