

An architectural rendering of a modern, single-story building with a light-colored facade and dark window frames. The building has a flat roof and a central entrance with a small overhang. An American flag is flying on a pole to the right of the entrance. In the foreground, a paved walkway leads towards the building, and a few people are walking on it. The background shows some trees and a clear sky.

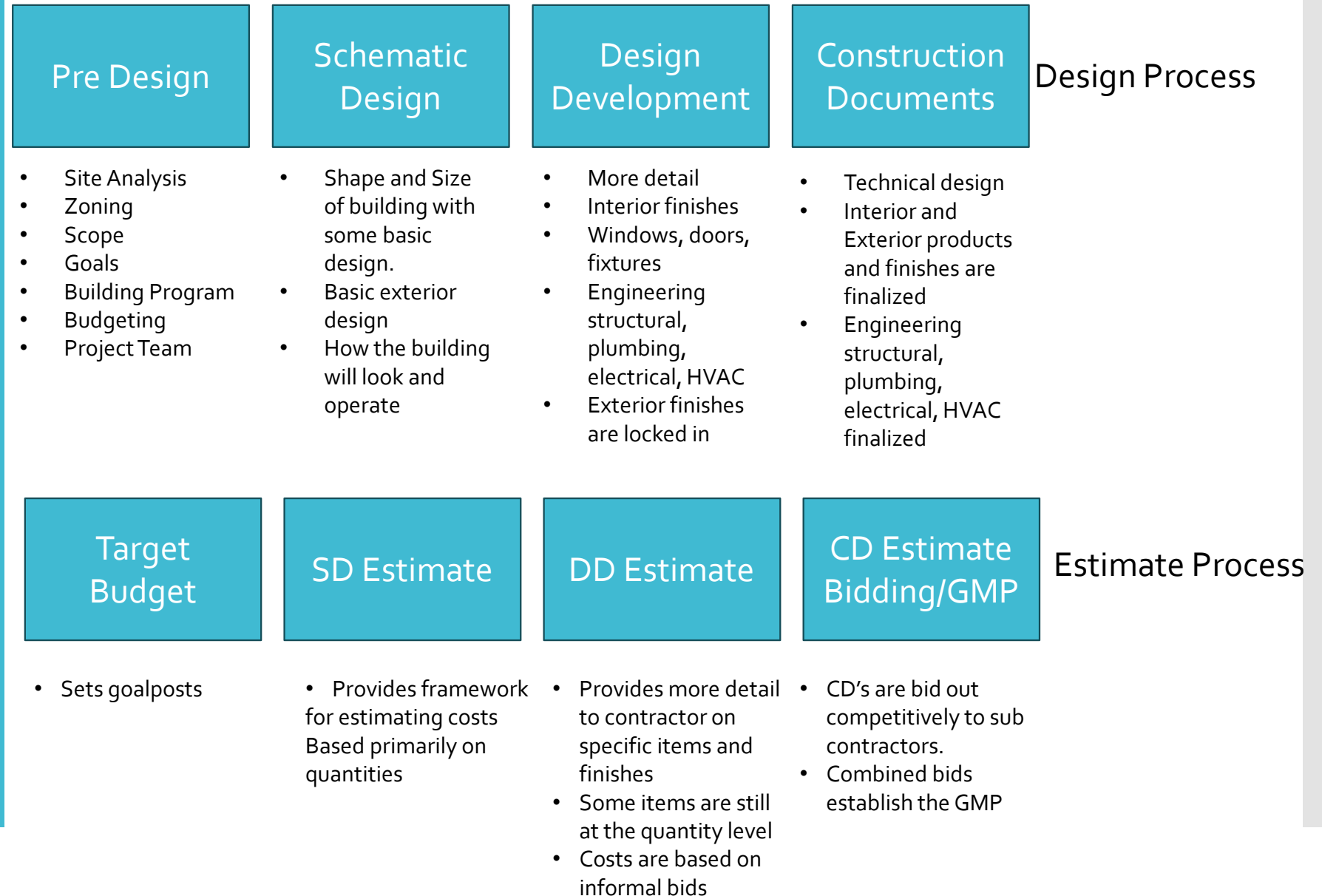
Manzanita City Hall and Police Station /EOC Update

City Council Work Session, November 15, 2023

AGENDA

- Review of Design Process
- Current Design (Chris Keane, Bearing Architecture)
- Land Use Process and next steps
- Design Development Budget
- Funding Sources
- Discussion

Process



Process

- February 15, 2023 Council directed staff to proceed with Scheme 1 and demolish the buildings
- Paused design until June 7, 2023 when Phase 2 was approved by City Council
- Resumed design and held several meetings with city staff to refine designs
- Engaged Subconsultant team (structural, landscape, MEP)
- Geotechnical investigation and hazardous materials
- Completed Design Development Phase late September
- CMGC conducted pricing October
- Revisions to meet target budget October – November
- Preapplication conference October 17
- Land Use application has been submitted and is under review
- December 11 Land Use / Design Review Hearing with the Planning Commission

Scheme 1



Current Design

Division St



Classic St.

Manzanita Ave

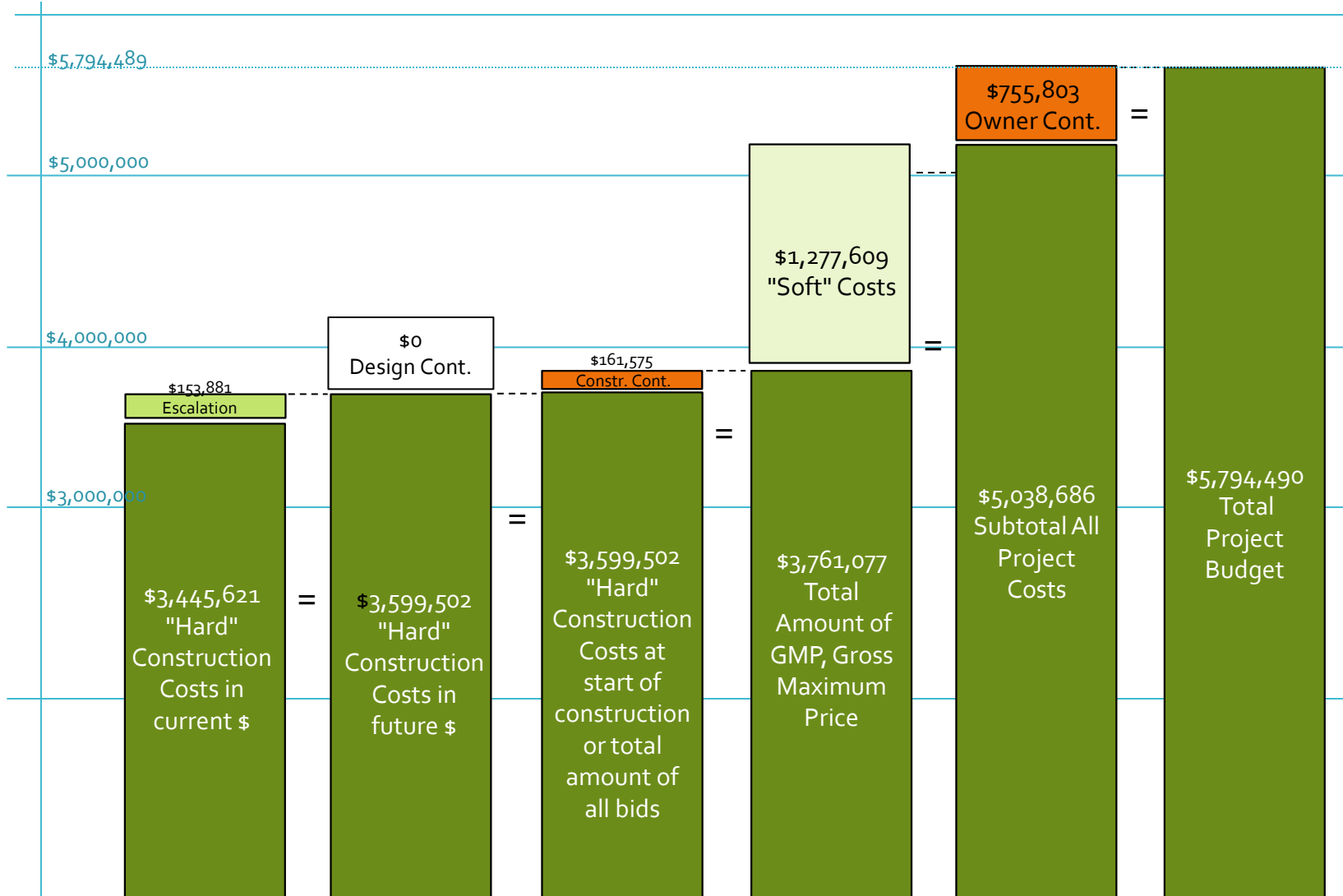




Design Development Budget

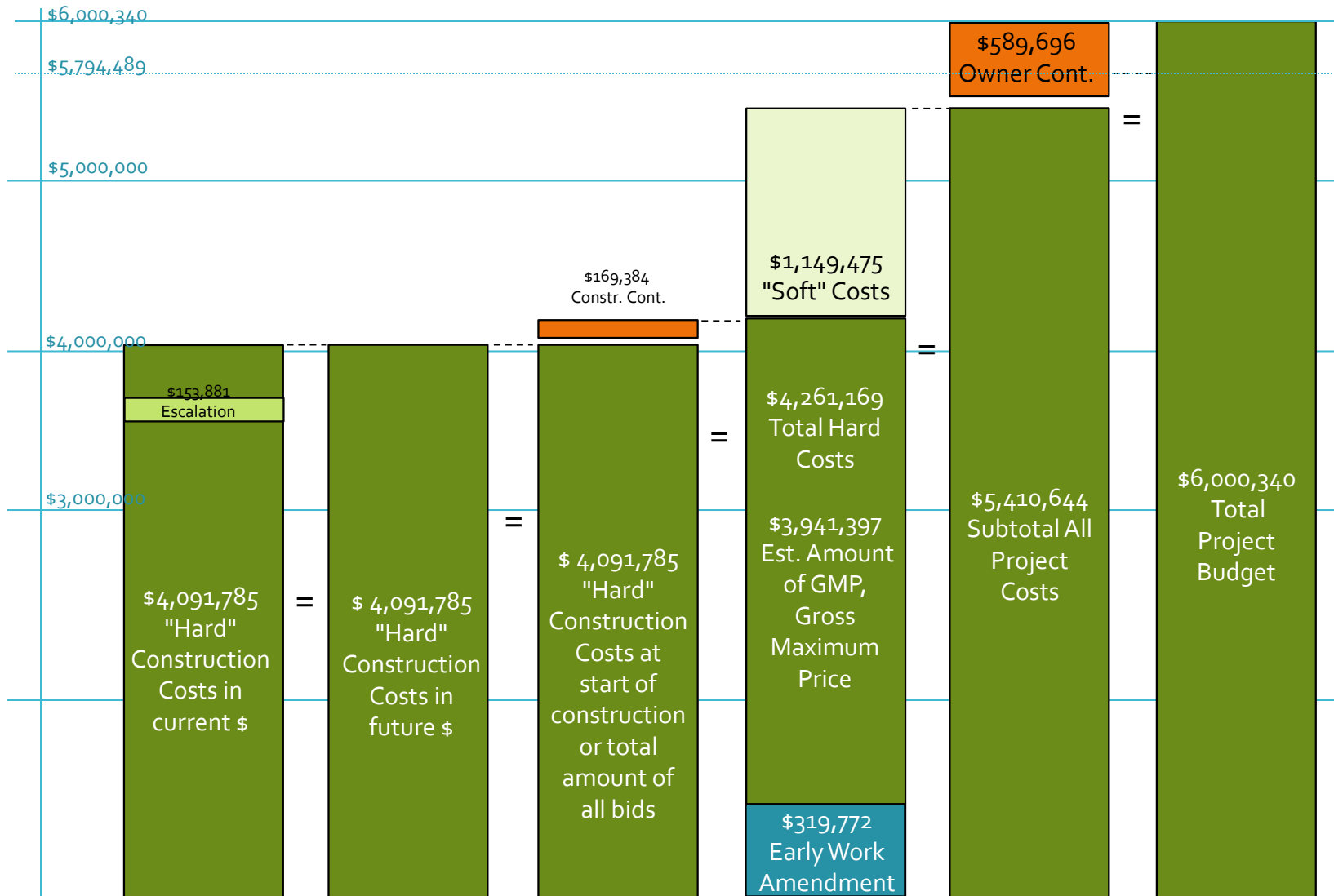
Overview of Current Budget
Estimate

	SD Estimate (March 2023)	SD Estimate (June 2023)	+ (-) Variance	DD Estimate (November 2023)	+ (-) Variance	Notes
Hard Costs	\$ 3,761,077	\$ 3,761,077	\$ 0	\$ 4,261,169	\$ 500,091	
Architecture	\$ 415,000	\$ 415,000	\$ 0	\$ 415,000	\$ 0	
Owners Rep	\$ 154,000	\$ 154,000	\$ 0	\$ 154,000	\$ 0	
Cost Consultant	\$ 20,000	\$ 0	(\$ 20,000)	\$ 0	\$0	Removed.
Hazardous Materials Abatement	\$ 199,670	\$ 198,732	(\$ 938)	\$ 23, 732	(\$ 175,000)	Scope moved to Hard Costs (Construction Contract)
Hazardous Materials Consultants	\$ 20,000	\$ 55,045	\$ 35,045	\$ 56,045	\$1,000	July 5, 2023 Council Approved Contract with G2 for Abatement Design for \$39,763 Spent \$15,045 with Hahn for Abatement Analysis
Utilities	\$45,000	\$ 45,000	\$ 0	\$ 45,000	\$ 0	
Furniture Fixtures and Equipment	\$ 171,000	\$157,957	(\$ 13,043)	\$ 157,957	\$ 0	
Survey	\$ 9,300	\$ 9,300	\$ 0	\$ 9,300	\$ 0	
Geotechnical	\$ 40,000	\$ 90,000	\$ 50,000	\$ 90,000	\$ 0	Proposed Contract Increase of 40K for construction forthcoming. 10K increase for design.
Traffic	\$ 15,000	\$ 15,000	\$ 0	\$ 0	(\$ 15,000)	Not required .
Arborist	\$ 3,000	\$ 3,000	\$ 0	\$ 3,000	\$ 0	
Special Inspections	\$ 20,000	\$ 20,000	\$ 0	\$ 20,000	\$ 0	
Insurance	\$ 61, 553	\$ 61, 553	\$ 0	\$ 61, 553	\$ 0	
Legal	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0	
Building Permit Fees	\$ 43,087	\$ 43,087	\$ 0	\$ 59,656	\$ 16,570	Increased as a percent of total project costs.
Grant Consultant	\$ 10,000	\$ 0	(\$ 10,000)	\$ 0	\$ 0	
BOLI Fees	\$ 0	\$ 0	\$ 0	\$ 4,232	\$ 4,232	Required by state not included in OG budget.
Project Subtotal	\$ 5,037, 687	\$ 5,078,751	\$ 41, 064	\$ 5, 410, 644	\$ 331, 893	
Contingency	\$ 755, 653	\$ 714,589	\$ 41,064	\$ 589,696	\$ 124,893	
Total Project Costs	\$ 5,793,340	\$ 5,793,340	\$ 0	\$ 6,000,340	\$207,000	



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



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Next Steps

- Abatement and Demolition will start in December
- Design will proceed once land use approval is received
- Working on permit set for construction
- Architect to complete Construction Documents
- CMGC will conduct a competitive bid for construction documents which will form the foundation of the GMP

Funding

- Update on Special Public Works Fund Loan
- Review of Funding Strategy
- Discussion of Covid Relief Funds
- Loan vs. Cash

Special Public Works Fund – Loan Terms

- Loan up to \$5,134,631 was approved on October 6, 2023
- Interim Loan at 2.10% accruing on actual funds disbursed
- Interim financing only up to 2.5 years (we expect 12-16months)
- Sold to the Bond Bank at that time a permanent rate will be set

Process for SPWF

- Council will need to pass a Resolution Authorizing the City Manager to Execute the Loan
- City Attorney to Provide an Opinion
- Contract Documents, Draft Resolution and Opinion are with the City Attorney
- Anticipate December or January for Council Approval

Supplemental Budget

- In order to both receive and expend funds since it is 10% or greater Council will need to pass a supplemental budget
- Council to hold a public hearing and shall be noticed 5 days in advance of the hearing
- Pass a Resolution amending the budget to account for funds received and funds expended
- Anticipate receipt of Funds from the SPWF into the GF
- Anticipate transfer of GF resources to the City Hall Fund

	March 2023	June 2023	November 2023	Notes for November 23
Financing	3,500,000	4,000,000	4,077,469	
Property Sales	600,000	634,000	638,000	This was put into the GF – budget estimate was 500,000 – this could be financed instead if needed.
Grants	450,000	60,000	207,000	Includes 60K from business OR for grant, proposed use of 147K from COVID relief – continue to apply for grants as appropriate
Remaining Fund Balance (FY 23)	220,000	220,000	251,000	From draft audit
General Fund (FY 24)	460,000	544,000	450,688	Actual approved transfer from budget less expended total in budget was \$544,500
Building Fund	200,000	0	0	Removed.
TLT	100,000	100,000		
Donations				
Expended (FY 23)	283,283	280,570	282,371	Refined numbers as invoices paid
Expended (FY 24)			93,812	Expended this year so far
Total Sources	5,530,000	5,558,000	5,624,157	
Total Sources and Expended	5,813,283	5,838,570	6,000,340	\$908,688 (grants and budgeted GF resources) / \$1,546,688 (Including \$ from sale of old city hall)
Total Project Budget	\$ 5,793,340	\$ 5,793,340	6,000,340	

Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

- Received \$147,000 in COVID Relief Funds
- In current budget – transfer can be included in the supplemental budget
- Propose that city council adopt a resolution in December to declare that the funds can be transferred to the City Hall fund for the purpose of funding the gap associated with the Emergency Operations Center / Police Station

SLFRF Final Rule - Federal Register Volume 87 No 18 January 27, 2022 - Capital Expenditures

- May use funds for programs, services and capital expenditures that respond to the public health and negative economic impacts of the pandemic
- Must comply with the capital expenditure requirements
- Final rule enumerated types of capital expenditures that Treasury has identified as responding to the pandemic impacts
- Recipients may also identify other responsive capital expenditures
- No preapproval is required

SLFRF Final
Rule - Federal
Register
Volume 87 No
18 January 27,
2022 - Capital
Expenditures
enumerated

- Improvements to or construction of emergency operations centers and acquisition of emergency response equipment

Funding Approach Considerations

- Resolution only authorized up to \$4M in debt – we now have up to \$5.1M and will require additional sources at this time to fully fund project
- Council can consider either putting cash toward the project (from the sale of old city hall) finance more since we borrow only what is needed or some combination of both
- Doesn't need to be decided today. Can discuss as we go through budget process and update projections based on the audit