

FIFTH STREET REDEVELOPMENT HQ BUILDING NEXT STEPS

No Action Today

June 2, 2025

Presented to Chelan County PUD Board of Commissioners

Laine Heikel, Project Manager Sr.
David Lodge, Project Delivery Manager



CHELAN COUNTY

Today's Objectives

- Respond to comments from May 16 presentation
- Revisit timing of decisions on former headquarters building property



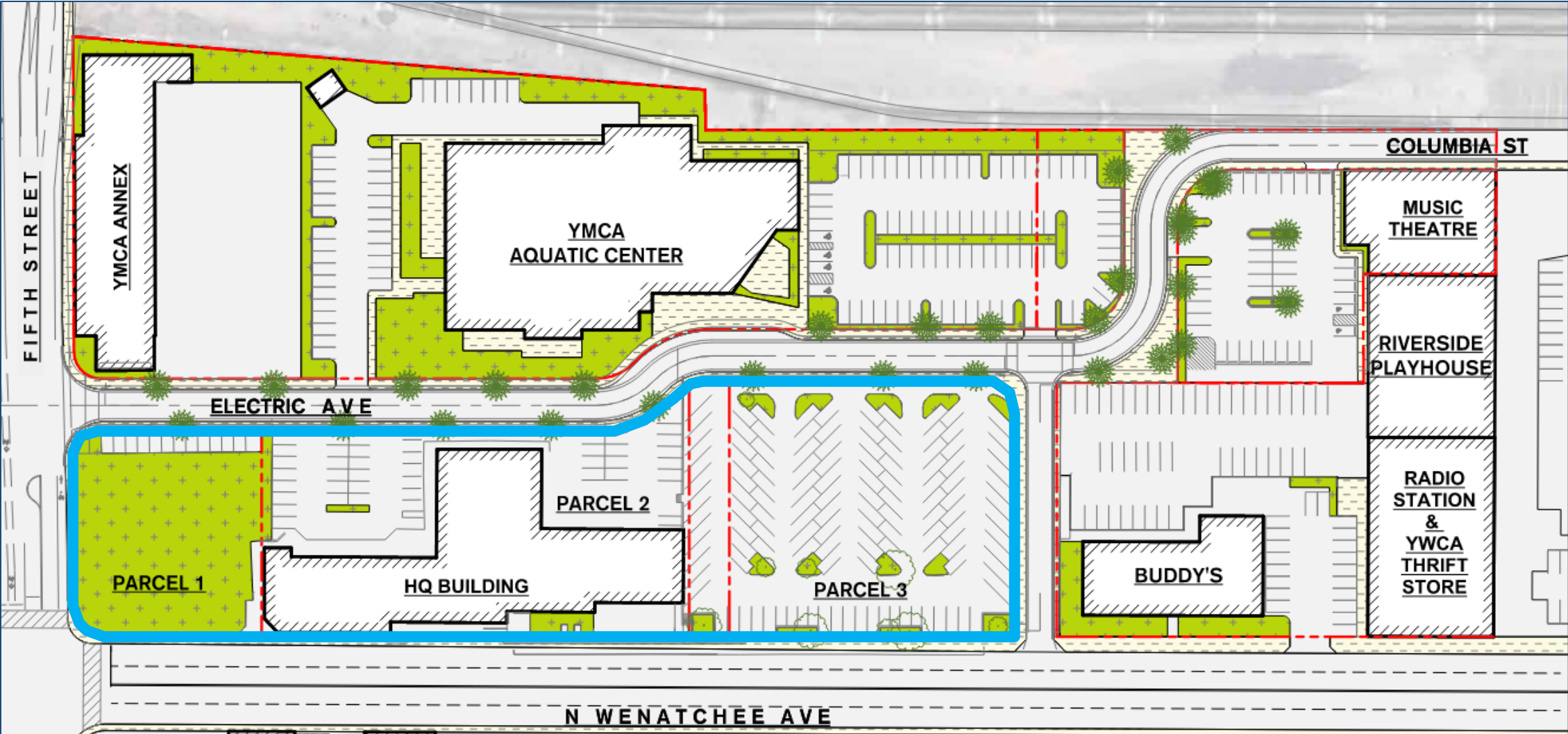


Background

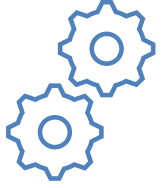
- Decision to move to Service Center included commitment to take action on HQ campus
- Created community vision for site
- Requested development proposals
- Decision to not award RFP and for PUD to lead redevelopment
- Identified new parcels, executed agreements with YMCA and MTW
- Constructed Electric Ave and F&W building modifications
- Leads us to the final decision on future of the HQ building
 - How best to set up the remaining parcels to achieve the vision?



Fifth Street Site Map



Executing the Vision



Recommendation: Clear Site

- Authorize demolition bid
- Abandon HQ building utilities
- Begin actively marketing parcels for sale for new development
 - Potential to share demolition costs if reasonable buyer is found
- Perform demolition and site improvements in fall 2025
- Allow interim use of resurfaced and corner grass areas

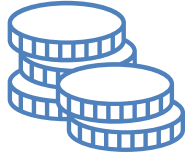
Current Estimate (50% Design):
\$3.2M + \$1M Contingency = \$4.2M
Approved budget = \$3.5M

Alternative: Maintain Building

- Reconnect building utilities
- Add electrical metering and sewer lift station
- Perform hazmat abatement
- Begin actively marketing building for sale for adaptive reuse
- Continue ongoing maintenance and security

Current Estimate (rough order of magnitude): \$0.5M





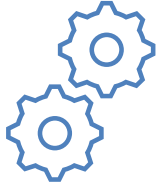
Project Budget – Board Directed Scope

Description	Itemized Budget	Actual Cost	Estimate to Complete	Estimate at Completion
Electric Avenue - Hardscapes and Finishes	4,000,000	168,462	2,173,142	2,341,604
F&W Modifications - Electric Ave Connection	Incl'd above	510,657	25,000	535,657
HQ Demolition	3,500,000	36,299	4,163,701	4,200,000
Total (Execution Expenses - Board Directed)	7,500,000	715,418	6,361,843	7,077,261

*Costs for environmental/hazmat remediation and underground utilities tracked separately



Separating the Decisions



- Utility Direction
 - Reconnect existing storm and sewer utilities as originally planned under Electric Avenue contract – urgent need should not drive larger decision
 - Hold on new utility infrastructure needed to address unforeseen conditions – wait until demolition decision to act on new permanent electrical and sewer connection requiring lift station
- Property Marketing
 - Begin actively marketing parcels for sale based on land value
- Demolition Decision
 - Continue to develop demolition design and cost estimate – refine scope for better cost information
 - Return to the Board in August for a decision on demolition bid when design is complete
 - Estimate will continue to carry contingency due to inherent project risk





Next Steps

- Project team will return to the Board in August with a further developed scope and cost estimate for a decision on performing demolition in 2025



Comments and Discussion

