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February 18, 2026

TO: Mayor and Council

FROM: City Manager, Ian Rigg

RE: City Center Renovation

On Monday, February 23<sup>rd</sup>, 2026 the Council will have a resolution to approve a major improvement to the City Center Building. The only other time such an improvement has been done was in 2007 with the expansion of the library. The project cost \$1.2M adjusted for inflation from 2007 to 2026. Actual construction inflation would have the project costs even higher in 2026.

There has been no building wide review and change to alter space for the service and function of staff and users. As an example, when the fire quarters were vacated in 2020, the original plan was only to look at that space, not how all it fits together. This was a continuation of not mixing capital planning with operational efficiencies to intentionally keep project costs down and unintentionally keep or make operational expenses higher.

Completing this project as a whole will leave remaining spaces and improvements within the scope of the library project. If both projects are done this will fully update the building since its construction.

This apparent winning bid from WEB Construction, with alternates 1 and 2 added, totals \$1,462,627 dollars. Unplanned items or those removed from the bidding process but require completion total \$97,000 in addition to the bid.

Bonding is expected to be \$600,000 in levy paid debt while other funds will fill the remaining \$1.3M of the approximate \$1.9M total budget.

### **Highlights of Why**

The building layout continues operational inefficiencies instead of giving opportunity to remove them:

- Continue to equip three separate work areas instead of one
- Through attrition, one administrative assistant position may be cut or reduced
- Climate control for separated zones adds cost
- Lost opportunity for cross training

This building was designed for a different use and area:

- It is a mall for separate operations, not one operation
- It is not designed for modern safety standards as seen in most public buildings
- Limited ability to work independently if employee is wheelchair bound
- Changes in technology requires improvements to electrical service and communications

Doing it once is cheaper than doing the following separately:

- Electrical upgrades as there are no circuit breaker spaces available
- CAT 5 line is past its life of reliability
- Windows and flashing
- ADA and OSHA compliance
- Some areas of flooring need replacement including loose floor tiles with asbestos
- Replacement of lights
- Door lock replacements with electronic key cards
- Server security with proper HVAC
- Camera additions

Some needed improvements only make sense in a larger remodel given the changes to walls, removing ceiling grids and holes in floors in order to make these improvements.

### **Costs of the Project**

Savings in Operations:

- \$2,400 annually in equipment
- \$3,000 in climate control and lighting
- \$60,000 minimum in staffing

Annual savings in maintenance and separate improvements

- \$2,500 in lighting ballast replacement
- Not increasing levy contributions from \$60,000 to \$90,000 annually into the Building Maintenance Fund

Assuming a \$600,000 bond at 20 years:

- \$46,000 annual payment
- \$2.70 in taxes annual per \$100,000 of valuation
- (\$37,900) to (\$97,900) in operational reductions or cost avoidance annually
- (\$2.22) to (\$5.75) in operational and maintenance savings per \$100,000 of valuation