progressive ae

March 14, 2023

Mr Erik Booth
Grand Haven Board of Light and Power
1700 Eaton Drive
Grand Haven MI 49417

Re: Fire Station – Site Analysis

Dear Erik:

This letter with the attached presentation slides is in response to your request for evaluation of the existing Fire Station at 5th and Columbus Ave in Grand Haven.

This evaluation is an extension of earlier efforts to find a home for functions displaced when the Sims plant was closed. These efforts include our report of November 2021 "GHBLP Path 2 Facilities Study and Recommendation" which presented the criteria for a successful administration and operations center and compared nine (9) different sites that were available at that time.

The present effort is in response to City of Grand Haven's suggestion that GHBLP consider purchasing the existing Fire Station and re-purposing the facility for that same use. Progressive AE suggests that GHBLP use the same criteria to evaluate this property as identified in 2021 which were:

1. Adequate space for required functions and parking.
2. Adequate space and accommodations for redundancy and resiliency of critical energy infrastructure requirements (Distribution Control Center and Information Technology) as identified in business readiness risk assessment.
3. Costs including acquisition, renovation, and/or new construction as required.
4. Timing required to gain occupancy.
5. Investment and potential resale value of the proposed solution.
6. Presence in the City of Grand Haven.

Using these criteria, the Fire Station rates as follows:

1. Space for functions and parking.
    a. The entire facility (original Fire Station plus garage) is larger than the space required. However, the original Fire Station alone would not provide enough space to meet the square footage required. Parking onsite is inadequate for the GHBLP's purposes. An additional 12-15 parking spaces are required.
2. Space and accommodations for redundancy and resiliency.
    a. The facility has space and services to house the critical functions required.
3. Costs
    a. Repairs and renovations of the Fire Station have been estimated to allow GHBLP to consider the proposed project costs. See cost summary below.
4. Timing to gain occupancy.
    a. The required repairs and renovations would require a total time of 12-16 months for design and construction.
5. Investment and potential value
    a. The existing Fire Station has not been viewed as commercially significant real estate. The renovations needed to adapt to the GHBLP's needs are quite specialized and are not likely to result in significant added value to other potential real estate users.
6. Presence in the City
    a. The Fire Station is a key property in the City and would allow GHBLP to be front and center in the community.

Project Requirements
A successful adaptation of the Fire Station would require that the following challenges be addressed:

1. Building Envelope and Systems

   a. The west portion (1934 construction) of the building will require a new roof, new windows, repair of roof drain system, and extensive tuck pointing and masonry restoration of the brick façade.
   b. Existing fragmented and problematic heating, ventilating, and air conditioning systems need to be replaced with a properly designed and installed system.
   c. Electrical and communications infrastructure needs to be replaced.
   d. Plumbing systems need replacement to accommodate new toileting facilities.
2. Site Improvements
   a. A new accessible entrance is required for customer service.
   b. Parking is required for 23 vehicles, requiring a net addition of approximately 15 spaces. These spaces will not fit on the current site and will need to be negotiated with the City.
3. Renovations
   a. The GHBLP program would require the complete renovation of approximately 3/4 of the existing building. This renovation involves hazardous materials abatement, removal of existing walls, flooring, ceilings, lighting, and rebuilding spaces with new construction and finishes.
   b. The Fire Station consists of five (5) levels – garage, basement, main floor, first floor, and second floor. There is no provision for handicap accessibility for four (4) of these, requiring extensive renovations and installation of an elevator shaft and equipment.
   c. The Fire Station will offer more area than is required with approximately 3000 square feet of excess space. This would raise the cost of renovations, unless a portion of the building were left unused in its current state.

Construction Cost Environment
Recent projects bid and built by Progressive AE are tracking with trends of cost inflation in the overall construction markets. We have observed that new, ground-up construction costs for professional or municipal spaces are in the range of $475 - $550 per square foot. This is a dramatic increase in costs from the pre-pandemic period, amounting to approximately 20% inflation since 2020. Renovation costs for projects like the proposed Fire Station project are running in the range of $295-$350 per square foot.

Cost Summary
After considering these factors, Progressive AE developed a project work scope and corresponding cost opinion including the repairs and renovations needed. Our recommendation is that GHBLP consider this cost opinion as a basis for planning the project.

- Basic construction costs - $325/square foot, with the range of $2.7 million to $3.5 million (low range = renovate only space needed)
- Design costs – 6% of Construction cost, $160,000 - $215,000
- Owner Contingency – 20% of design and construction estimate, $576,000 - $780,000.

This results in an all-in recommended project budget range of $3.3 million to $4.3 million, exclusive of the property purchase. Additionally, the Board's budget was also meant to capture the renovations at Eaton to accommodate the employees that came from the retired Sims Power Plant.

Please see the attached board presentation slides for our test-fit and details on the development of these costs.

Sincerely,

John R. Eberly, III

Digitally signed by John R. Eberly, III
DN: E=eberlyj@progressiveae.com, CN="John R. Eberly, III", OU="Progressive AE, Inc.", O="Progressive AE, Inc.", L=Grand Rapids, S=MI, SERIALNUMBER=MAS20230208558538, C=US
Date: 2023.03.15 10:34:45-04'00'

John R. Eberly PE
Senior Project Manager

JRE/cab
P:\76780010\01 ADMIN\A2 CORRESPONDENCE\a Owner\2023 03 10 Fire Station Letter Rev 1.docx