

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

|                      |                                                                                                                                                                                                                                          |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AGENDA TITLE:</b> | Request Council authorization for City Manager to execute the Paramount School Park project contracts within established budget authority and seek Council direction regarding strategies to complete remaining elements of the project. |
| <b>DEPARTMENT:</b>   | Parks, Recreation and Cultural Services (PRCS)                                                                                                                                                                                           |
| <b>PRESENTED BY:</b> | Wendy Barry, Director                                                                                                                                                                                                                    |

**PROBLEM/ISSUE STATEMENT:**

The purpose of this report is to request that City Council authorize the City Manager to execute Paramount School Park project contracts in alignment with the approved CIP budget for this project, and to provide a project update and seek Council direction on strategies to complete the remaining elements of the project.

**BACKGROUND:**

Authorization to Execute Project Contracts within Established Budget Authority

On January 7, 2002, the City Council authorized the City Manager to execute a design contract and any construction change orders necessary for the completion of the combined Phase I and Phase II of Paramount School Park improvements, up to a combined project budget of \$1,731,000. The \$1,731,000 figure anticipated contracts for work in 2001 and 2002. This total did not reflect previous years' construction contract totals.

Strategies to Complete Remaining Elements of the Project

Due to budgetary limitations some "stand alone" elements that were in the original Phase II plan cannot be completed at this time. These are termed "stand alone" in that they can be completed later on an individual basis without significant disruption in park use. These are: picnic shelter, sidewalks on 8<sup>th</sup> Avenue NE and 10<sup>th</sup> Avenue NE, new tot play area, upgraded parking lot on 10<sup>th</sup> Avenue NE, small parking area near the bioswale on 8<sup>th</sup> Avenue NE, expanded sidewalk entrance, perimeter wood fence, and irrigation in the north west corner of the park. The total cost to complete all of these items could be as high as \$588,000 if each item is bid separately. More detail is provided later in the report. Three potential strategies are outlined below:

Option #1: Budget and schedule the completion of unfunded elements on a project by project basis in the 2004 CIP.

This option allows the City Council to prioritize the remaining improvements in the context of the entire CIP, future budgets and work plans. It also allows the park to be utilized without disruption in 2003. The disadvantage of this option is planned improvements are postponed.

Option #2: Do not complete unfunded elements.

This option also allows the park to be utilized without disruption. The park has picnic tables and a play apparatus. Picnic and play functions can be served without the picnic shelter and tot area being installed. This is not a viable option regarding street improvements. They must be completed within six years from the permit approval date to meet permit requirements. A disadvantage of this option is the original master plan and planned levels of service will not be completed.

Option #3: Find more funding and complete the elements.

This option requires evaluation of the following funding sources at the end of the year: a.) Capital Improvement Program savings for 2002 projects, b.) Real Estate Excise Tax (REET) revenues in excess of current projections, and c.) Utilize a portion of the undesignated General Fund Reserve. This utilizes funds that are available now. If CIP savings and REET funds are utilized first, the impact on the General Fund Reserve balance is reduced. There are disadvantages to this option. The CIP savings and REET revenues are not identified at this time. The REET revenues are not predictable. In past years, revenues have exceeded projections. However, this year's economic situation is less certain. This option also reduces the ending balance of the General Fund.

**FINANCIAL IMPACT:**

Authorization to Execute Project Contracts within Established Budget Authority

The 2003 CIP approved by the City Council authorizes \$1,830,052. This action will allow the City Manager to execute contracts and change orders within the approved CIP budget.

Strategies to Complete Remaining Elements of the Project

Staff recommends Option 1 to budget and schedule the completion of the unfunded Paramount School Park project elements in the 2004 CIP. This will allow the community to use the park in 2003 and the Council to make decisions within a broader context of projects in the various capital funds.

**RECOMMENDATION**

Staff recommends that Council authorize the City Manager to execute a design contract and construction contracts for Paramount School Park, up to a maximum of \$1,830,052.

Staff recommends Option 1 to schedule the completion of the unfunded elements of the Paramount School Park project in the 2004 Capital Improvement Program.

Approved By: City Manager  City Attorney 

## **INTRODUCTION**

The Paramount School Park master plan was completed in 1999. Construction of Phase I began in 2001. Due to inclement weather and unforeseen conditions on the site, the project completion date for Phase I was extended. In addition, in January 2002, the scope of the project was expanded and extended when Phase I and Phase II were combined. Phase I and the critical elements of Phase II are projected to be completed by the end of 2002. The purpose of this section of the report is to update the City Council on the project budget and schedule, work completed, and project elements that will not be completed due to budgetary limitations, and to seek direction on preferred strategies regarding unfunded elements of the projects.

## **BACKGROUND**

The 2000 CIP included \$1.1 million budgeted in the Capital Improvement Program (CIP) for 2000 and 2001. Skate park siting was still underway in 2000. In the 2001 CIP, the skate park was sited at Paramount School Park and additional funds were added to the Paramount School Park project increasing the project budget to \$1,715,000. On January 7, 2002, City Council authorized combining Phase I and II of the Paramount Park Project and added funding to cover anticipated Phase I cost over runs. The 2003 CIP reflects these additions. The following is a summary recap of the history of the project in the CIP.

### **Paramount School Park CIP Recap**

| <b>CIP YEAR</b> | <b>Prior Years</b> | <b>2000</b> | <b>2001</b> | <b>2002</b> | <b>TOTAL</b> | <b>Comment</b>               |
|-----------------|--------------------|-------------|-------------|-------------|--------------|------------------------------|
| 2000 CIP        | \$0                | \$ 700,000  | \$ 400,000  | \$0         | \$1,100,000  | Does not include skate park. |
| 2001 CIP        | \$0                | \$ 95,000   | \$1,245,000 | \$375,000   | \$1,715,000  | Skate park added to project. |
| 2002 CIP        | \$94,236           |             | \$1,355,678 | \$375,000   | \$1,824,914  | Phase II and I combined      |
| 2003 CIP        | \$1,290,493        |             |             | \$539,559   | \$1,830,052  |                              |

### **Paramount School Park Phase I and Phase II Budget**

|              |                   |
|--------------|-------------------|
| Phase I      | \$1,455,052       |
| Phase II     | <u>\$ 375,000</u> |
| Total Budget | \$1,830,052       |

|                                                         |                     |
|---------------------------------------------------------|---------------------|
| <u>Budget</u>                                           | <u>\$1,830,052</u>  |
| <u>Expenses</u>                                         |                     |
| Phase I Design & Construction Mgt.                      | \$ 167, 375         |
| Construction Base Contract – Phase I                    | \$1,154,400         |
| Construction Phase I Change Order (CCD #1-#10)          | \$ 105,147          |
| Administration, Permits, Signs, Field Maintenance, etc. | \$ 54,015           |
| Phase II Design, Construction Mgt. & As-Builts          | \$ 57,920           |
| Construction Phase II Added Scope (CCD #11 and #12)     | \$ 202,113          |
| Construction Phase II Added Scope (CCD #13)             | \$ 60,000 *         |
| Special Inspections and Testing                         | \$ 13,761           |
| <u>Balance</u>                                          | <u>\$ 15,321 **</u> |

\* \$60,000 is the Engineer's estimate for Phase II Added Scope (CCD #13). A revised change order was transmitted to the contractor on September 23. As of November 1, the contractor has not submitted a quote for CCD #13.

\*\* The balance of \$15,321 will be used to complete remaining irrigation work in the northwest corner of the park. This can be completed by small works contract or by City maintenance staff with minor disruption to activities in the park.

CCD: Construction Change Directive

### **Phase I and Phase II Construction Summary**

A summary of the elements completed in each of the Phase I and Phase II construction contracts follows:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Construction Base Contract - Phase I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$1,154,400 |
| <ul style="list-style-type: none"> <li>Entire ball field with drainage and irrigation</li> <li>Southwest ball field, backstop and dugouts</li> <li>Restroom building and picnic plaza</li> <li>Circular path</li> <li>Parking lot on 8<sup>th</sup> Avenue NE with sidewalk</li> <li>Relocation of the play apparatus and new play area</li> <li>Skate park</li> <li>Site drainage</li> <li>Site grading and seeding</li> <li>Irrigation surrounding skate park, loop path and 8<sup>th</sup> Avenue NE parking lot</li> <li>Restore brick plaza area and add picnic tables</li> </ul> |             |
| Construction Phase I Change Order (CCD #1-#10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | \$105,147   |
| <ul style="list-style-type: none"> <li>Pump system to increase water pressure</li> <li>Export of unsuitable soils</li> <li>New planter wall at plaza</li> <li>Skate park design improvement – add angle iron to horizontal edges</li> <li>Modify bioswale location, add catch basins</li> </ul>                                                                                                                                                                                                                                                                                        |             |
| Construction Phase II Contract Scope Additions (CCDs 11 and 12)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$202,112   |
| <ul style="list-style-type: none"> <li>Second infield, backstop and dugouts</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |

- Drainage for all Phase II features
- Several changes including remobilization, walkways, hand railing, temporary fencing for skate park public use

Construction Phase II Contract Scope Additions (CCD 13 estimate)                      \$ 60,000

- 36,000 square feet grading, top soil and seeding
- Perimeter fencing at corner of 8<sup>th</sup> Avenue NE and NE 155<sup>th</sup> Street.
- ADA pathway for skate park plaza
- Demolition of old asphalt in NW corner and area at picnic shelter location
- Picnic table, drains, other modifications to align Phase I and II work

All of the elements listed above will be completed by the end of this year and the park will be open for public use with the exception of the ball fields. They will be available for use in the spring of 2003, after the turf is fully established. The addition of the remaining features can be accomplished with minimum disruption to major park activities as funds become available.

The permit has been issued for Phase I and II work. Frontage improvements on 8<sup>th</sup> Avenue NE and 10<sup>th</sup> Avenue NE will be completed as the parking lot improvements on 8<sup>th</sup> and 10<sup>th</sup> are scheduled and completed in the future. The Development Code specifies that all street improvement must be installed prior to final approval of occupancy, except that some of the street improvements for the City financed projects may be completed within six years of approval.

### **Features Not Included in Phase I or Phase II**

Due to budgetary limitations some “stand alone” elements that were in the original Phase II plan cannot be completed for now. These are termed “stand alone” in that they can be completed later on an individual basis without significant disruption in park use. These are: picnic shelter, sidewalks on 8<sup>th</sup> Avenue NE and 10<sup>th</sup> Avenue NE, new tot play area, upgraded parking lot on 10<sup>th</sup> Avenue NE, small angle parking area near the bioswale on 8<sup>th</sup> Avenue NE, expanded sidewalk entrance, perimeter wood fence, and irrigation in the north west corner of the park.

Obviously, estimates that projected all of these elements could be completed for \$1,830,052 were not accurate. The architect provided the original \$1,773,207 construction cost estimate for the scope of work anticipated in the master plan. This figure did not include design or project management costs. The project scope at that time included a basketball court and water feature and did not include a skate park. The scope changed when the skate park was included and the basketball court and water feature were eliminated.

The January 2002 cost estimates for Phase II were based on the actual construction quantity bids for Phase I. However, the contractor underbid this base contract. The City has paid the contractor for the base Phase I contract work calculated on the construction bid; however, the City has paid the contractor fair market price on ensuing change orders. As a result, costs for the entire project are projected to exceed original estimates.

There is one remaining change order under negotiation (CCD #13). The contractor has not been as responsive in providing quotes in a timely manner as expected. As a result, staff is not confident that the contractor will provide the best cost and value through the change order process for the remaining unfunded features. Therefore, staff will be releasing the contractor upon completion of CCD #13.

Following are current cost estimates for the remaining work. They are estimated as if they were bid independently and include mobilization and sales tax.

| <b>Feature</b>                                                                         | <b>Estimated Cost</b> | <b>Potential Funding Methods to Complete Unfunded Elements</b>                     |
|----------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------|
| Picnic shelter & tables                                                                | \$184,125             | Revised Future CIP, Bond                                                           |
| Sidewalks (910 lineal feet including curb/gutter)                                      | \$108,259             | Revised Future CIP, Bond, Sidewalk Improvement Program                             |
| Tot Play Area                                                                          | \$46,758              | Revised Future CIP, Bond, 2004 CIP in Neighborhood Park Improvement Account in CIP |
| Parking Lot 10 <sup>th</sup> Avenue NE (7,920 sq. ft.)                                 | \$21,765              | Revised Future CIP, Overlay Program                                                |
| Parking Lot 8 <sup>th</sup> Avenue NE (7,910 sq. ft. angle parking)                    | \$72,291              | Revised Future CIP,                                                                |
| Entrance (2,356 sq. ft. plant beds and irrigation and 2,412 linear feet planting curb) | \$53,600              | Revised Future CIP, 2005 CIP in Neighborhood Park Improvement Account              |
| Perimeter Wood Fence (653 linear feet)                                                 | \$24,058              | Revised Future CIP                                                                 |
| Contingency 15% (Includes project management)                                          | \$76,628              |                                                                                    |
| <b>Total</b>                                                                           | <b>\$ 587,484</b>     |                                                                                    |

The Parks, Recreation and Cultural Services Advisory Committee were asked to review and prioritize unfunded elements of the project earlier in the year. Based on an early forecast of \$100,000 cost for the remaining elements, the Parks, Recreation and Cultural Services Advisory Committee recommended staff request the additional funding for the project to complete it. The PRCS Advisory Committee has not reviewed the latest cost estimate, as they have not met since the most recent information has become available.

## **TIMING AND FUNDING OPTIONS**

Option #1: Budget and schedule the completion of unfunded elements on a project by project basis in the 2004 CIP.

Advantages:

- Allows the City Council to prioritize the remaining improvements in the context of the entire CIP, future budgets and work plans.
- Allows the park to be utilized without disruption in 2003.

Disadvantage:

- Planned improvements are postponed.

Option #2: Do not complete unfunded elements.

Advantages:

- The park is useable without these elements.
- No further disruption in the park

Disadvantages:

- This is not a viable option regarding street improvements. They must be completed within six years from the permit approval date to meet permit requirements.
- The original master plan for the park will not be completed.
- Planned levels of service for picnic and play features will not be completed.

Option #3: Find more funding and complete the elements.

This requires evaluation of the following funding sources at the end of the year:

- a. Capital Improvement Program savings for 2002 projects
- b. Real Estate Excise Tax (REET) revenues in excess of current projections
- c. Utilize a portion of the undesignated General Fund Reserve.

Advantages:

- Utilizes funds that are available now.
- If CIP savings and REET funds are utilized first, the impact on the General Fund Reserve balance is reduced.

Disadvantages:

- CIP savings are not identified at this time.
- REET revenues are not predictable. In past years, revenues have exceeded projections. This year's economic situation is less certain.
- Reduces the ending balance of the General Fund.

**RECOMMENDATION**

Staff recommends that Council authorize the City Manager to execute design contract and construction contracts for Paramount School Park, up to \$1,830,052.

Staff recommends Option 1 to budget and schedule the completion of the unfunded Paramount School Park elements in the 2004 CIP.

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