

WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)
Board Meeting
October 6, 2011

Meeting Began At: 3:30 P.M.

Meeting Ended At: 4:20 P.M.

Members Present: Tim Clare, Chris Beutler

Item 1 - Introductions and Notice of Open Meetings Law

Chair Beutler opened the meeting with introductions and noted that by the next meeting there will be a third Board member. He advised that the open meetings law is in effect and is posted in the back of the room.

Item 2 – Public Comment and Time Limit Notification

Beutler stated that individuals from the audience will be given a total of five minutes to speak on specific items listed on today's agenda. Those testifying should identify themselves for the official record and sign in.

Beutler acknowledged the loss of Jayne Snyder, former Board Chair, who passed away early this morning. Clare stated that what Snyder brought to the Board and to the community went beyond these meetings. She was a nationally respected physical therapist and was a true pioneer in her professional life. As a City Council person she brought that same compassion in representing her constituents and the City of Lincoln. She took issues head on by doing research and talking to the appropriate parties. She was never unprepared for a meeting and her decision making was well thought out. She did what she thought was right for the City. This project is where it is today in large part because of Jayne Snyder. The City lost a great physical therapist, Councilwoman and friend.

Beutler called on those present to observe a moment of silence in honor of Snyder.

Item 3 – Approval of the minutes from the JPA meeting held September 16, 2011

Beutler asked for any corrections or changes to the minutes from September 16, 2011. Hearing none, Clare motioned for approval of the minutes. Beutler seconded the motion. Motion carried 2-0.

Item 4 – West Haymarket Progress Report

Paula Yancey, PC Sports, came forward to give an update on the West Haymarket project. The surcharge has been placed on the District Energy site and will remain in place for the next couple of weeks per the geotechnical engineer's recommendations. Mortenson is mobilized on the arena site. Their trailer is in place and the crane is on site to drill pilings to support the foundation. Test piles have been drilled and in 14 days when they have cured, they will be tested to make sure the

recommendations of the geotechnical and structural engineers have been met.

At the last JPA meeting, the purchase of the USPS property was approved and a lot has happened since that approval. The contractor has mobilized on site and began work on the remaining portion of R Street and the parking lot south of the post office. As of today, the brick wall that went across R Street is completely down. Clare asked if the property purchased from the Post Office is primarily for ingress/egress purposes to the arena site. Yancey answered that Mortenson will use the north side of the site for ingress/egress, but the “R” Street access will provide egress for the rest of the Haymarket contractors.

New concrete and curbs have been poured as part of the work on M, N and 10th Streets. The traffic signal poles have arrived on site and are being prepped for install. A temporary road has been constructed to provide access for the upcoming Amtrak construction. The station is currently in the design process and will be ready for bidding at the end of October.

There was a kickoff meeting today for the continued design of the festival space and pedestrian bridge. The cleaning of the Phase I canopy is currently in progress. Work continues on the design of the core area roadway projects as well as the Amtrak station and Parking Garage 1, which will go out for bid later this fall.

Clare asked if these activities conform to the schedule that was initially proposed. Yancey stated that they are on schedule. The test piles got off to a late start due to some equipment issues, but those have been resolved. There will be a 14 day window as the piles cure, so there won't be quite as much activity on site during that time.

Clare then asked if everything is in line from a performance audit standpoint. Yancey indicated that her office has been working to ensure invoices are backed up against the budget and cross referenced with a payment voucher number from the City. They are also going through all of the contracts and making sure all of the documentation has been received.

Beutler asked for any comments from the public. Judy Smith came forward and asked what is in place to guarantee that the drilling is up to standards and who will be doing that. Yancey advised that Benesch was authorized to proceed with the inspections and testing of pile installation. They are on site every day that there are drilling operations occurring overseeing the work.

Item 5 – Bill No. WH 11-73 Resolution approving the Annual Financial Interlocal Agreement between the West Haymarket Joint Public Agency (“JPA”) and the City of Lincoln Lancaster County Railroad Transportation Safety District (“District”) providing for the District to aid the JPA in funding the cost of removal of existing railroad tracks, related restoration activities and related Project Improvements in the West Haymarket Redevelopment Area up to a total of \$300,000.

Roger Figard, Public Works, came forward to represent the Railroad Transportation Safety District (RTSD). Beutler asked Figard to give a brief explanation of the RTSD for those that may not be familiar with it. Figard explained that the RTSD was founded in the early 1970's and is a political subdivision allowed by State Statute. Its primary mission is to improve safety and reduce conflict between pedestrians, cars, bicycles and trains in Lincoln and Lancaster County. It levies a property tax county-wide and those funds are collected and administered by a Board consisting of three City Council members and three County Commissioners.

The West Haymarket project has created an opportunity for the RTSD to complete work on a series of tracks in 7th and 8th Streets. Over the years these tracks have been not been used which has created a desire to remove them. The West Haymarket project created an opportunity to discuss this with BNSF in order to get them to agree that the tracks could be relinquished. It has also created an opportunity for the RTSD to pay for the removal of the tracks at a reduced cost. The resolution before the Board today will allow the RTSD to reimburse the West Haymarket JPA for removal of the tracks.

Beutler asked if the tracks on 8th Street are the ones that bicycle riders were catching their tires on and flipping over. Figard stated that it was but the tracks have been temporarily covered up. The West Haymarket project will allow for complete removal of the tracks and replacement of the street.

Beutler asked for any comments from the public. Hearing none, Clare made a motion to approve the resolution. Beutler seconded the motion. Motion carried 2-0.

Item 6 – Bill No. WH 11-77 Resolution to approve a Real Estate Purchase Agreement, a related Lease Agreement, and related Relocation Assistance Memorandum by and between the West Haymarket Joint Public Agency, N Street, LLC, and Alter Trading Corporation relating to property generally located at 525 and 601 N Street.

Beutler observed that the JPA has been working closely with Alter Trading, who is unfortunately in the wrong place at the wrong time. Dan Marvin advised that Alter Trading is going to relocate, keeping their jobs and activities which are essential to the community, within the City. The JPA will acquire the property and lease it back to Alter so they can transition to their new location over the next several months.

Beutler asked if the agreement is within the budget and schedule. Marvin stated that it is within the budget and there is a lot of flexibility in the schedule for the area south of O Street. One key piece is to meet the connection of Arena Drive and N Street however; Alter will be out of the area when the tracks are removed so there should be no issues. Beutler expressed his appreciation for the congenial atmosphere in working with Alter.

Beutler asked for any comments from the public. Jane Kinsey came forward and stated that as a taxpayer and citizen she appreciated Jayne Snyder's participation in the government. Snyder was a strong and courageous lady and she will be missed. Kinsey then asked how much the purchase price is and also noted that she went to the Haymarketnow website and was unable to find the budget. Marvin explained that under statute the JPA is required to provide relocation assistance to Alter and also pay them fair market value for their property. Midwest Relocation was hired to quantify the relocation costs which are roughly \$2.9 million. The cost for the land is approximately \$1.6 million bringing the combined total to \$4.5 million. If this had been a strict condemnation there would have been a very similar process. It took about a year to go this route, but the outcome is much better. Beutler thanked Kinsey for her kind words about Snyder and asked Dan Marvin to check on the budget link as soon as he could.

With no further public comment, Clare made a motion to approve the resolution. Beutler seconded the motion. Motion carried 2-0.

Item 7 – Bill No. WH 11-78 Resolution approving Amendment No. 7 to the Agreement for Engineering Services between Olsson Associates dba Lincoln Haymarket Infrastructure Team and the West Haymarket Joint Public Agency, Haymarket Infrastructure Design Project No. 870000 to add to or amend the existing Agreement to include supplemental design and bidding for the M & N Street Roadway Improvement project; redesign of the Amtrak Station; and deducts for Parking Garage No. 2 and 10th and Salt Creek Roadway for a total decrease in the Agreement amount of \$155,271.

Chad Blahak advised that Amendment No. 7 constitutes changes to the design contract with the design team. The net result of the changes is a reduction to the total contract of just over \$155,000. That figure is made up of a couple of larger deducts and a couple of additions to some aspects of the project. Blahak offered to answer any questions the Board had.

Beutler asked for any comments from the public. Hearing none, Clare made a motion to approve the resolution. Beutler seconded the motion. Motion carried 2-0.

Item 8 – Bill No. WH 11-79 Resolution approving Close Out/Demobilization Agreement between the West Haymarket Joint Public Agency (“JPA”) and SAIC Energy, Environment & Infrastructure LLC (“SAIC”) providing for the JPA to pay SAIC \$75,117.27 for demobilization expenses and \$539,754.77 as compensation for work performed prior to cancellation of the JPA’s contract with SAIC, of which \$465,103.13 will be paid to SAIC and \$74,651.64 will be paid directly to PC Sports for work performed by PC Sports as SAIC’s subcontractor.

Rick Peo pointed out that the contract for SAIC was terminated at a previous meeting. At the time of the termination, SAIC had outstanding invoices for work performed that total \$539,754. Approximately \$74,000 of that amount is for PC Sports who was their subcontractor. The \$74,000 will be paid directly to PC Sports and the remaining will be paid to SAIC.

As the original contract was anticipated to last as long as five years, SAIC came to Lincoln and were required to set up an office, rent a facility, set up telephone and computer systems and hire additional employees. It was agreed that the JPA would pay half of the demobilization costs which amount to approximately \$75,000. In the negotiations certain claims such as the cost of acquiring a vehicle and office furniture were disallowed. If SAIC should be able to re-rent the leased space in the next three years, the JPA will share in the cost savings on a 50/50 basis.

Clare asked for more information regarding the payment going to PC Sports. Peo explained that PC Sports was a subcontractor and billed SAIC directly. They had \$74,000 in outstanding invoices that had not been paid at the time of the termination. It was decided that it would be better to pay PC Sports directly to get them paid a little earlier than they might have been waiting for this compensation package to finalize.

Clare noted that the contract with PC Sports increased from what was originally contracted due to an expansion of duties and the amount paid to SAIC was going to be less. He asked what the overall savings to the JPA would be for that. Dan Marvin indicated that they plan to bring forward a permanent contract for PC Sports at the next meeting. They have estimated that over the duration of the contract, the overall savings will range between \$500,000 and \$1 million over what was projected prior to the termination of SAIC.

Beutler asked for any comments from the public. Hearing none, Clare made a motion to approve the resolution. Beutler seconded the motion. Motion carried 2-0.

Item 9 – Bill No. WH 11-80 Resolution to approve Energy Services Agreement between the West Haymarket Joint Public Agency and District Energy Corporation to provide energy services to the West Haymarket Arena and related facilities

Dan Marvin stated that as part of this project it was envisioned that a District Energy plant would provide heating and cooling for the arena. District Energy heats and cools the County City building and also provides heat for the State office building, so it is a governmental entity of its own. This is a unique project because District Energy has never typically provided services for commercial buildings. Enough critical mass will be built so that the arena can be heated and cooled and the surplus capacity can be offloaded to the commercial buildings. In the built environment many buildings already have existing heating and cooling plants in their buildings so for them to tap into a District Energy they have to be of a certain age and contemplating replacement. Here there will be a Greenfield environment and over the years have the ability to offload some of the surplus capacity to the commercial enterprises.

The agreement before the Board is for District Energy to provide heating and cooling and will give them the ability to issue debt to build their plant and equipment. There is an amendment to the agreement because when it was originally put online it had not been decided when the JPA would begin to pay the bill. It was decided that payment would begin on some of the operating, maintenance and administrative costs on September 1, 2013, when the arena opens. At some point in the future there will be discussions about the actual date debt service will begin, but it will start no earlier than September 1, 2013 and no later than September 1, 2014.

Beutler asked for any comments from the public. Hearing none, Beutler made a motion to approve Bill No. WH 11-80. Clare seconded the motion. Beutler then made a motion to approve Amendment No. 1. Clare seconded the motion. Motion carried 2-0. The main motion was then voted on and carried 2-0.

Item 10 - Bill No. WH 11-81 Resolution to approve Amendment No. 1 to Letter Agreement between the West Haymarket Joint Public Agency and District Energy Corporation (DEC) providing for the DEC to reimburse the JPA for all funds provided by the JPA in an amount not to exceed \$2 Million to fund DEC's preliminary cost to develop plans and specifications and cost estimates for facilities to heat and cool the Arena and other related facilities.

Rick Peo explained that the purpose of this amendment is to ensure that the JPA gets back the money that was advanced to the DEC. This money was for the preliminary engineering and design work for the heating and cooling system back in November 2010. The JPA agreed to advance up to a maximum of \$2 million. At that time there was some uncertainty as to who would own the heating and cooling facility. The DEC will be the owner and operator of the facility and this agreement allows the JPA get its money back.

Beutler asked for any comments from the public. Hearing none, Clare made a motion to approve the resolution. Beutler seconded the motion. Motion carried 2-0.

Item 11 - Bill No. WH 11-82 Resolution to approve Change Order No. 2 to the JPA's contract with Judd's Brothers. This Change Order includes seven Work Change Directives that all modify the contract quantities for various site prep construction line items. These include increases to quantities for demolition and petroleum soils removal and decreases to quantities of granulated fill, dewatering, settlement plates and wells. The total cost for this change order results in a decrease of total contract amount by \$79,140.00.

Randy Swanson, PC Sports, informed the Board that this is a deduct change order. There are a number of individual line items that make up this change order through reconciling quantities that were estimated when the contract was initially let. Now that the contract is about 30 days from completion, some of the quantities that weren't used can be called back and some of the overruns on the soils can be balanced out. Most of the overruns are for underground contaminated soils and foundations that no one was aware of.

Clare asked what this does in terms of the budget for this particular project. Swanson answered that this particular package is right on budget and with 30 days left he feels there is still some cushion in case some additional things are found that they weren't aware of.

Beutler asked for any comments from the public. Jane Kinsey came forward and asked how these decreases and increases were arrived at and if it was it just by Judd's Brothers or from some outside input. Swanson stated that when a significant contract like this is awarded, there are engineers estimates done based on drawings and based on as much information they know on site. Those estimates assume quantities and prices that are contracted. In a soil contamination situation, it isn't always known what you are going to get into. Some costs are established upfront and since there is some uncertainty as to what the quantities are, the engineering team that works for the JPA has someone onsite every date actually tracking quantities. The real quantities are then reconciled back to the engineers estimate.

Hearing no other comments, Clare made a motion to approve the resolution. Beutler seconded the motion. Motion carried 2-0.

Item 12 -- Set Next Meeting Date

The next meeting will be held on Wednesday October 26, 2011 in City Council Chambers Room 112.

Item 13 – Motion to Adjourn

Clare made a motion to adjourn the meeting. Beutler seconded the motion. Motion carried 2-0. Meeting adjourned at 4:20 P.M.

Prepared by: Melissa Ramos-Lampli, Public Works and Utilities