

Bayview Park Community Resource Center Project:

The previous community center at Bayview was lost as a result of the April 2014 storm water flooding.

In February of 2016, the City Council approved the concept of building the Bayview Community Resource Center at a cost of \$6,050,000 with the funding coming from LOST funds.

- In January of 2017, the City Council awarded the contract for Architectural and Engineering services to Caldwell Associates for designing the Bayview Community Resource Center. The following estimated costs were provided at that time:

Budget:	\$6,050,000.00	
Actual:	\$4,500,000.00	Estimated Construction Cost
	450,000.00	10% Contingency
	315,828.00	7% Design Fee
	404,500.00	Additional A&E Services and Soft Costs
	279,000.00	Miscellaneous Expenses
	<u>100,672.00</u>	<u>Project Management & Inspection</u>
	\$6,050,000.00	Total

- In September of 2017, the City Council was presented the FY 2018 budget for approval which included \$8,250,000 for the Bayview Community Resource Center, with funding coming from LOST IV funds.

Budget: \$8,250,000

Actual: (estimates from designer memo, no budget breakdown was provided by CFO)

\$6,000,000 Estimated Construction Cost (uses \$335/sqft) (a 33% increase)

\$420,000 7% Design fee (33% increase)

\$1,830,000 Additional services, soft costs, furnishings, etc

\$8,250,000 Total (this is a 36% increase over the cost presented and approved 8 months earlier) No design alternatives to keep the project within the approved budget were provided.

- In November 2017 City Council approved SUPPLEMENTAL BUDGET RESOLUTION NO. 17-74 – FINAL AMENDMENT TO THE FISCAL YEAR 2017 BUDGET which included reclassifying the Bayview Resource Center project to the LOST Series 2017 Project Fund established with council approval to finance \$25 million for capital improvements eligible to be financed from the Local Option Sales Tax.

- In May 2018, the Mayor now recommends approval of a construction contract and appropriation of additional funding for the Bayview Resource Center with the following modified budget:

Budget:	\$ 8,250,000.00	Bayview Resource Center – (LOST 2017 Series Project Fund)
	970,000.00	General Athletic Improvements – LOST IV
	<u>365,000.00</u>	<u>General Park Improvements – LOST IV</u>
	\$9,585,000.00	Total

Actual:	\$ 8,007,000.00	Construction Cost (a 33% increase over the previous approved budget and a 78% increase over the original budget of 16 months ago)
	240,653.00	3% Project Contingency (reduced from 10% to 3%)
	598,847.00	7% Design Fee and Reimbursable Amounts
	413,500.00	Additional A&E Services and Soft Cost
	<u>325,000.00</u>	<u>Furniture, Fixtures & Equipment</u>
	\$9,585,000.00	Budget (This is a 16% increase over what was approved 8 months earlier, and a 58% increase over what was approved 16 months earlier) No alternatives to keep the project within the approved budget are provided.

Opportunity Costs:

Budget Sources: The following LOST IV budget line items are proposed as funding sources for the increased budget for the Bayview Resource Center:

- General Park Improvements: This line item is funded at \$425,000 spread over 10 years of LOST IV funding for park improvements not yet designated for specific parks or projects. (no pending project list has been provided) \$65,000 was budgeted for use in FY2018, with an average of \$33,000/year for the remaining period of LOST IV. The Bayview Resource Center Budget proposal recommends using \$365,000 from this line item for the budget increase of the Bayview Resource Center, or all of the remaining funding for any currently unplanned park improvements for the next 10 years.
- General Athletic Facilities Improvements: This line item is funded at \$970,000 spread over 10 years of LOST IV funding for athletic facility improvements not yet designated for specific facilities or projects. (no pending project list has been provided) No funding from this line item was budgeted for use in FY 2018. The Bayview Resource Center Budget proposal recommends using the entire \$970,000 from this line item, or all of the remaining funding for any currently unplanned athletic facility improvement for the next 10 years.

Questions pending:

- The previous construction estimate of \$6M was based on a “conservative” estimate of \$335/sqft for this 18,000sqft building (the fire station is being built for \$315/sqft). The current estimated

construction cost of \$8M would make it \$445/sqft? Is that a reasonable cost? Has the design changed?

- Contingency has been lowered from 10% to 3%. Based on previous construction projects on resource centers, is that a reasonable estimate, or will requests for additional funding be likely?
- What have the unassigned line items for park and athletic facilities improvements been used for previously, and by taking this funding from the remaining facilities in the city result in their decline over the next 10 years?
- What are the pending, unfunded projects for park and athletic facility improvements?