

A stylized graphic in the background features a grey five-pointed star at the top right. A curved grey line, resembling a comet's tail or a path, starts from the bottom right and points towards the star. Behind this line are several grey, angular shapes that suggest the structure of a building or a modern architectural design.

# DESIGN / BUILD AGREEMENT WITH SYNERGY COMMERCIAL CONSTRUCTION

RS-25-071

May 6, 2025

# Background

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- Aviation staff has been negotiating with CSI concerning relocating their corporate headquarters from Albuquerque, New Mexico to the City of Killeen, contingent on the construction and availability of adequate office space near the Killeen Regional Airport.
- CSI Aviation anticipates that the relocation will permit the creation of at least 35 full-time additional positions with an average salary of \$95,000 within two years from occupying the new building.

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# Discussion

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- ❑ Based on these discussions with CSI, the Aviation Department developed an RFQ for the Design and Construction Services for a Design/Build Project at the Killeen Regional Airport.
- ❑ The RFQ advertised on October 13, 2024, and closed on November 7, 2024.
- ❑ Synergy Commercial Construction was selected to begin the discussions for a design/build project for an Office Building for the Killeen Regional Airport.

# Discussion

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- ❑ Synergy Commercial Construction held several meetings with CSI and Aviation staff to determine the design requirements of the building and the various site requirements. Several conceptional plans were presented and discussed with CSI and Aviation Staff. Based on these meetings and discussions, Synergy developed and proposed a price for the building in the amount of \$5,184,833.30.

# Discussion

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- Based on Synergy's proposal, staff has negotiated a lease agreement with CSI Aviation, Inc. to lease a build-to-suit, 9,000 square foot office building located on a City owned three (3) acre site at KRA.
- The term of the lease agreement is for a period of 120 months and shall automatically renew for an additional 120 months.

# Discussion

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- The expenditure will be funded by three sources: \$3,500,000 from the proceeds of the Utilities and Revenue Bond 2025 series (Fund 355), \$1,000,000 from the fund balance of the Governmental CIP Fund (Fund 300), and \$684,834 from the fund balance of the Water and Sewer CIP Fund (Fund 350).
- Upon the approval of this resolution, the expenditures will be appropriated on the FY 2025 Year-End Budget Amendment.

# Recommendation

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- Staff recommends that the City Council approve a design/build agreement with Synergy Commercial Construction, in the amount of \$5,184,833.30, for the design/build of a new office complex at the Killeen Regional Airport and authorize the City Manager or designee to execute all contract documents and all change orders or actions within the amounts set by state and local law.

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