

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JASON NUTT, DIRECTOR
TRANSPORTATION AND PUBLIC WORKS
COLLEEN FERGUSON, DEPUTY DIRECTOR – CAPITAL
PROJECTS ENGINEERING
SUBJECT: COURTHOUSE SQUARE REUNIFICATION PROJECT UPDATE,
EXPENDITURE REPORT, CONTINGENCY ACTION AND
CONSTRUCTION MANAGEMENT/INSPECTION ACTION, AND
BUDGET APPROPRIATION
AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council:

1) **Pass a Motion:** a) accepting the Courthouse Square Reunification expenditure report, which included \$144,000 for independent ADA review and preservation of Asawa art panels; b) approving additional construction contract contingency in the amount of \$617,000; and c) authorizing ongoing construction management and inspection expenses in an additional amount of up to \$530,000; and

2) **Adopt a Resolution,** authorizing an appropriation of \$1.3 million from the General Fund unassigned fund balance.

EXECUTIVE SUMMARY

Construction of the Courthouse Square Reunification project progressed quickly until it experienced the second wettest October on record. Construction crews are working, as the weather permits. Extensive public communication has been completed and is ongoing. The wet weather and additional work to upgrade the electrical facilities and activate public WiFi on the Square are expected to add to the construction schedule, resulting in contract completion in March 2017.

The combined impact of the extra work for independent ADA review and preservation of Asawa art panels (\$144,000) and the extra work on the construction contract (\$250,000 previously approved and \$617,000 recommended for approval) and the extended construction schedule on the City's costs during construction (\$530,000) result in the

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need for appropriation of additional general funds to the project budget in the amount of \$1.3 million. In prior actions, a total of \$9.2 million has been appropriated to the Courthouse Square Reunification project. This additional appropriation would result in a total project budget of \$10.5 million. This project supports Council Goal 1: Create a Strong Sustainable Economic Base, Council Goal 3: Maintain and Enhance our City's Cultural, Historical and Recreational Assets and Council Goal 6: Commit to Making Santa Rosa a Healthy Community where People Feel Safe to Live, Work and Play.

BACKGROUND

In 2004, the City Council adopted goals which included reunification of Courthouse Square. Over the following 10 years, Council took several actions in support of that goal. At the meeting on November 3, 2015, City Council approved basic design guidelines for Courthouse Square, approved the public outreach process for the interior of the square, and delegated authority to the City Manager to select a consultant team to design the improvements associated with the reunification of Courthouse Square.

City staff worked with the Chamber of Commerce to develop and implement a public outreach process for the design of the interior of the square. The City's online survey regarding the reunification of Courthouse Square received over 2,000 comments. The first public outreach meeting was held on December 12, 2015. The project designer, Carlile-Macy, used the comments from the public meeting, other comments provided to the City, and the online survey as well as the basic design guidelines to develop alternative conceptual plans for Courthouse Square. The alternative conceptual plans were presented at a second public meeting on January 9, 2016. Public comments received from members of the public who attended the community meetings have been posted on the project website srcity.org/CHS. In response to public input, the alternative plans were refined into two draft master plan options. An addendum to the Final Tiered Environmental Impact Report (FTEIR) has also been prepared to document the consistency of each master plan option with the FTEIR. Council selected one of the master plan options for implementation.

PRIOR CITY COUNCIL REVIEW

1. On February 25, 2014, the City Council by Resolution No. 28437 certified the Final Tiered Environmental Impact Report (FTEIR) for the Reunification of Courthouse Square. The Mitigation Monitoring Program from the certified FTEIR includes various mitigation measures that would be implemented before, during and post-construction to ensure that the Courthouse Square reunification project does not have a significant effect on the environment.
2. On October 14, 2014, the City Council by Resolution No. 28568 approved the preferred alternative which includes the two peripheral streets and may include architectural features and pavilions; adopted the mitigation measures and

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directed staff to implement and complete the Mitigation Monitoring Program as part of the approved project.

3. On November 3, 2015, the City Council by Resolution No. 28706 authorized the City Manager to appropriate any private donations received for the project as well as up to \$500,000 from the General Fund unassigned fund balance to the project account in order to proceed with project design.
4. On April 19, 2016, the City Council by Resolution No. 28772 approved a revised Master Plan for the Courthouse Square Reunification project and, by motion, awarded a contract for construction of the project. As part of this award action, Council chose to use permeable pavers in the central plaza and to include decorative lights at the central green. The costs of the decorative lights were not included in the bid.
5. On June 14, 2016, the City Council by Resolution No. 28790 declared intention to reimburse expenditure from the proceeds of certain obligations and directing certain action.
6. On July 12, 2016, the City Council by Resolution No. 28816 approved the new, revised Master Plan for the Courthouse Square Reunification project.
7. On August 2, 2016, the City Council by Resolution No. 28834 approved the forms of the Preliminary Official Statement which includes as an exhibit the Continuing Disclosure Certificate, Site and Facilities Lease, Lease Agreement, Trust Agreement, Escrow Deposit and Trust Agreement and Certificate Purchase Agreement in connection with the execution and delivery of 2016 Certificates of Participation (Courthouse Square Project and 2007 Lease Refinancing) (the "2016 COPs") in order to (1) finance a portion of the costs of the Courthouse Square Reunification Project costs, (2) refinance the City's outstanding Certificates of Participation (Building Acquisition Project) (the "2007 COPs") for debt service savings, (3) approve the appointment of bond counsel/disclosure counsel and financial advisor for this financing, (4) rescind appropriation of \$4,533,752 from the General Fund unassigned fund balance as authorized in Resolution No. 27882, (5) appropriate \$4,200,000 from debt proceeds into the Courthouse Square Reunification Project, and (6) direct repayment of any funds already expended as authorized under Resolution No. 28790.
8. On August 16, 2016, the City Council by Resolution authorized installation and removal of temporary mid-block crosswalks on Fourth Street at the east and west sides of the Square.
9. On August 30, 2016, the City Council received a project status update on construction activity as well as project schedule and budget status. This update

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noted a potential project delay of up to 34 days due to changes in the design of the electrical facilities and uncertain timeline for procurement of some electrical components. It also noted that staff is actively working with the contractor to determine the full extent of the delay and begin to identify activities and actions that could help recover some of that time. Staff is coordinating with the Winter Lights planning committee and providing public outreach to the community regarding the potential delay.

10. On September 13, 2016, the City Council by motion accepted the Courthouse Square Reunification expenditure report and authorized the plaque containing the name of Landscape Architect Leland H. Noel to be given to his daughter Pamela Noel and, by two separate resolutions, authorized replacement of a Rosenberg plaque in the Square, and confirmed the name of the plaza and street sections between Third and Fourth Streets as "Old Courthouse Square".
11. On October 18, 2016, the City Council by motion accepted the Courthouse Square Reunification expenditure report and approved additional construction contract contingency in the amount of \$250,000 for electrical facility upgrades.

ANALYSIS

1. The onsite construction work progressed quickly until October, which was the second wettest October on record. All the public art pieces and historic plaques have been safely removed and are being stored off-site. Demolition, rough grading, and construction of the sewer, storm drain and water lines has been completed. Silva cells have been installed and curb and gutter has been poured around the tree bosques. Underground pipes and conduits have been placed for future installation of a fountain with the Asawa artwork. Significant progress has been made on electrical conduit and street light foundations.
2. The wet weather and the additional work to upgrade the electrical facilities and activate public WiFi on the Square are expected to move days to the construction schedule, resulting in anticipated completion in March 2017. Staff is working with the contractor to complete construction of the project as soon as weather and scheduling allows during these winter months.
3. Communications to the public about the project included:
 - Pre-construction notification letters to property owners and tenants in the area impacted by project construction
 - Pre-construction City staff visits to businesses on and near the square to introduce inspection staff and to provide handouts and informational materials
 - Installation of a time lapse camera with a link to the project web site; srcity.org/CHS

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- Posting of a photo and video gallery on the project web site
 - Installation of banners on construction fencing
 - Full page ad in the Press Democrat on June 3, 2016
 - Updated information posted to the project web site
 - Updates provided to GovDelivery subscribers
4. The Economic Development Division of the City's Planning and Economic Development Department is working with the Chamber of Commerce to support promotion of downtown businesses as the construction project moves forward to completion.

FISCAL IMPACT

As described during the presentation to Council as part of the contract award action on April 19, 2016, staff intends to keep Council informed of the details as construction proceeds and actual construction costs and construction management and inspection costs are incurred. Table 1 shows costs incurred to date in the "Expenditures" column and the authorized construction contract, original contingency (10%), proposed increase in contingency, and construction management and inspection (10%) amounts in the "Allowance" column.

Construction contingency expenditures include underground pipes and conduits for a future fountain with the Asawa artwork, upgraded kiosks to support public engagement on the Square, relocation of a water main on Fourth Street due to utility conflicts, extension of roof drain lines, foundation modifications due to Silva cells and permeable pavers, and deducts for elimination of the children's play area, circular benches and planting 60" box trees (which were included in the original bid amount).

The project being constructed includes several improvements to the scope of the project added after the project was bid, including upgrades to the electrical facilities and activation of public WiFi. The impacts of these upgrades exceed the unanticipated construction issues for which the construction contingency allowance was provided. The construction contingency allowance was increased in October by \$250,000 for electrical facility upgrades. Additional costs of approximately \$120,000 have been incurred as a result of the need to increase PG&E power to the site. The estimated cost for installation and activation of public WiFi is \$137,000. Contract costs associated with project completion delays are estimated to total approximately \$195,000. The cost for addition of four decorative lights at the central green (not included in original scope of the project) is \$165,000. As a result, the construction contingency allowance needs to be increased by a total of \$617,000. Failing to increase the construction contingency allowance at this time could result in additional duration and increased overall project costs.

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The City incurs ongoing costs during project construction to protect the City's investment in each project. On the Courthouse Square Reunification project, costs include:

- Construction management, scrutinizing and negotiating costs associated with changed work items, working closely with the contractor to keep the construction moving forward to completion, promptly responding to inquiries from the contractor about the plans and specifications, directing design services during construction by the consultant team, preparing change orders, tracking the progress of the work and processing payments, and facilitating communication among all project stakeholders
- Inspection to verify that the work is performed as designed, according to the plans and specifications
- Construction staking so that the contractor knows where to build everything, per the plans, underground and on the surface
- Materials testing to ensure that the durable materials specified are actually used in project construction; and
- Design services during construction as needed for extra work not included in the original scope of work.

The total costs for this work over the 23 weeks from the start of construction on May 23 through the end of October 2016 totaled \$715,000. The extended duration of construction into March 2017 results in an estimated increased construction management and inspection cost of \$530,000.

Additional extra costs in the total amount of approximately \$144,000 were incurred for an independent ADA review of the project plans and for preservation of the Asawa art panels.

The combined impact of the extra work for independent ADA review and preservation of Asawa art panels (\$144,000) and the extra work on the construction contract (\$250,000 previously approved and \$617,000 recommended for approval) and the extended construction schedule on the City's costs during construction (\$530,000) result in the need for appropriation of additional general funds to the project budget in the amount of \$1.3 million. In prior actions, a total of \$9.2 million has been appropriated to the Courthouse Square Reunification project. This additional appropriation would result in a total project budget of \$10.5 million.

The project team understands that the increased duration of construction affects the downtown business community and visitors to Santa Rosa's downtown, in addition to increasing project costs. We appreciate the community's patience and support while we work to build this important community project. About one year ago, we came together as a community to talk about what we wanted to include in the future Square, and now we are within reach of completion. It's impressive how much has been accomplished in such a short period of time. The Reunification of Courthouse Square with the upgraded

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electrical facilities, power supply and active WiFi will meet the community's need for an outstanding outdoor event center in the heart of downtown Santa Rosa.

ASAWA ARTWORK AND FOUNTAIN

A major sculpture by artist Ruth Asawa, which involved hundreds of Santa Rosa school children in its production, existed on the fountain in the western area of Old Courthouse Square. This artwork has been preserved for future replacement on a new fountain adjacent to Third Street in the reunified Square. Expenses associated with preservation of the artwork and preparation for its replacement on a new fountain are summarized below as Phase 1 expenses and encumbrances. Funding needed for construction of a new fountain with water jets and colorful LED lights is shown below as Phase 2 funds needed. The source of this needed funding has not been identified with the exception of the construction elements as noted below.

Art conservator	\$ 44,606
Art removal, storage and replacement	\$ 84,096
Subtotal – Art preservation	\$122,500 (\$46,031 expended)
<u>Piping and conduits installed for future fountain</u>	<u>\$ 82,598 (incl. in contract expenses)</u>
Phase 1 total – expenses and encumbrances	\$211,300
Phase 2 total – funding for new fountain	\$500,000

ENVIRONMENTAL IMPACT

Council certified the Final Tiered Environmental Impact Report on February 25, 2014. An Addendum to the FTEIR has been prepared pursuant to Section 15164 of the California Environmental Quality Act for the updated plan options, and documents that the project involves only minor technical changes and additions. It further documents that none of the conditions described in Section 15162, which would require a subsequent EIR, have occurred because neither Courthouse Square Reunification Master Plan involves substantial changes to the project or the circumstances under which the project has been undertaken. Based on this analysis, staff found it appropriate to rely on the FTEIR.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

In addition to the City Council, the Courthouse Square Reunification project has been on the agenda of the Bicycle and Pedestrian Advisory Board, the Art in Public Places Committee, the Board of Community Services and the Community Advisory Board.

NOTIFICATION

Not applicable

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ATTACHMENTS

- Table 1 – Expenditure Report
- Resolution

CONTACT

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**TABLE 1
COURTHOUSE SQUARE REUNIFICATION PROJECT
EXPENDITURES THROUGH OCTOBER 31, 2016**

	Expenditures	Allowance	Balance
Design	\$ 771,000	\$ 771,000	
ADA Review	\$ 15,300	\$ 15,300	
Advanced Tree Work	\$ 115,770	\$ 115,770	
Asawa Artwork Preservation	\$ 46,031	\$ 128,072	\$ 82,671
Subtotal – Misc.	\$ 177,101	\$ 259,772	\$ 82,671
Construction	\$ 2,933,733	\$ 6,719,253	\$ 3,785,520
Original Contingency		\$ 671,925	
Subtotal – Contract with Original Contingency		\$ 7,391,178	
Additional Contingency 10-18-16		\$ 250,000	
Proposed Increase in Construction Contingency Allowance	\$ 1,073,116	\$ 617,000	\$ 422,000
Subtotal – Constr. & Contingency	\$ 4,006,849	\$ 8,258,178	\$ 4,251,329
Construction Management and Inspection	\$ 715,000	\$ 671,925	\$ (43,075)
Proposed Increase in CM & Insp. Allowance	\$ 43,075	\$ 530,000	\$ 486,925
Subtotal – CM & Inspection	\$ 758,075	\$ 1,201,925	\$ 443,850
TOTAL	\$5,713,025	\$10,490,875	\$ 4,777,850