

Foundry Cooperation Agreement Amendment Proposal

November 18, 2020



COOPERATION AGREEMENT TERMS

- Cooperation Agreement attached to 1st Amendment of Foundry Lease
- Sets roles and responsibilities of project delivery – primarily design and construction
 - Created structure of project delivery and decision points
 - Construction phases - Core & Shell / Fit-Out / Operation

Source	Cooperation Agreement	2019 Appropriation
City	\$24 million (77.5%)	\$29 million (80.6%)
CRA	\$7 million (22.5%)	\$7 million (19.4%)
Total	\$31 million (100%)	\$36 million (100%)



PROPOSED CAPITAL EXPENDITURE

- Approx. \$10 million budget gap (includes \$2 million contingency)
- Factors include condition of historic structure, additional soil contamination discovery, added site work scope items, 2020 COVID-19 bidding climate and delays



CRA FRAMEWORK

- PROPORTIONALITY OF CAPITAL INVESTMENT
- REDUCE OPERATIONAL RISK



PROPOSED ADDITIONAL CRA EXPENDITURES

- Additional \$3.5 million from CRA for Capital
- \$500,000 for FF&E / Operational Start Up Investment

Source	Cooperation Agreement	2019 Appropriation	2020 Proposed
City	\$24 million (77.5%)	\$29 million (80.6%)	\$35.5 million (77.5%)
CRA	\$7 million (22.5%)	\$7 million (19.4%)	\$10.5 million (22.5%)
Total	\$31 million (100%)	\$36 million (100%)	\$46 million (100%)



COOP AGREEMENT TERMS

Reduce Operation Risk

- CRA Ownership of Maker equipment / Inventory FF&E Responsibilities
- Clarify Role for CRA & Operator at project close-out / punch list
- City pay portion of operating utility costs:
 - Recycling & Compost
 - Proportional Electricity for Community Uses (PV array and VRF heating cooling)
- Rogers Street maintenance as City responsibility



