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THE CITY OF KEY WEST  
3140 Flagler Ave Key West, FL 33040 (305) 809-3700

## EXECUTIVE SUMMARY

**TO:** Jim Scholl, City Manager

**FROM:** Greg Veliz, Assistant City Manager  
Jim Bouquet, P.E., Engineering Director

**DATE:** August 10, 2016

**RE:** Acquisition of the Former Key West Diesel Plant

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### ACTION STATEMENT

Recommending the City Commission commence the necessary process including citizen referendum to acquire the Former Key West Diesel Plant from KEYS Energy Services.

### BACKGROUND

KEYS Energy Services (KEYS) has approached the City of Key West (City) with the option to acquire a portion (the Site) of the Key West Diesel Plant (the Property). The Site consists of three buildings identified as 100 Angela Street, 709 Fort Street and 101 Geraldine Street and the Fort Street Extension right-of-way (ROW). On behalf of the City, AMEC Foster Wheeler, Inc. (AMEC) performed a Structural Condition Assessment, summarized existing environmental considerations and estimated costs for building demolition and selective ("white box") renovation. AMEC subconsulted Atlantic Engineering Services (AES) for the Structural Condition Assessment. The environmental summary was based on AMEC review of previous assessments and associated reports provided by KEYS. A summary of AMEC/AES findings/recommendations and a building address map are provided in the attached Engineering Services prepared *City Acquisition of Key West Diesel Plant Property Buildings Structural/Environmental Condition Assessment and Repairs Estimate* dated August 9, 2016. Supporting reports by AMEC are also attached.

Due to the unsafe/unstable roof and deteriorated wall and steel framing conditions, Engineering Services recommends demolition of 101 Geraldine and 709 Fort Street. 100 Angela was reported by AMEC/AES to be in "good condition" with relatively new roofing/rafter system and masonry wall repairs. AMEC/AES recommended coating steel framing corrosion, replacing concrete flooring, and repointing masonry. Based on this assessment, the City would have the option to rehabilitate 100 Angela for future use.

Considering historical use of the buildings (i.e., housing generators used for electrical power generation), the presence of impacted soil at the Site, and the proximity of the Site to the electrical

Keys Substation, future development and use of the Site as a commercial property or for City operations (e.g. Community Services) is recommended. Development of the Site must also consider the Site Rehabilitation Order with Conditions (SRCO-C) issued by the Florida Department of Environmental Protection (FDEP) for the Property.

Asbestos containing materials and lead based paint in building components will require abatement prior to demolition or renovation of the buildings.

## **PURPOSE AND JUSTIFICATION**

Acquisition of the Former Key West Diesel Plant buildings will make available additional land/buildings for future development/use by the City. Additionally, acquisition will support development/use of, and access to, adjacent properties including the Truman Waterfront Park, the Caroline Street Corridor and Bahama Village Community Redevelopment Agency, and the Fort Street ROW.

## **FINANCIAL**

Cost estimates developed by AMEC/AES and Engineering Services to implement the recommendations for the Site are as follows:

	\$996,929
Demolish 101 Geraldine and 709 Fort Street; "White Box" 100 Angela:	<del>\$629,971.</del>
	\$629,971
Demolish 101 Geraldine, 709 Fort Street and 100 Angela:	<del>\$996,929.</del>

The above costs assume the followings:

1. Estimates include design, contractor general conditions/profit and contingency.
2. Demolition includes only roof and wall systems down to the top of Finish Floor Elevation. AMEC estimates an additional \$130,000 to remove foundations, not including soil investigation and removal (see Item 7 below).
3. Diesel Engines can be removed and recycled at no additional cost.
4. HARC approval will be required.
5. Compliance with FDEP issued Site Rehabilitation Order with Conditions (SRCO-C).
6. Funding the removal of 101 Geraldine foundation within the Fort Street ROW in a separate Fort Street extension to Angela Street project.
7. Estimates do not include an additional environmental site assessment and subsurface hydrocarbon impacted soil/rock material disposal cost. AMEC estimated an additional site assessment at an additional \$50,000 and disposal of a 2-foot-thick soil layer over the Site at an additional \$372,400 (total additional cost \$422,400).

The proposed FY2016/2017 City budget does not include funding for Site acquisition including implementation of the above recommendations.

## **RECOMMENDATION**

Staff recommends the City Commission commence the necessary process including citizen referendum to acquire the Former Key West Diesel Plant from KEYS Energy Services.



August 9, 2016

Mr. James Bouquet, P.E.  
Engineering Director  
**CITY OF KEY WEST**  
3140 Flagler Avenue  
Key West, Florida 33040

Subject: **PRELIMINARY WHITE BOX ENGINEER ESTIMATE**  
**KEY WEST DIESEL PLANT PROPERTY**  
101-111 GERALDINE STREET  
KEY WEST, FLORIDA 33040  
AMEC FOSTER WHEELER PROJECT NUMBER 6783-16-2825

Dear Mr. Bouquet

In accordance with our with our proposal dated March 31, 2016, Amec Foster Wheeler Environment & Infrastructure, Inc. (Amec Foster Wheeler) has prepared a Preliminary White Box Engineer Estimate for the Key West Diesel Plant Property (the Property) located in Key West, Florida. Amec Foster Wheeler understands the City of Key West is considering acquiring a portion of the Key West Diesel Plant Property for redevelopment (the Site). The estimate is based on limited data obtained during the structural and environmental assessments completed in July 2016. The estimate is a preliminary cost that will need to be refined upon completion of additional design analysis not covered under this proposal.

Sincerely,

**AMEC FOSTER WHEELER ENVIRONMENT & INFRASTRUCTURE, INC.**

Greg Corning, P.E.  
Project Engineer

Ricardo Fraxedas, P.E.  
Chief Engineer

**Amec Foster Wheeler E&I, Inc.**  
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# **PRELIMINARY WHITE BOX ENGINEER ESTIMATE**

**PRELIMINARY ENGINEER COST ESTIMATE  
WHITE BOX KEY WEST DIESEL PLANT  
KEY WEST, FLORIDA**

ITEM NO.	SUPPLIES/SERVICES	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Demolition of Building II, III, IV, and V	1	LS	\$435,814.49	\$435,814
2	White Box of Building I	1	LS	\$329,459.92	\$329,460
3	Architect and Engineer Design Fees	1	LS	\$241,318.60	\$241,319
<b>Subtotal</b>					<b>\$1,006,593</b>
<b>Total White Box Estimate(plus 15% contingency)</b>					<b>\$1,157,582</b>
Notes:					
This estimate is based on limited data obtained during structural and environmental assessments completed in July 2016					
Additional design and sediment analysis will be required to optimize the estimate					

**Bid Item Quantities and Cost**

Project: Keys Energy Diesel Facility Assessment, City of Key West, FL

Prepared by: G.Coming Date: 8/5/2016

Check by: R. Fraxedas Date: 8/8/2016

Bid Item: 1 Demolition of Building II, III, IV, and V

**1. Quantity****A. Building II (See Structural Assessment, Existing Floor Plan S1.1)**

1. Width: 58 FT  
 2. Length: 70 LF  
 3. Height: 30 FT  
 4. Building Demolition: 121,800 CF  
 5. Foundation Demolition: 4,060 SF  
 6. Building Material Weight (estimated unit weight for steel of 150 lb/cu ft): 440 TN  
 7. Scrap Metal Weight (estimated unit weight for steel of 490 lb/cu ft): 735 TN

**B. Building III (See Structural Assessment, Existing Floor Plan S1.1)**

1. Width: 58 FT  
 2. Length: 73 LF  
 3. Height: 30 FT  
 4. Building Demolition: 127,020 CF  
 5. Foundation Demolition: 4,234 SF  
 6. Building Material Weight (estimated unit weight for steel of 150 lb/cu ft): 454 TN

**C. Building IV (See Structural Assessment, Existing Floor Plan S1.1)**

1. Width: 58 FT  
 2. Length: 27 LF  
 3. Height: 30 FT  
 4. Building Demolition: 46,980 CF  
 5. Foundation Demolition: 1,566 SF  
 6. Building Material Weight (estimated unit weight for steel of 150 lb/cu ft): 250 TN  
 7. Scrap Metal Weight (estimated unit weight for steel of 490 lb/cu ft): 559 TN

**D. Building V (See Structural Assessment, Existing Floor Plan S1.1)**

1. Width: 12 FT  
 2. Length: 20 LF  
 3. Height: 12 FT  
 4. Building Demolition: 2,880 CF  
 5. Foundation Demolition: 240 SF

**2. Bid Estimate**

A. Building Demolition \$0.53 per CF  
 Source: RS Means 2016  
 Building demolition, large urban projects, concrete includes 20 mile haul, excludes foundation and dump fees

B. Concrete Footing Demolition \$8.90 per SF  
 Source: homewyse, 2016  
<http://www.homewyse.com/>

C. Tipping Fee \$123.50 per TN  
 Source: Monroe County Transfer Station, 2016

D. Scrap \$70.00 per TN  
 Source: Capital Scrap Metal, LLC, 2016  
<http://www.capitalscrapmetal.com/prices/>

E. Asbestos Removal \$6.67 per SF  
 Source: PM Environmental Inc's Pre-Renovation Survey July 2013

F. Lead Based Paint Removal \$75,000.00 per LS  
 Source: PSI's Lead-Based Paint Survey July 2013

**3. Total Item Cost**

<b>A. Building II</b>			
Building Demolition	121800 CF x	\$0.53 per CF	\$64,554.00
Foundation Demolition	4060 SF x	\$8.90 per SF	\$36,134.00
Tipping Fee	454 TN x	\$123.50 per TN	\$56,010.34
Scrap	735 TN x	\$70.00 per TN	\$51,450.00
<b>B. Building III</b>			
Building Demolition	127020 CF x	\$0.53 per CF	\$67,320.60
Foundation Demolition	4234 SF x	\$8.90 per SF	\$37,682.60
Tipping Fee	454 TN x	\$123.50 per TN	\$56,010.34
<b>C. Building IV</b>			
Building Demolition	46980 CF x	\$0.53 per CF	\$24,899.40
Foundation Demolition	1566 SF x	\$8.90 per SF	\$13,937.40
Tipping Fee	250 TN x	\$123.50 per TN	\$30,871.91
Scrap	559 TN x	\$70.00 per TN	\$39,102.00
<b>C. Building V</b>			
Building Demolition	2880 CF x	\$0.53 per CF	\$1,526.40
Foundation Demolition	240 SF x	\$8.90 per SF	\$2,136.00
<b>D. Asbestos Removal</b>			
	2250 SF x	\$6.67 per SF	\$15,007.50
<b>E. Lead Based Paint Removal</b>			
	1 LS x	\$75,000.00 per LS	\$75,000.00

**Demolition Cost** \$481,090  
**Scrap Cost (50% return removed for pick-up)** \$45,276  
**Total Demolition Cost** \$435,814

Bid Item Quantities and Cost

Project: Keys Energy Diesel Facility Assessment, City of Key West, FL

Prepared by: G. Corning Date: 8/5/2016

Check by: R. Fraxedas Date: 8/8/2016

Bid Item: 2 White Box Building I

**1. Quantity**

A. Exterior Windows (See Structural Assessment, Existing Floor Plan S1.1) 11 EA

B. Exterior Doors (See Structural Assessment, Existing Floor Plan S1.1) 4 EA

C. Foundation Repair (See Structural Assessment, Existing Floor Plan S1.1) 75 CY

D. Brick Veneer Repair (See Structural Assessment, Existing Floor Plan S1.1) 7680 SF

**2. Bid Estimate**

A. Exterior Windows \$572 per EA  
Source: Astor Windows & Doors, 2016

B. Exterior Doors \$1,125 per EA  
Source: Home Depot, 2016  
36" x 80" Impact Front Door

C. Foundation Repair \$2,600 per CY  
Source: FDOT 6 month moving average (01/01/16 to 06/30/16)  
Concrete for Joint Repair

D. Brick Veneer Repair \$16.04 per SF  
Source: IRS, 2016

**3. Total Cost**

A. Exterior Windows	<u>11</u> EA x	<u>\$572.00</u> per EA	<u>\$6,292.00</u>
B. Exterior Doors	<u>4</u> EA x	<u>\$1,124.81</u> per EA	<u>\$4,499.24</u>
C. Foundation Repair	<u>75</u> CY x	<u>\$2,600.00</u> per CY	<u>\$195,481.48</u>
D. Brick Veneer Repair	<u>7680</u> SF x	<u>\$16.04</u> per SF	<u>\$123,187.20</u>
<b>Total Cost</b>			<b><u>\$329,460</u></b>

Bid Item Quantities and Cost

Project: Keys Energy Diesel Facility Assessment, City of Key West, FL

Prepared by: G.Corning Date: 8/5/2016

Check by: R. Fraxedas Date: 8/8/2016

Bid Item: 3 A&E Fees

**1. Bid Estimate**

A. Architect and Engineer Fee 25% Project  
RS Means, 2016

B. Soil and Groundwater Management Plan \$50,000 Project  
Environmental Assessment, July 2016

**2. Total Cost**

A. Architect & Engineer Fee	<u>765,274.41</u>	Project x	<u>25.00%</u> per project	<u>\$191,318.60</u>
B. Soil and Groundwater Management Plan	<u>1.00</u>	Project x	<u>\$50,000</u> per project	<u>\$50,000.00</u>
<b>Total Cost</b>				<b><u>\$241,319</u></b>