



COUNTY OF HUMBOLDT

Legislation Text

File #: 24-895, **Version:** 1

To: Board of Supervisors

From: Public Works

Agenda Section: Time Certain Matter

Vote Requirement: Majority

SUBJECT:

10:00 AM - Update on the Garberville Veterans Hall Project

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive a report on the status of the Garberville Veterans Hall Project; and
2. Direct staff to proceed accordingly.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Workforce & Operational Excellence

Strategic Plan Category: 3002 - Invest in county facilities

DISCUSSION:

On Jun. 29, 2021, The Humboldt County Board of Supervisors approved staff to move forward with the hazardous materials abatement and demolition of the existing Garberville Veterans Hall and proceed with the design of a new Veterans Hall with an anticipated total budget of approximately \$3,087,325. Demolition of the building was completed in August 2023, with key elements of the building salvaged for use in the design of the new facility. The demolition process was estimated at \$251,845 and was completed under budget.

During the demolition process, Public Works issued RFQ DPW2023-001 for the Garberville Veterans Hall Project. After review of the RFQ responses, ORW Architecture, Inc. (ORW) was awarded a contract for architecture and engineering services for the design of the new facility in July 2023. After initial programming efforts and design meetings with the Veterans, Public Works and local officials, ORW Architecture began the schematic design phase in earnest in September 2023, capturing all the feedback and direction received.

Upon completion of schematic design in January 2024, an initial cost estimate was prepared and the project was determined to be significantly over budget. ORW proposed a variety of cost reduction measures that were reviewed with the Garberville Veterans, with the intent being a significant simplification of the structure and multiple changes geared towards improving economy while preserving function and quality. After these revisions were completed and re-estimated in May 2024, the anticipated project cost had been reduced by over \$700,000 but was still in excess of the total approved project budget of \$3,087,325.

A major part of the significant cost increase has been the construction cost increases seen since the original project budget was assembled in March 2021. The California Construction Cost Index (CCCI) prepared by the State Department of General Services

reflects over a 35% increase in construction cost over this period, an equivalent increase of \$1,093,337 compared to the original project budget. This metric is based on reported costs in the metropolitan San Francisco and Los Angeles areas and is not an accurate reflection of even higher local cost increases seen in rural areas like Humboldt County.

After the initial re-design effort, staff believe the re-design has reduced the complexity and quality of the project to a basic level for a building of this type, and that to reduce the estimated project costs further would require either the elimination of important program elements, or a reduction in quality that will reflect negatively on the project once completed.

The attached budget and design exhibits reflect both a low-range and a high-range of the anticipated construction cost based on the initial and revised design concepts. Based on recent bidding results, staff recommends that your Board consider the high-range cost estimate for future budgeting of the project. With this in mind, staff requests that your Board consider the following options:

1. Authorize additional funding in the amount of \$3,572,718 for the original design concept as described in Exhibit 1 - Original Design and Schematic Cost Estimate
2. Authorize additional funding in the amount of \$2,795,493 for the revised, lower cost design concept as described in Exhibit 2 - Revised Design and Schematic Cost Estimate (staff recommendation).
3. Direct staff to re-evaluate the project and seek additional reduction in project cost by removing or combining program elements, or other such major modifications to the originally conceived project.

It is important to note that in all options, this discussion is based around schematic level cost estimates, prepared with a conservative approach in mind. Many costs cannot be fully estimated at this point in time, and represent placeholders based on knowledge at hand. Contingencies are included both within the construction cost estimate as well as in the overall project budget. Staff anticipates that through a combination of strict cost control measures through the rest of the design process, and through ongoing efforts to secure community donations of building materials, that the project is achievable with a single additional funding authorization.

SOURCE OF FUNDING:

General Fund
 2020 Finance Plan
 Future Interim Financing

FINANCIAL IMPACT:

<i>Expenditures (1100170)</i>	FY24-25 Projected*	
<i>Budgeted Expenses</i>	\$3,087,325	
<i>Additional Appropriation Requested</i>	\$2,795,493	
<i>Total Expenditures</i>	\$5,882,818	

**Projected amounts are estimates and are subject to change.*

<i>Funding Sources (1100170)</i>	FY24-25 Projected*	
<i>General Fund</i>	-	
<i>State/Federal Funds</i>		
<i>Finance Plan</i>	\$3,087,325	
<i>New Interim Financing</i>	\$2,795,493	
<i>Contingencies</i>		
<i>Total Funding Sources</i>	\$5,882,818	

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

Financial impact varies based on direction given by the Board. The projected amounts shown is based on staff's recommendation of Option 2. Costs pertaining to assessing the building condition incurred prior to June 29, 2021, are not reflected in these projections or schematic cost estimates. The demolition costs for the project was completed with a General Fund transfer of \$251,845 that occurred in 2021 and are included in the projected expenditures. The remainder of the project costs have since been budgeted with funding from the 2020 Finance Plan. More detail on the financial impact and current expenditures related to the project are included in Exhibits 1 & 2. Should your Board choose to move forward with additional funding for the project, this could be made available under a new round of interim financing.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

There is no impact to staffing. The ongoing management of the project will require effort by Facilities - Capital Projects staff until completion and will need to be considered against new projects when assessing staffing workload and scheduling.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board's discretion

ATTACHMENTS:

Exhibit 1 - Original Design and Schematic Cost Estimate

Exhibit 2 - Revised Design and Schematic Cost Estimate

PREVIOUS ACTION/REFERRAL:

Meeting of: 6/29/21, 8/24/21, 8/23/22, 10/4/22, 7/18/23

File No.: 21-881, 21-1169, 22-989, 22-1306, 23-744