



City Hall Project Update

March 27, 2023

Manzanita City Council

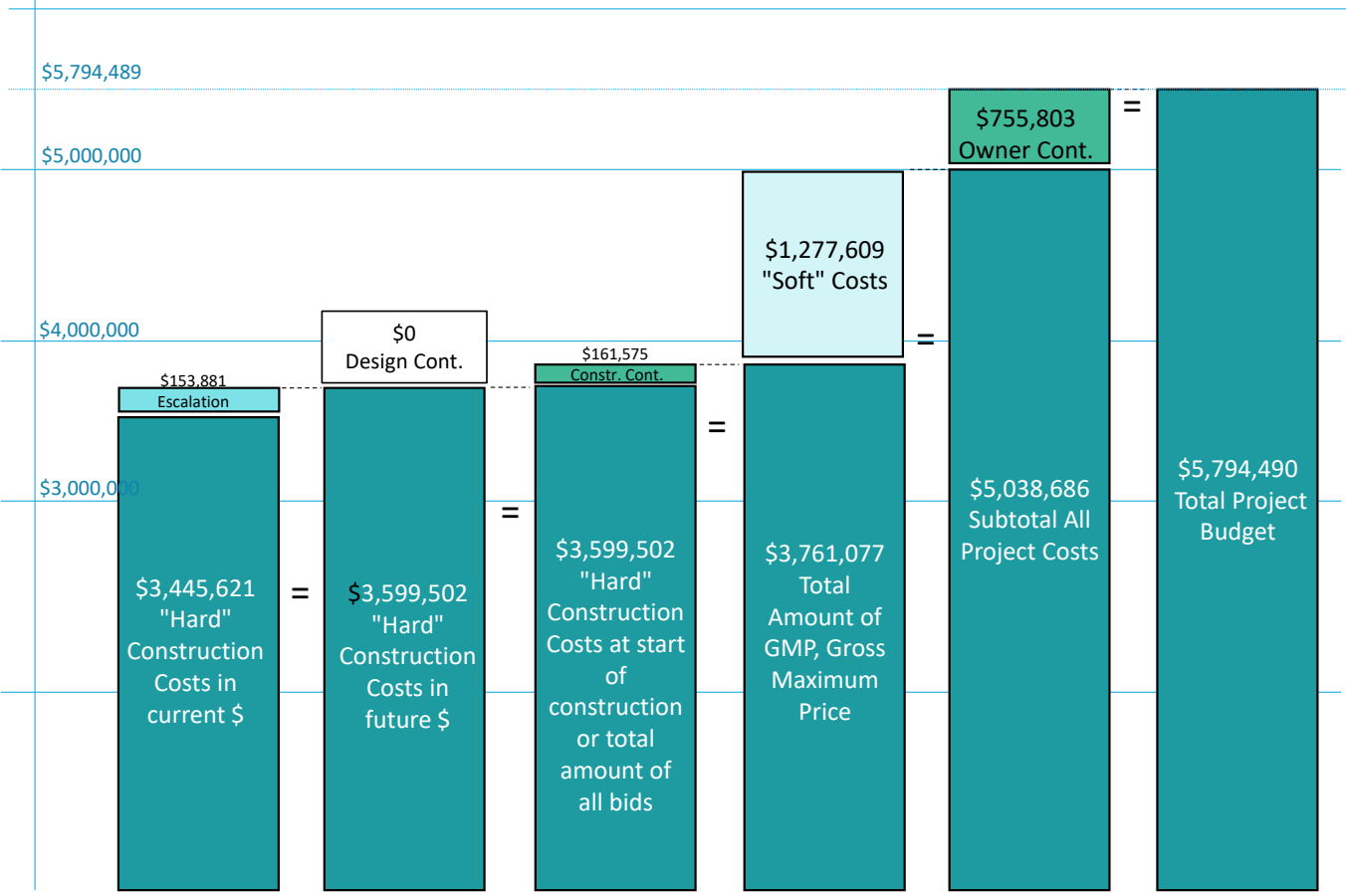
Work Session

Overview

- City Hall project budget
 - Other capital projects
 - Revenue diversification
- City Hall project budget
- City Hall funding approach
- City Hall project timeline(s)
- Discussion



Manzanita City Hall | Police Station/EOC Project Budget 3/27/2023



Description of Terms

- "Hard Costs" include the labor, materials, and overhead to construct the project. Estimated at current market rates.
- Escalation is calculated as a % of hard costs to adjust the estimate to the future when the work will occur.
- Design contingency allows the project to adjust to unknowns or overcome assumptions and is absorbed into hard costs over time
- Construction contingency is calculated as a % of hard costs and allows the contractor to cover scope gaps or pay for overtime when needed
- GMP is the Gross Maximum Price and is the total value of the construction contract.
- Soft Costs include all other project work outside of the GMP – design & consulting fees, permit fees, utility connection fees, furniture, special inspections testing, etc.
- Owner Contingency is a % of all direct project costs and allows the City to adjust to unknown site or building conditions, scope changes, or any other unknown issues during the course of the project
- All Contingencies (orange) decrease over time and any unused amount is returned to the City

Other Capital Needs

Infrastructure



	Project Cost Estimate (2023)	Project Cost Estimate (less tank)	Estimated Resources	Remaining Required Resources
Water				
Construction Fund	\$ 20.5	\$ 5.6	\$ 2.5	\$ 3.1
Stormwater				
Construction Fund	\$ 1.85	\$ 1.85		\$ 1.85
Road Construction				
Fund	\$ 3.1	\$ 3.1	\$.14	\$ 2.96
Total Capital Projects	\$ 25.45	\$ 10.55	\$ 2.64	\$ 7.91

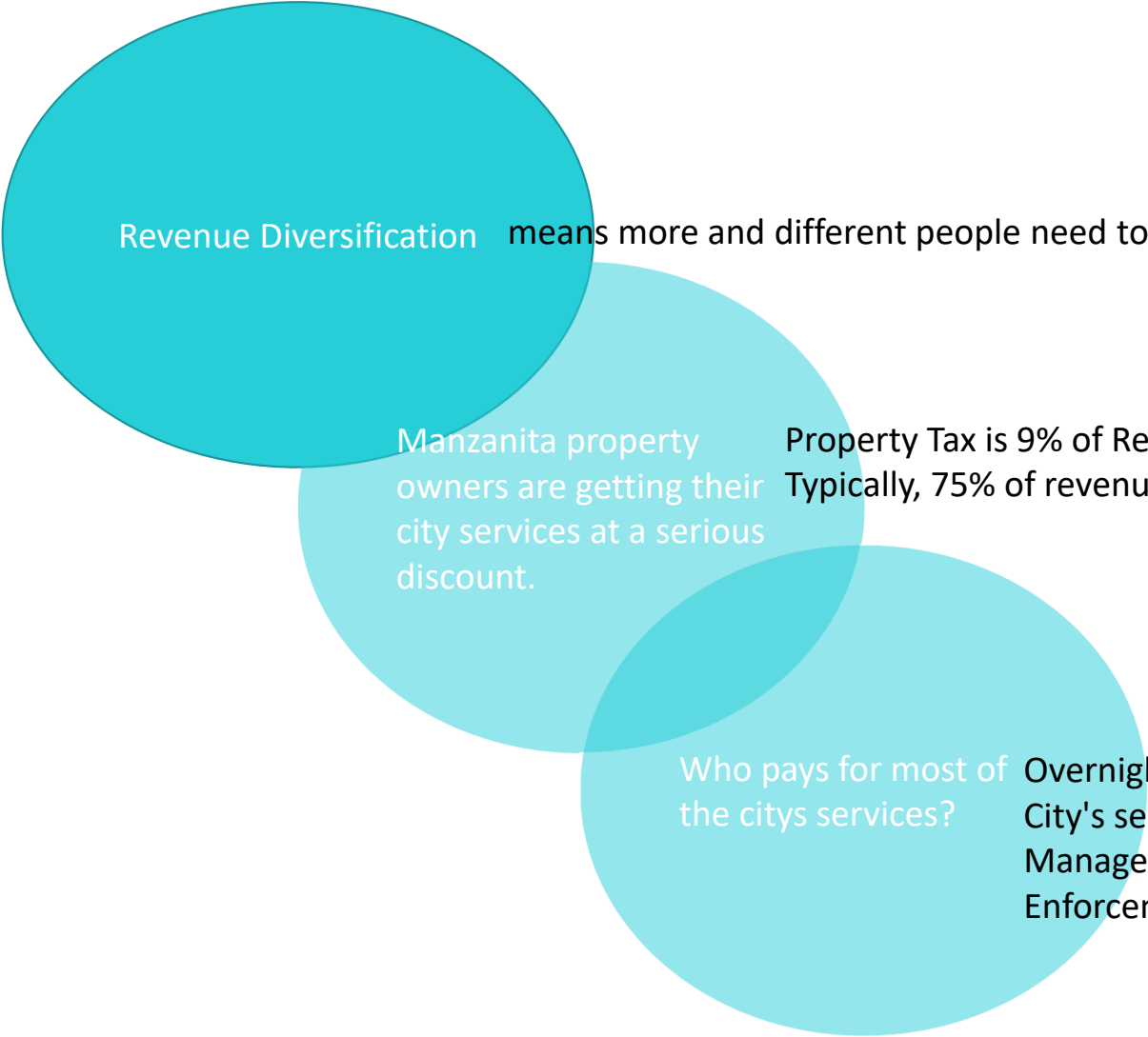
In Millions

Putting it all together

- \$8 Million Infrastructure
 - \$5.5 Million City Hall - Admin/Police/EOC
 - Total need - \$13.5 to do it all today
 - That isn't possible even if we had the money
- Prioritize and develop a funding strategy for both.

Funding Sources Availability

- Important to understand the color of money.
- Grants are available but mostly for infrastructure
- Manzanita has a high median income which limits what's available
- Water rates can be changed to account for things like inflation and ongoing maintenance or major projects but property taxes cannot be raised.
- Debt and Bonds will likely be needed no matter what to accomplish any and all of it



Revenue Diversification means more and different people need to pay

Manzanita property owners are getting their city services at a serious discount.

Property Tax is 9% of Revenue
Typically, 75% of revenue for most cities

Who pays for most of the city's services?

Overnight visitors who pay TLT pay for pretty much all of the City's services including Administration, Tourism Management, Public Safety, STR Administration and Enforcement AND infrastructure.

Revenue Diversification Will allow us to maintain a high level of service, without sacrificing livability by finding alternate funding sources to support infrastructure and livability services.

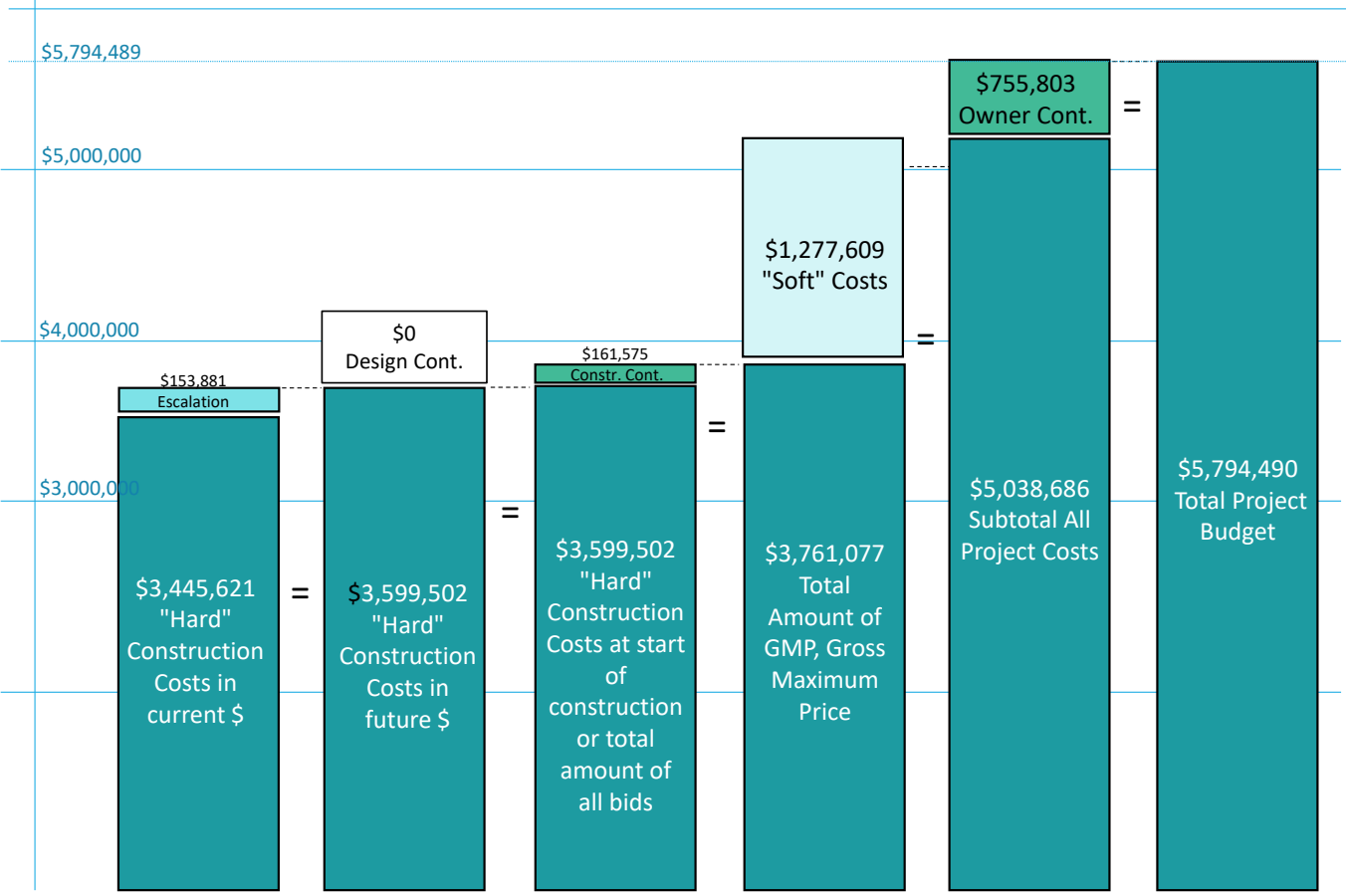
Means we must open our minds.

Become more strategic. Prioritize and take the long-term view.
Have to have courage to do what the others before you have not.

The numbers have to show it.

Take a conservative approach. Live well within our means.
But don't sacrifice service and quality.

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Predevelopment	\$30,000
Demolition	\$75,000
Hard Costs	\$3,656,077
Design Services	\$415,000
Owners Representative	\$155,000
Cost Consultant	\$20,000
Hazardous Materials	\$199,670
Utilities	\$45,000
Furniture, Fixtures and Equipment	\$171,000
Survey	\$9,300
Geotechnical	\$40,000
Traffic Impact Study	\$15,000
Arborist	\$3,000
Materials Testing / Special Inspections	\$20,000
Hazardous Materials Consultant	\$20,000
Insurance / Builders Risk	\$61,533
Legal	\$50,000
Building Permit Fees	\$43,087
Grant Consultant	\$10,000
Contingency	\$755,803

Total Hard Costs \$3,761,077

Total Soft Costs \$1,277,609

Total Project Costs \$5,794,490

Predevelopment	\$30,000
Demolition	\$0
Hard Costs	\$30,000
Design Services	\$82,876
Owners Representative	\$55,083
Cost Consultant	\$0
Hazardous Materials	\$23,732
Utilities	\$0
Furniture, Fixtures and Equipment	\$0
Survey	\$9,300
Geotechnical	\$27,544
Traffic Impact Study	\$0
Arborist	\$0
Materials Testing / Special Inspections	\$0
Hazardous Materials Consultant	\$0
Insurance / Builders Risk	\$0
Legal	\$36,360
Building Permit Fees	\$0
Grant Consultant	\$10,000
Contingency	\$0

Total Spent/Committed Hard Costs \$30,000

Total Spent/Committed Soft Costs \$250,570

Total Spent/Committed: \$280,570

Predevelopment	\$
Demolition	\$75,000
Hard Costs	\$3,656,077
Design Services	\$332,214
Owners Representative	\$99,197
Cost Consultant	\$20,000
Hazardous Materials	\$175,938
Utilities	\$45,000
Furniture, Fixtures and Equipment	\$171,000
Survey	\$0
Geotechnical	\$12,456
Traffic Impact Study	\$15,000
Arborist	\$3,000
Materials Testing / Special Inspections	\$20,000
Hazardous Materials Consultant	\$20,000
Insurance / Builders Risk	\$61,533
Legal	\$13,641
Building Permit Fees	\$43,087
Grant Consultant	\$10,000
Contingency	\$755,803

Total Remaining Hard Costs \$3,731,077

Total Remaining Soft Costs \$1,027,040

Total Remaining Project Costs \$5,513,920

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Demolition	\$75,000
Hard Costs	\$3,656,077
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Owners Representative	\$99,197
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Hazardous Materials	\$175,938
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Resources Required for
Abatement and Demolition
\$250,938

Predevelopment	\$
Demolition	\$75,000
Hard Costs	\$3,656,077
Design Services	\$332,214
Owners Representative	\$99,197
Cost Consultant	\$20,000
Hazardous Materials	\$175,938
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Resources Required for Phase 2
\$431,411

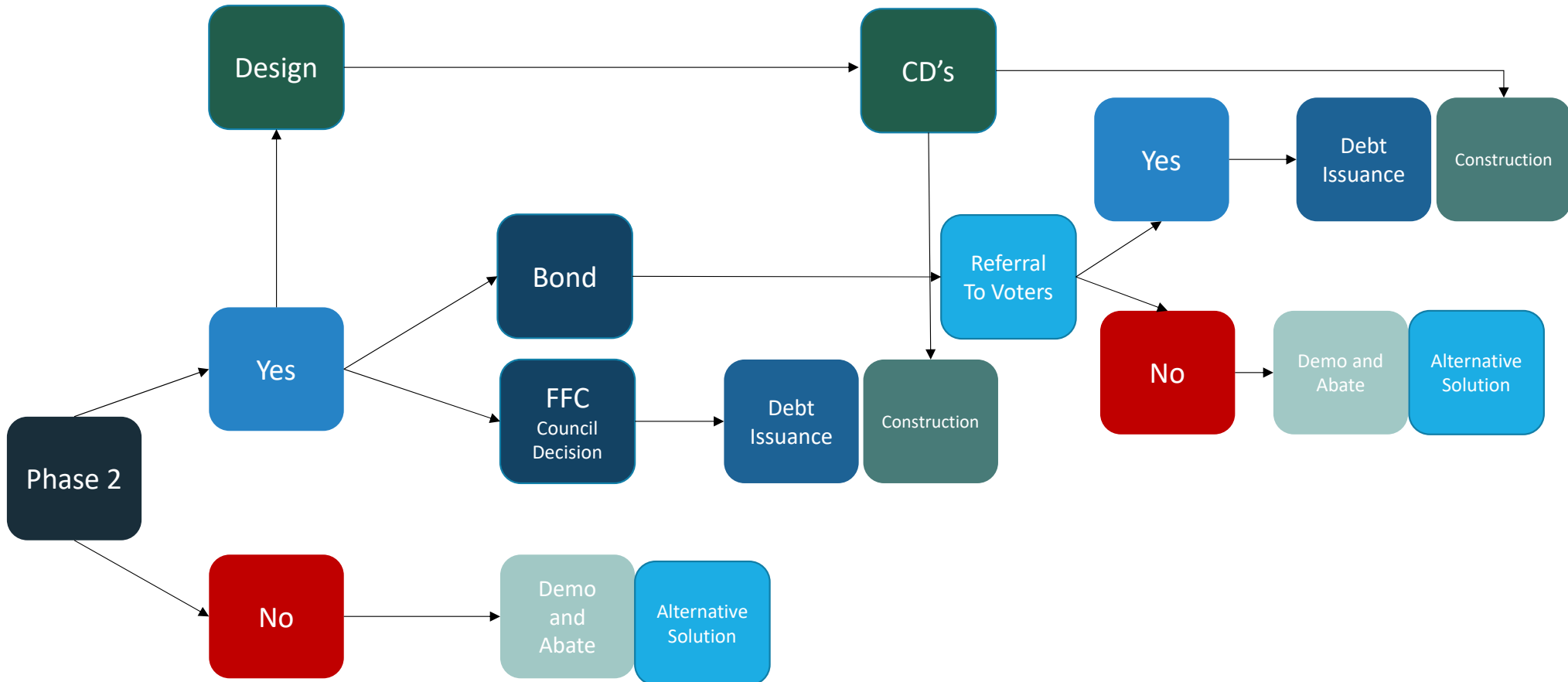
Resources Required

Required Resources for Abatement and Demolition	\$250,938
Phase 2 Costs for Design and Project Management	\$431,411
Total Required Resources	\$682,349
Estimated Remaining Fund Balance	\$223,161
FY 24 Resources Required for Phase 2 and Demo	\$459,188
Remaining Project Costs	\$4,831,571

Funding Approach

Total Requirements	\$5,794,490
Total Paid	\$280,570
Remaining Requirements	\$5,513,920
Debt/Bond Financing	\$3,500,000
Property Sales	\$600,000
Grants/Bake Sale	\$450,000
Remaining Fund Balance City Hall Fund	\$220,000
General Fund FY 24	\$460,000
Building Fund	\$200,000
TLT	\$100,000
Donations	\$0
Total Estimated Resources	\$5,530,000

Manzanita City Hall Funding Decision Tree



Who Pays?

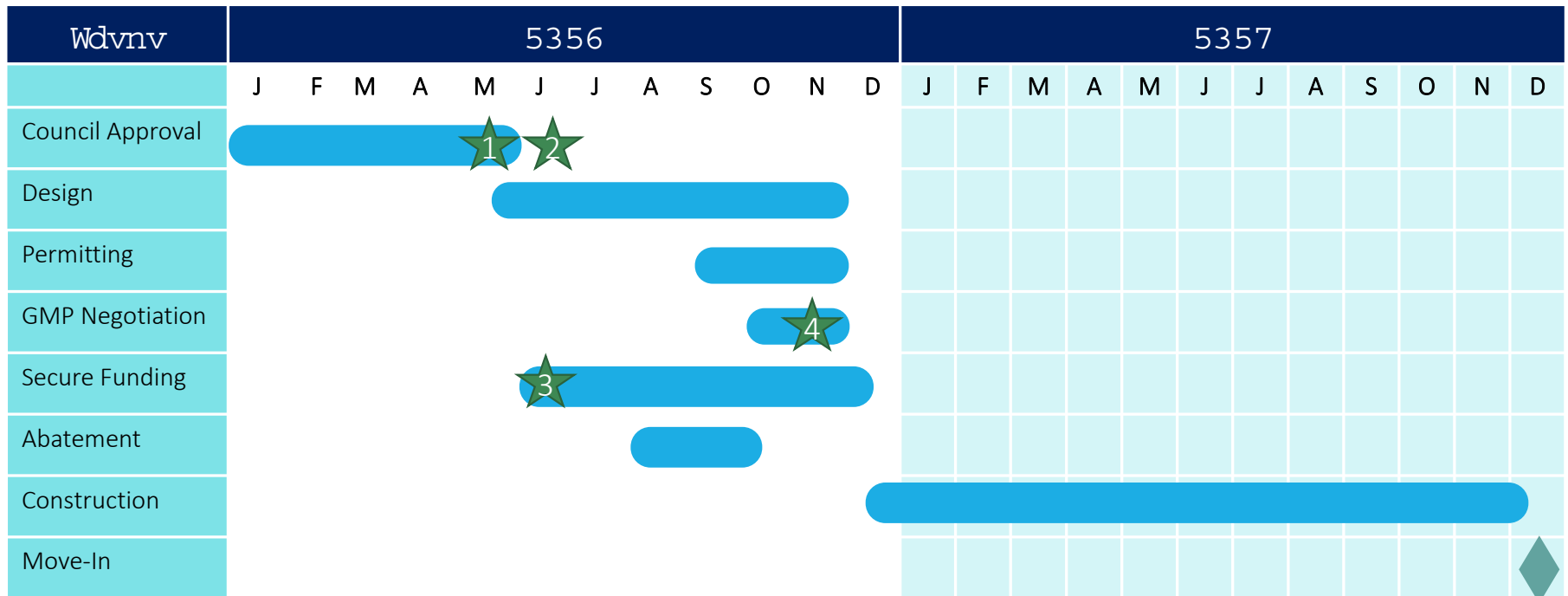


PROPERTY OWNERS



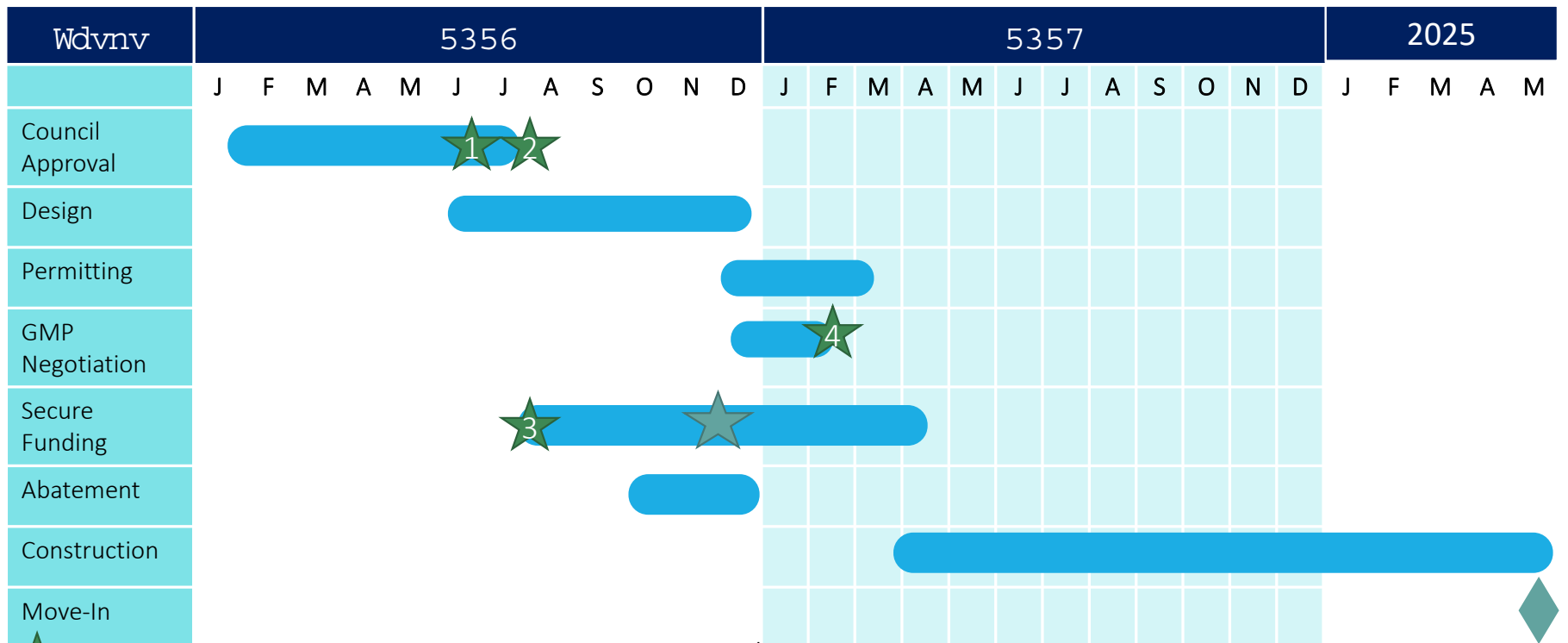
VISITORS

Manzanita City Hall Schedule – FFC **BASELINE**



- ★1 Phase 2 Authorization – Financial Commitment \$431,411
- ★2 Approval of City Budget
- ★3 Decision on Financing Option – FFC– Financial Commitment \$3.5Million
- ★4 GMP – Financial Commitment \$3.73Million

Manzanita City Hall Schedule – GO Bond +3-6MOS



- Phase 2 Authorization – Financial Commitment \$431,411
- Approval of City Budget
- Decision on Financing Option – GO Bond– Financial Commitment \$3.5Million
- GMP – Financial Commitment \$3.73Million

Vote on Bond

Discussion

- Budget
- Funding approach (debt/other sources)
- Discussion on FFC vs GO Bond