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## MEMORANDUM

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P.O. Box 4100 ♦ FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**

**FROM: SUSAN LEE, PLANNER**  
**EVA HENSON, HOUSING MANAGER**  
**DON REIMER, COMMUNITY DEVELOPMENT DIRECTOR**

**RE: 619 GRANITE STREET WORKFORCE HOUSING PROJECT – BUDGET UPDATE**

**DATE: OCTOBER 26, 2021**

**Summary and Background:** The Town of Frisco (Town) and Colorado Department of Transportation (CDOT) have partnered to develop a workforce housing project on the lot owned by CDOT located at 619 Granite Street, Lots 18-24, Block 12 in the Town of Frisco. On January 26, 2021 the Town approved Resolution 21-04, to enter into a contract with Studio Architecture to develop plans and cost estimates for the workforce housing project.

Town Council reviewed the proposed project design on July 13, 2021. Based on feedback received during that meeting, the project team proceeded with the final step of the Major Site Plan review process. At the September 2, 2021 Planning Commission meeting, by a vote of 6-0, the Commission approved the Major Site Plan Application for the 619 Granite Street Workforce Housing Project.

The current design includes 22 units in two buildings; each building is three stories tall. The 22 unit types consist of five (5) studio units, eleven (11) one-bedroom units, and six (6) two-bedroom units. The buildings are oriented to align with the street frontages along Granite Street and 7<sup>th</sup> Avenue. Units will be made available at affordable rent levels for CDOT employees, and for employees that work for other businesses in the Frisco area. The design meets or exceeds all requirements of the Town Code and aligns with the established project goals, including affordability, in terms of both construction and long-term maintenance; maximizing the number of units; livability, particularly in terms of personal storage for tenants and parking availability; and sustainability.

**Analysis:** Major Site Plan approval by the Planning Commission marked the end of the Design Development phase of the project. Per the design contract, the consultants are proceeding with completion of 80% Construction Documents (CDs). The project plans and specifications are currently at approximately 50%. The project is being presented to Town Council at this time in order to give Council an opportunity to review the construction cost estimate developed by Taylor Kohrs and discuss value analysis efforts that should be considered prior to finalizing the 80% CD set. This analysis is based on the concept of identifying opportunities that may allow for future

cost savings within the project as construction costs are constantly fluctuating and there is no firm target project budget at this time.

The cost estimates provided as of 9/28/2021 are as follows:

Total estimated construction costs: \$6,202,480.00

Cost per unit: \$281,931.00

Cost per square foot: \$320.00

*\* Please note that the numbers above do not reflect land costs or sewer/tap fees.*

Studio Architecture's current contract is to produce a set of 80% Construction Documents. The project team is on track to complete the project and deliver 80% CDs by the contract deadline of December 31, 2021. The next critical step for the project team is to develop a financial and operational management agreement between the Town and CDOT for review and approval by Town Council and CDOT. The Town and CDOT will then need to move forward with contracting for the remaining design work to create bid and permit drawings, and for selection of a general contractor.

**Financial Impact:** Per the Town of Frisco and Colorado Department of Transportation Work Force Housing Planning Agreement, dated April 14, 2020, the Town and CDOT have agreed to share costs for the planning and development of 80% construction documents for 619 Granite Street. These costs have been budgeted in the 2021 budget. Once construction estimates for the project have been obtained, CDOT and the Town shall determine whether the project should be built. If the parties agree that the project should be built then an agreement concerning the allocation of the costs of construction, as well as the ownership, of the units will be negotiated.

**Alignment with Strategic Plan:** Increasing the number of workforce and affordable housing units remains one of the Town Council's highest priorities. Implementation of the Town Council's goals requires addressing housing through multiple channels including this partnership between CDOT and the Town. Moving this project forward will propel the construction of a much-needed workforce housing development in the Town's central core area.

**Environmental Sustainability:** Based on both the Town of Frisco's sustainable building and land use codes, as well as CDOT's LEED and high performance building requirements, the project will be designed to meet high standards of energy efficiency and sustainability. The Town's requirement for this project to be Zero Energy Ready Home (ZERH) certified is driving the sustainability aspect of the project, which impacts design and construction costs. The project also aims to meet the LEED for homes gold standard.

**Staff Recommendation:** Staff is requesting that Town Council take this opportunity to review the construction estimates provided and discuss any questions or concerns regarding to the cost estimate and opportunities for value analysis with the consultant team.

**Approved By:**

Tony O'Rourke Town Manager

**Attachments:**

Attachment A – Approved Site Plan and Elevations

Attachment B - Construction Estimate by Taylor Kohrs