



City Council Report

Date: April 1, 2024
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Downtown Revitalization – Restaurant Incubator
City Project No. CP1102
Council District 4

Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP) for the Downtown Revitalization – Restaurant Incubator project (See Exhibit “A” for the project location).

Staff recommends that the Council award a contract for this project to 180 Degrees Design Build, in the amount of \$4,566,648.90, and authorize a change order allowance in the amount of \$456,600.00 (10%).

Background

The City of Mesa purchased the building located at 111 W. Main Street in August of 2022 with the intention of renovating the building as a Restaurant Incubator for the development and operation of food business concepts.

This project consists of the complete design of the building renovations including all floors and the exterior improvements. Construction will include the main floor interior improvements consisting of a commercial shared use kitchen with appliances, up to seven independent service areas, a shared dining area, bathrooms, office spaces, education, and production areas, and various other business and food service spaces. Exterior improvements include façade renovation, patio space, signage, and roof repairs. The interior basement and second floors will not be fully constructed or furnished under this contract.

The City has received authorization for federal funding through the Coronavirus State and Local Fiscal Recovery Fund (“CSLFRF”) and in accordance with the American Rescue Plan Act (“ARPA”).

Discussion

In July of 2023, Staff received two “Statements of Qualifications” (SOQ) from contractors proposing to act as the Design-Build contractor for this project. In December final proposals were received from both firms. Based on an evaluation of the SOQ’s and proposals 180 Degrees was recommended for selection as the Design-Build contractor.

Community Impact – This project will require pedestrian traffic restrictions adjacent to the front of the building as well as pedestrian and vehicle traffic restrictions in the adjacent alley behind the building. All efforts will be made to minimize any impacts to pedestrians and the traveling public in the vicinity of the project. There will be noise and dust generated by the project as well but will be mitigated as much as reasonably possible.

Once underway, construction of this project is anticipated to last no more than 12 months.

Alternatives

An alternative to this project would be to not construct these improvements. This is not recommended because this will leave 111 W. Main vacant until another use for it can be determined.

Fiscal Impact

The total authorized amount recommended for this project is \$5,023,248.90, based upon the proposal amount of \$4,566,648.90, plus an additional \$456,600.00 (10%) as a change order allowance. This change order allowance will only be utilized for approved change orders.

This project is funded by the American Rescue Plan Act (ARPA).

Coordinated With

The Department of Downtown Transformation concurs with this recommendation.