

**Item 20.**  
**City Hall/Town Hall**  
**Project Budget**

**{ November 16, 2015**  
**{ Del Mar City Council**

# Project Status

- City Council approved design on November 2<sup>nd</sup>
- Continuing design approval process:

Date	Step
November 18 <sup>th</sup>	Community Participation Process (CPP) Meeting
November 19 <sup>th</sup>	Preliminary Review with DRB
December 18 <sup>th</sup>	Design Review Board
January 4 <sup>th</sup>	City Council

- Targeting late Spring 2016 to begin construction

# Current Project Budget

- Adopted by City Council in March 2015
- Set at \$12.4 – 16.4 million
- Based on McCarthy estimate from Fall 2014
  - Very general estimate
  - Based on raw square footage
  - Assumed construction would start in Jan 2016
  - Did not include construction cost escalation

# City Hall/Town Hall Budget Model Changes

11/10/2015

	Original Budget Model (Revo 2015-11)		As of 11/10/15	
	Original Model	Project Costs	Current Model	Project Costs
<b>Construction Costs</b>				
City Hall	\$ 2,867,500		\$ 2,918,916	
Town Hall and Breezeway	\$ 896,000		\$ 1,473,363	
Parking	\$ 5,865,000		\$ 4,811,416	
Plaza	\$ 495,000			
Sitework/Demo	\$ 1,054,950		\$ 3,386,344	
	<u>\$ 11,178,450</u>		<u>\$ 12,590,039</u>	(1) (2)
<b>Soft Costs</b>				
Design, Engineering, Permits, CEQA, FF&E, Signage, etc. (30.5%)	\$ 3,409,427		\$ 3,301,548	
Owner's Contingencies (10%)	\$ 1,458,788		\$ 1,589,159	
LEED Certification Option/Sustainability Features	\$ 364,697		\$ 364,697	
<b>Total Budget Model (Jan 2016 costs):</b>	<u>\$ 16,411,362</u>	<u>\$ 16,400,000</u>	<u>\$ 17,845,443</u>	

## (1) Changes / Adds

Items below are incorporated into the construction cost estimate (11/10/15) listed above.

### Town Hall Scope Increases

Kitchen + 250 person Town Hall+Breezeway \$ 800,000

### EIR Mitigations

Solid wall at property line (8'-0") \$ 100,000

Louvers at Garage \$ 67,500

### Escalation (Jan 2016 to March 2017 midpoint of construction)

\$ 751,878

**Total \$ 1,729,378**

All of these items are included in the current cost figure listed above.

## (2) Design Contingency

Item below is incorporated into the construction cost estimate (11/10/15) listed above.

Design Contingency (10%) \$ 1,077,196

## Items/Work Funded by Other Sources

Off-Site Work and Streetscape (Funding Source: Roadway funds, grants) \$ 356,789

DMTV Equipment (Funding Source: PEG Fees and fundraising) \$ 293,000

**Total Funded by Other Sources: \$ 649,789**

# Construction Costs

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Escalation (Jan 2016 to March 2017 midpoint of construction)	\$	761,878
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Total	\$	1,729,378
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# Soft Costs

CITY OF DEL MAR		11/8/2015			
BUDGET DEVELOPMENT					
Budget Estimates for Project Soft Costs					
Soft Costs Budget	Original Budget	Forecasts	Contracts	New Budget (Forecasts + Contracts)	Subtotals
<b>Design, Engineering, Permitting, CEQA</b>	<b>\$ 1,844,444.00</b>	<b>Design, Engineering, Permitting, CEQA -</b>			
Architect - through Entitlements			\$ 514,431.00	\$ 514,431.00	
Architect Entitlement Contingency		\$ 35,569.00		\$ 35,569.00	
Architect - CD's through Close-out		\$ 550,757.00		\$ 550,757.00	
Architect - Reimbursables			\$ 111,785.00	\$ 111,785.00	
Community Participation Program & Story Poles		\$ 18,000.00		\$ 18,000.00	
Geotechnical Investigation		\$ 4,000.00	\$ 11,000.00	\$ 15,000.00	
Civil Engineering - Michael Baker International		\$ 5,000.00		\$ 5,000.00	
Surveying (Pre-construction)		\$ 8,000.00		\$ 8,000.00	
Hazardous Material Assessment		\$ 1,000.00		\$ 1,000.00	
Environmental Fees (RECON)			\$ 216,493.00	\$ 216,493.00	
Environmental Fees Contingency (RECON)		\$ 18,449.00		\$ 18,449.00	
Plan Check / Building Permit		\$ 115,000.00		\$ 115,000.00	
Miscellaneous (Mailings/Notifications/Support)		\$ 16,000.00		\$ 16,000.00	
Other Permits		\$ 11,500.00		\$ 11,500.00	
Cost Estimate Validation (as needed)		\$ 12,500.00		\$ 12,500.00	
Pre-Construction Project Management		\$ 158,000.00		\$ 158,000.00	
<b>Subtotal Design, Engineering, Permitting, CEQA Costs</b>		<b>\$ 953,775.00</b>	<b>\$ 853,709.00</b>	<b>\$ 1,807,484.00</b>	
<b>Other Soft Costs (FF&amp;E, communications, testing, signage)</b>	<b>\$ 1,564,983.00</b>	<b>Other Soft Costs (FF&amp;E, communications, testing, signage -</b>			
Hazmat removal oversight		\$ 11,432.51		\$ 11,432.51	
Geotechnical		\$ 85,743.80		\$ 85,743.80	
Inspection		\$ 114,325.06		\$ 114,325.06	
Surveying - Construction		\$ 9,146.00		\$ 9,146.00	
Testing		\$ 51,446.28		\$ 51,446.28	
Environmental Monitoring		\$ 20,000.00		\$ 20,000.00	
Builder's Risk Insurance		\$ 9,146.00		\$ 9,146.00	
Labor Compliance		\$ 28,581.27		\$ 28,581.27	
Commissioning		\$ 12,000.00		\$ 12,000.00	
Printing		\$ 5,716.25		\$ 5,716.25	
Legal		\$ 22,865.01		\$ 22,865.01	
FF&E		\$ 777,000.00		\$ 777,000.00	
Signage & Design		\$ 57,162.53		\$ 57,162.53	
Cost Estimate Validation (as needed)		\$ 12,500.00		\$ 12,500.00	
Construction Project Management		\$ 277,000.00		\$ 277,000.00	
<b>Subtotal Other Soft Costs</b>	<b>\$ 3,409,427.00</b>	<b>\$ 1,494,064.71</b>		<b>\$ 1,494,064.71</b>	
<b>Subtotal of Soft costs</b>					<b>\$ 3,301,548.00</b>
Owner's Contingencies (10%)	\$ 1,458,788.00	\$ 1,589,159.00		\$ 1,589,159.00	
LEED certification option	\$ 364,697.00	\$ 364,697.00		\$ 364,697.00	
<b>TOTAL SOFT COST BUDGET</b>	<b>\$ 5,232,912.00</b>			<b>\$ 5,255,404.71</b>	

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Off-Site Work and Streetscape <i>(Funding Source: Roadway funds, grants)</i>	\$	356,789
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<b>Total Funded by Other Sources:</b>	<b>\$</b>	<b>649,789</b>

# Temporary Relocation Budget

- Council previously established the budget for relocation costs at \$450,000.
- Includes the cost for:
  - Temporary office space
  - Mitigation measures
  - Any necessary tenant improvements

# Original vs. Current

	Original	Current
Project Budget	\$16,411,362	\$17,845,443
Minus Changes/Addds		<u>(\$1,729,378)</u>
		<b>\$16,116,065</b>
		\$295,297 below original

# Financing Capacity

- Based on 3.5% interest rate through IBank, the City has the capacity to borrow up to:
  - \$38.2 million based on IBank standards
- OR
- \$19.5 million based on Finance Committee's recommended financing policies
- Project cost of \$17.85 million is within the City's financing capacity

# **Recommended Action**

Council adoption of a resolution establishing the City Hall / Town Hall project budget.