

# Capitola City Council

## Agenda Report



**Meeting:** April 11, 2024

**From:** Public Works Department

**Subject:** Wharf Resiliency and Public Access Project Update

**Recommended Action:** Adopt a resolution amending the FY 2023-24 Adopted Budget to allocate an amount not to exceed \$430,000 in funding for the Wharf Project for additional project expenditures.

**Background:** The Capitola Wharf is currently undergoing significant renovations through the Wharf Resiliency and Public Access Project (Wharf Project). The Project focuses on critical elements, including widening of the Wharf, addressing failing pilings, replacing the deck, and adding new restroom facilities. The Project aims to improve the Wharf's long-term resilience. Construction by Cushman Contracting began in September 2023 and has been making steady progress since then.

The storms in December 2023 caused additional damage to both the Wharf and its structures, necessitating the removal of the buildings and further repairs to the Wharf beneath them. On February 27, 2024, the City Council approved a budget amendment to allocate an additional \$369,000 to the Wharf Project. The remediation and removal of the buildings has been completed; however, additional expenses have materialized beyond what was presented at the February 27<sup>th</sup> special meeting.

**Discussion:** Additional Wharf Project expenditures for the City Council to review and consider are described below.

**Building Demolition and Head of Wharf Repairs:** As noted in previous meetings, the demolition process involved multiple steps, including content removal, hazardous material challenges, asbestos abatement, and building demolition. During the Wharf House building abatement, the extensive removal of contents resulted in cost escalation. Additionally, as work proceeded to repair the Wharf's head, expenses increased due to landing repairs and additional tasks, like structural reinforcements and unanticipated damage repair. Increased costs are detailed in Table 1.

**Table 1. Wharf Project Expenses to Date**

Expenses	Estimated	Actual
Previously Expended	\$8,314,000	\$8,314,000
CWEP	\$650,000	\$650,000
Building Demolition	\$805,000	\$833,000
Repair Work Under Buildings	\$500,000	\$512,000
Head of Wharf Repair	\$100,000	\$191,000
Credit for PortlandLoo	(\$200,000)	(\$206,000)
<b>Total Project Costs to Date</b>	<b>\$10,169,000</b>	<b>\$10,324,000</b>
	<b>Current Deficit</b>	<b>\$125,000</b>

**Additional Project Expenses:** Bid item overruns refer to tasks of a project that exceed the initially estimated costs outlined in the project bid. Specifically, the deteriorated condition of the stringers surpassed initial estimates, requiring additional replacements. Stringers, crucial for supporting the decking, revealed numerous penetrations due to years of wear. Additionally, a previously unidentified pile required replacement for enhanced structural support for the Wharf's landing. These adjustments amount to \$98,200.

Various unforeseen circumstances, such as missing hardware not accounted for in the project plans, and challenges in aligning the old and new structures vertically and horizontally, have led to further expenditures totaling \$81,433. Consequently, the total current additional expenses stand at \$179,633.

**Temporary Use Utilities:** The removal of the buildings necessitates modifications to the utilities on the Wharf. Initially, the utilities were intended to remain in their current locations. However, with the buildings now gone, the utilities must be placed in a box rather than being connected to the exterior of the buildings. Additionally, considering the desire for interim uses on the Wharf while a permanent plan is developed, it is necessary to create several temporary utility hook-up locations on the Wharf to facilitate temporary usage. The estimated cost for these changes to be constructed by Cushman while the Wharf remains under construction is \$100,000.

The current proposal for utility hookups includes multiple electrical connections at the head of the Wharf structure, along with three multi-utility hookups (electricity, water, and sewer). Two of these multi-utility hookups are positioned near the former building locations, while one is located near the base of the Wharf. Removing the hookup at the base could yield cost savings of \$15,000.

**Base of Wharf Restroom:** During the May 4, 2023, Planning Commission meeting, staff presented a restroom with wood cladding for compliance with the Wharf Project conditions approved in 2020. At that time the Commission directed staff to "consider alternative full exteriors for the Exeloo restroom structure for increased compatibility." Staff procured a restroom to meet this requirement, incorporating the coloring scheme of the adjacent Venetian development.

Staff returned to the Planning Commission on March 27, 2024, to discuss modifications to the Wharf Project prompted by the Capitola Wharf Enhancement Project (CWEP). During that meeting, the Commission added a condition to the Wharf Project to alter the exterior of the installed restroom facility with wood cladding. The estimated cost for implementing this change is \$25,000.

**Capitola Wharf Enhancement Project (CWEP):** Staff will be initiating a change order with Cushman for modifications to utilities in relation to the CWEP improvements; specifically, electrical for updated lighting fixtures and plumbing for the water fountain/footwash station. Other CWEP elements will be procured and installed outside the scope of Cushman's contract. All CWEP components fall within the CWEP budget of \$650,000.

**Fiscal Impact:** The costs incurred and projected for the Wharf Project are summarized in Table 2. Overall expenses for the project exceed the project budget by \$430,000.

**Table 2. Projected Wharf Expenses**

<b>Allocated Funds to Date</b>	<b>\$10,169,000</b>
Current Deficit	\$125,000
Additional Known Project Expenses	\$180,000
Temporary Utility Hook-Ups – scope could be reduced	\$100,000
Wood Cladding on Restroom	\$25,000
<b>Total Projected Costs</b>	<b>\$10,599,000</b>
<b><u>Funding Gap</u></b>	
Projected Deficit	\$430,000

Funding to cover these additional costs is available from the following sources:

<b>Funding Source</b>	<b>Amount</b>	<b>Notes</b>
City Hall/PD Generator Project	\$90,000	Project complete, remaining general fund amount \$90,000
Stockton Ave. Bridge	\$140,000	Project balance \$770,000 (includes \$500,000 from the State Department of Water Resources and \$270,000 in General Fund), \$630,000 remaining if approved
Facilities Reserve Fund	\$200,000	Fund balance \$432,741, \$232,741 remaining if approved
<b>Total</b>	<b>\$430,000</b>	

Collaboration with FEMA and CalOES for financial assistance remains ongoing. While we anticipate financial reimbursement, the exact amount is currently uncertain.

Staff will present further cost saving options for consideration at the April 11 City Council meeting.

Attachments:

1. Budget Amendment Resolution

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Approved By: Jamie Goldstein, City Manager