

2012 Committee Meeting
December 29, 2003 – 1:15 P.M.

Committee Chairman Ron Kroeger called the meeting to order with the following members present: Jean French, Alan Hanks, Tom Murphy, Sam Kooiker, Bill Waugh, Martha Rodriguez, Ray Hadley and Rick Kriebel. Jeff Partridge was absent.

Motion was made by Waugh and seconded by Rodriguez to authorize expenditure of funds for **design of the Dahl Expansion Project**.

Linda Anderson, Executive Director of the Rapid City Arts Council, submitted a handout detailing the results of the fundraising that has been done by the Arts Council. They are requesting authorization for City staff to enter into negotiation for a consultant contract for expansion of the Thurston design. Completing the next architectural phase is important for several reasons: 1) Two-thirds of the required matching funds are in the bank, as required by the City Council. 2) Architectural plans need to be completed so that the Arts Council can apply for grants. Many of the grant Foundations require that bids be solicited before application is made. 3) Anderson noted that the Arts Council also would like to get bids for the project so that they know they are within the budget. The goals for this project is to break ground in 2004, which is quite ambitious. Anderson stated that they are concerned about how inflation will have affected the initial project numbers. She explained that the plan has been scaled back through the use of alternates. Although the alternates have been put on the table, the Arts Council fully intends to construct everything that is needed.

Anderson reported that they also need to look at what is needed for the heating and cooling systems in the Dahl Annex. We need the architects to review the situation and tell us if there are things we need to do faster in that part of the building.

Regarding the project costs, Anderson explained that the initial estimate was made in 1999 when the project was first proposed. Costs have changed significantly since that time and she submitted cost comparisons for the council perusal. The total project cost \$4,184,121 in 1991; in November of 2003, the estimated cost has increased to \$5,229,771 which does not include the alternates. The total cost, plus alternates is \$6,777,261. Anderson encouraged the Council to support this project rather than just the amount of funding that has been allocated to date. That does not mean the City will pay for everything above the budgeted amount; these issues will need to be negotiated. The Arts Council will continue with their fund raising efforts and grant applications.

Anderson also submitted information on the architect selection process. A letter was sent to all the major architectural companies that would be able to do this type of a project, with a request for proposals, and asking for letters of interest. The only two firms that submitted letters of interest were Alliance of Architects and Thurston Design Group. A committee reviewed the two proposals and decided to go with Thurston Design Group. This company has been behind the project for a long time, however, this was not the only reason they were chosen. They truly did have the best proposal. Thurston Design Group completed the first phase of the schematic design under contract with the Arts Council. The Committee recommends that the City enter into a contract with Thurston Design Group for the Dahl Expansion Project. Anderson went through the funding available in the next three years for this project. There is no funding listed in 2006, however, the Arts Council hopes there may be funding available at that time to complete the project.

Rodriguez asked how the Arts Council would handle contracts for items listed on the alternates. Anderson explained that the City would enter into the contract for the entire project since it is a city-owned facility. Rodriguez stated that based on past discussions with the Council, she anticipates that the Arts Council will have to find any additional funding needed for the project above the already allocated 2012 funding.

Kroeger noted that the issue being discussed at this time is funding for design of the project; that is all the Committee is being asked to consider.

Hanks congratulated the Arts Council on their fund raising efforts for this project. They have adequate funding in the bank to proceed with the design stage of the project, however, all of the funding must be available before the Council awards a bid for a project. Hanks also encouraged the Arts Council to prioritize the alternates. This will help in deciding what will be done if all the alternates can't be funded.

Kooiker asked if the design will proceed with the understanding that at this point the City Council has only committed \$4 million to the project, or will it proceed with the assumption that the Council will find additional funding. Anderson stated that they will proceed with the understanding that the Arts Council will find additional funding. That may mean that they will request additional funding from the City in the future. They also intend to apply for larger grants and do additional fund raising. Kooiker asked Asst. Finance Officer Schmidt if it was previous Council's intention that \$4 million would be committed from the 2012 fund and that additional funding would have to come from other sources. Schmidt stated that is true, and this understanding has been reiterated several times since the project was added to the 2012 Plan. Kooiker asked Anderson if the project can proceed with this understanding or will we end up with a half finished project. Anderson stated that the project can proceed.

Project Manager Rod Johnson explained that the city is also requesting authorization to negotiate a design contract with Thurston Design Group. The Arts Council, through the guidance of Bonnie Hughes at the time, put together the consultant review team that actually selected this company to design the project. Staff does not intend to start over with the consultant selection process.

Upon vote being taken, the motion carried unanimously.

As there was no further business, the meeting adjourned at 1:35 P.M.