



701 East Broadway, Columbia, Missouri 65201

Council Memo

Department Source: Sustainability

To: City Council

From: City Manager & Staff

Council Meeting Date: May 18, 2026

Re: Public Hearing: Proposed HVAC and interior lighting Improvements to the Armory Sports and Recreation Center; declaring the necessity of the improvement; and authorizing the city manager to proceed with the public improvement.

Impacted Ward: Citywide

Executive Summary

This is the public hearing concerning the construction of HVAC and interior lighting improvements to the Armory Sports and Recreation Center (Armory). An interested parties meeting was held on April 21, 2026.

The proposed project will be delivered using Energy Savings Performance Contracting (ESPC) procurement method authorized under RSMo 8.231 including a design-build approach. Ameresco, Inc. is currently under contract to identify and develop efficiency improvement projects at City of Columbia facilities. They have developed an Investment Grade Audit describing the projects, their cost, and savings associated. The total cost of the improvements in the IGA is \$2,038,726 to be paid from the City's internal loan fund. Internal loan payments will be funded from the Capital Improvement Sales Tax fund. One-time utility rebates and energy, maintenance and operational savings are anticipated to completely offset the City investment after 12.1 years.

During the construction period from October 2026 through January 2027, all programming interruptions will be communicated to the general public and known Armory patrons.

Discussion

The Armory was built in 1939 and last remodeled in 2000. The HVAC systems at the Armory are approximately 22 years old, while the rated life span for the equipment is 15 years. The improvements to the Armory will be delivered using the Energy Savings Performance Contracting (ESPC) procurement method. This approach, authorized under RSMo 8.231, allows municipalities to engage with certified Energy Services Companies (ESCO's) to develop and deliver projects that result in energy, operational and maintenance savings.

Generally, ESPC projects follow a multi-phase process in which facilities are evaluated to determine which are likely candidates for efficiency improvements by analyzing utility, maintenance and operational costs. After further refinement an Investment Grade Audit (IGA) is developed for identified efficiency measures. The IGA identifies potential cost-saving measures; determines the cost and savings of each measure; and presents a measurement and verification plan to validate future savings of each measure.



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Projects are then constructed using a design-build approach in which the contractor manages all elements of the construction and bears all of the risk. Upon completion and acceptance, projects enter into the guarantee phase in which if performance levels are not met, the contractor can be required to make up shortfalls with payments.

After a competitive RFP process Ameresco, Inc. was selected in March of 2025 to identify projects that improve the efficiency and operations at City of Columbia facilities. The Armory was shortlisted because of the facility's lower energy performance (higher energy use) as compared to other similar facilities. consisted of meetings with department heads, City leadership and staff; multiple site visits with Ameresco engineers and verification meetings with the City staff, including Public Works and Parks and Recreation. Through the verification meetings, specific Energy Conservation Measures were evaluated with the City of Columbia team.

Four facility improvement measures at the Armory were selected by the City and are included in the IGA. The proposed improvement measures at the Armory include lighting, lighting controls (4 below), HVAC unit replacement and variable speed drives for large electric motors (1,2,3 below). Annual energy and cost savings related to the improvements as well as estimated utility rebates are summarized in the tables below:

Activity	Total Cost	Rebate Estimate	Total Energy Savings	O&M Savings	Total Savings	Simple Payback	kWh Saved	KW Saved	Nat. Gas Therms
1. Gym HVAC	\$350,696	\$8,333	\$2,688	\$23,336	\$26,024	13.2	18,668	0	1,258
2. Office HVAC	\$756,656	\$8,333	\$2,126	\$54,450	\$56,576	13.2	15,710	0	931
3. Ground Fl. HVAC	\$891,767	\$8,333	\$2,891	\$77,785	\$80,676	11.0	30,334	0	653
4. Lighting to LED	\$39,607	\$10,468	\$1,330	\$515	\$1,845	15.8	11,369	33	0
Total	\$2,038,726	\$35,467	\$9,035	\$156,086	\$165,121	12.1	76,081	33	2,842

In addition to the project details, staff has provided information on [BeHeard](#) and at the Interested Parties meeting regarding potential interruption of services during the construction phase of the project (currently anticipated October 2026 – January 2027). Generally, the project team will communicate details to Armory patrons as described below:

- Press Releases (general project information)
- Signs and flyers at the Armory and information at other P&R facilities (general project and specific information)
- BeHeard (general project and specific information)
- Social Media posts on Facebook (general project information, possibly specific program information)
- Emails to program participants directly impacted by the construction (specific program information)

- Leisure Times Fall 2026 (general project information)

A specific schedule of program interruptions is not available at the time this Council Memo is being written; and no program interruptions will occur at the Armory as a result of the project before October 2026. The project team will provide updates until project completion as timelines and programming changes become available.

Fiscal Impact

Short-Term Impact: The City's internal loan fund will incur the initial cost of \$2,038,726. Two loan payments totaling ~\$370,000 will be made to the internal loan fund from the Capital Improvement Sales Tax fund. These payments are offset by \$18,070 in guaranteed energy savings; ~\$312,000 in projected operations and maintenance savings and ~\$35,000 in expected utility rebates.

Long-Term Impact: Loan payments totaling ~\$1,668,700 will be made for the remainder of the expected 10 year term. For the remainder of the expected 15 year life of the improvements, these payments will continue to be offset with energy and operational savings.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Reliable and Sustainable Infrastructure, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
05/04/2026	R85-26 Setting a public hearing: proposed construction of HVAC and interior lighting improvements at the Armory Sports and Recreation Center; providing for the design and construction of the proposed project using a guaranteed energy cost savings contract.

Suggested Council Action

Authorize the City Manager to proceed with the additional work as described in the investment grade audit (IGA).