



Office of the City Manager

20aACTION CALENDAR

March 26, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Scott Ferris, Director, Parks, Recreation & Waterfront
Phil Harrington, Director, Public Works

Subject: Providing direction on closing the funding gap to complete Measure T1 Phase 1 projects

RECOMMENDATION

1. Council to provide direction on a preferred option to close the funding gap in the current Measure T1 Phase 1 program. Four possible options are summarized below and discussed in further detail starting on page 4 under *Current Situations and its Effects – Funding Gap*.

Option A: Reduce up to \$5 million between 13 projects by reducing project scopes from *Planning and Design* to *Conceptual*, *Construction* to *Planning and Design*, *Construction* to *Conceptual*, or removing or delaying the project.

OR

Option B: Reduce up to \$4 million by reducing the Live Oak Community Center project scope from *Construction* to *Planning and Design*.

OR

Option C: Authorize up to \$3 million in additional funding for T1 Phase 1 and reduce \$2 million between 7 projects by reducing project scopes from *Planning and Design* to *Conceptual* or *Construction* to *Planning and Design*.

OR

Option D: Authorize up to \$7 million in additional funding to complete all T1 Phase 1 projects.

2. Council adopt a resolution authorizing the chosen option to complete Measure T1 Phase 1 projects.

SUMMARY

On December 6, 2018, staff notified City Council of an estimated funding gap of \$5.416 million for Measure T1 Phase 1¹; this gap was due to the cost of approved projects exceeding bond proceeds, an increase in energy upgrades included in the facility

¹ https://www.cityofberkeley.info/Clerk/City_Council/2018/12_Dec/Documents/2018-12-06_WS_Item_02_Semi-Annual_Report_on_Measure_T1_pdf.aspx

projects, and soaring escalation. Since then, staff have received construction bids and an engineer's estimate on three major projects, which revised the funding gap to \$6.808 million as summarized in Table 1.

Table 1 – Measure T1 Phase 1 Revised Program Cost Summary

Description	Amount
Approvals:	
June 27, 2017- Council Approved List of Projects for Phase 1	\$37,365,000
January 23, 2018 – Council Authorized \$2M for Mental Health Building	\$2,000,000
Total Program Cost	\$39,365,000
Reductions:	
1. Bond Transaction Cost Not Incurred	(\$800,000)
2. Transfer Station Master Plan (Funded by Zero Waste)	(\$500,000)
3. Over-estimated contributions for Art	(\$49,000)
4. West Berkeley Service Center (Alternate funding)	(\$148,215)
5. Mental Health Building Savings	(\$500,000)
6. Citywide Irrigation System Project Savings	(\$150,000)
Total Reductions	(\$2,147,215)
Additions:	
1. Escalation and energy upgrades for North Berkeley Senior Center and Live Oak Community Center projects	2,700,000
2. Estimated additional escalation for other construction projects	1,890,208
Total Additions	\$4,590,208
Revised Total Program Cost	\$41,807,993
Total Bonds Sold	\$35,000,000
Funding Gap	\$6,807,993

Reductions to the program cost are detailed below:

1. Savings of **\$800,000** from bond transaction costs that were not incurred.
2. Savings of **\$500,000** from the Transfer Station Master Plan. The project is now being funded by the Zero Waste Fund.
3. Reduction of **\$49,000** due to over-estimation of contributions for Art. 1% of bond proceeds are required to be used for functional art. The original calculation was based on the revised program cost of over \$39 million instead of the \$35 million in bond proceeds received.
4. Savings of **\$148,215** from the West Berkeley Service Center Project. Potential alternate funding source.
5. Approximate savings of **\$500,000** from the Mental Health Building Renovation project. The contract amount was less than the budgeted amount.
6. Savings of **\$150,000** from the Citywide Irrigation System project. The contract amount was less than the budgeted amount.

Additions to the program cost are detailed below:

1. The estimated additional funding needed for the North Berkeley Senior Center (NBSC) and Live Oak (LO) Community Center projects is **\$2.7 million**.

- The lowest bid received for the NBSC project is \$7.6 million, which is \$500,000 above the engineer's estimate and \$1.5 million above the construction budget due to the current construction climate.
 - The estimated cost for the LO project is \$5.8 million. The Engineer's estimate is \$5.3 million, but if we include additional energy upgrades and assume that bids for the LO project will see similar escalation to the NBSC, the total needed would be \$1.8 million to complete this project. Parks Tax can provide \$600,000 in funding and staff is requesting the additional \$1.2 million be funded by Measure T1.
2. When project costs were estimated in 2015, a 3% annual estimated escalation was assumed. The actual escalation rates over the past couple of years have far exceeded that assumption. Based on engineers' estimates from multiple City projects and the national and local construction indices, an escalation rate of 15% is now assumed for the construction cost for the remaining parks and street projects in T1 Phase 1. This estimated additional escalation for construction projects is **\$1,890,208**.

FISCAL IMPACTS OF RECOMMENDATION

The fiscal impacts of each option are detailed below. Note that Options A, B and C require that all remaining construction projects stay within their existing budgets, with no allowance for additional escalation. If one of these options is selected, project scopes will have to be readjusted to stay within budget, which may result in smaller or incomplete projects. For example, a play structure may be reduced in size or may not include as many elements as existing. If projects are delayed to Phase 2, staff estimate an additional 25% in construction costs due to escalation.

Without additional escalation, options A, B, and C require additional funding and/or scope reductions totaling approximately \$5 million. This amount does not include the \$1.89 million in escalation for the remaining construction projects.

Option A: This option will reduce \$5 million in the scopes of 13 projects (See page 5 for more details on reductions). With escalating construction costs year over year, delaying these projects will result in increased project costs.

Option B: This option will reduce the Live Oak Community Center project from *Construction to Planning and Design*. This \$4 million reduction in construction cost along with over \$1.2 million in escalation and energy upgrades associated with this project will result in at least \$5 million in reductions. If this project is postponed, it is estimated that in 2022, the construction cost will exceed \$7.2 million.

Option C: This option will reduce approximately \$2 million by reducing the scope of 7 projects (See page 6 for more details on reductions). In addition, approximately \$3 million in funding from an unidentified funding source will be needed complete Measure T1 Phase 1 projects.

Option D: This option will require approximately \$7 million in additional funding to complete all Measure T1 Phase 1 projects with additional escalation.

If Council chooses option C or D, \$3 to \$7 million dollars would need to be advanced from the General Fund and reimbursed by future Measure T1 bond proceeds in FY 2021. Funding would need to be identified from General Fund revenues such as excess equity or transfer tax revenues above the designated \$12.5 million.

CURRENT SITUATION AND ITS EFFECTS

Funding Gap

Since August 2018, Staff have held five meetings with the T1 Joint Subcommittee to develop a change management process, discuss the funding gap issue, develop criteria and scorecard for project prioritization, and most recently, at the January 28, 2019 meeting, discuss four options to address this funding gap. (See attachment 2 for the calculations for each option.)

Option A: Reduce \$5 million in project scope. This option assumes that the North Berkeley Senior Center and Live Oak Community Center projects will be fully funded (\$2.7 million in escalation and energy upgrades), 13 projects have a reduction in scope, and all other projects' scopes will be adjusted to remain within budget without additional escalation.

Reduce Conceptual Design effort for the following project:

- Willard Clubhouse

Reduce the following projects from *Planning and Design* to *Conceptual*.

- Berkeley Municipal Pier
- France Albrier Community Center
- Tom Bates Fieldhouse & Restroom

Reduce the following projects from *Construction* to *Planning and Design*.

- San Pablo Park Tennis Courts
- Strawberry Creek Park Restroom
- George Florence Park Playground

Reduce the following project from *Construction* to *Conceptual*.

- Grove Park Field

Remove or delay the following projects:

- Monterey (Alameda to Hopkins)
- Hopkins (San Pablo to the Alameda)
- Bancroft (Milvia to Shattuck)
- 2nd Street (Delaware to Addison)
- King School Park Bioswale (not feasible) – Since project is not feasible, funding for this project was redistributed to fund green

infrastructure options for streets. This option will remove the green infrastructure planned for streets.

Option B: Reduce up to \$4 million in project scope. This option assumes that the North Berkeley Senior Center is fully funded (\$1.5 million in escalation and energy upgrades), the Live Oak Community Center project is reduced to Planning and Design and all other projects' scopes will be adjusted to remain within budget without additional escalation.

Option C: Add up to \$3 million in funding and reduce \$2 million in project scope. This option assumes that the North Berkeley Senior Center and Live Oak Community Center projects will be fully funded (\$2.7 million in escalation and energy upgrades), 7 projects have a reduction in scope, and all other projects' scopes will be adjusted to remain within budget without additional escalation.

Reduce Conceptual Design effort for the following project:

- Willard Clubhouse

Reduce the following project from *Planning and Design* to *Conceptual*.

- Tom Bates Fieldhouse and Restroom

Reduce the following projects from *Construction* to *Planning and Design*.

- Grove Park Field
- Strawberry Creek Park Restroom
- George Florence Park Playground
- Reduce King School Park Bioswale budget by \$500,000, which will allow approximately \$685,000, the balance of the funding allocated to this project, to be used to fund green infrastructure for streets.
- The Berkeley Pier Project T1 allocation will be reduced by \$250,000.

Option D: Add up to \$7 million in additional funding to complete all projects. This option assumes that all projects will be fully funded and accounts for additional escalation of \$1,890,208 to complete all construction projects.

Options A, B, and C either eliminate or reduce the scopes of numerous projects. If any of these options are chosen, Council has the option to identify the projects that were eliminated or reduced in scope as a priority in Phase 2.

Commission Recommendations

On February 7th and 13th, 2019, respectively, the Public Works and Parks & Waterfront Commissions voted to recommend Option D, which calls for securing additional funding up to \$7 million to complete Phase 1 projects with additional escalation included.

The two commissions adopted the same action, which stated: We prefer Option D to meet the funding shortfall. By choosing this option, we will maintain the momentum in the program and will accelerate infrastructure improvements in the City.

- We are concerned that a disproportionate share of improvements has been

allocated to areas of the City north of University Avenue. We want to make sure that projects at the Francis Albrier Center, Willard and other areas south of University be implemented.

- We support identifying a green infrastructure project in Phase 1.
- We support implementing the 7 street improvement projects in Phase 1.

On February 7, the Public Works Commission took action to approve the recommendation (M/S/C: McGrath/Dominguez/unanimous): Ayes: Constantine, Erbe, Dominguez, Freiberg, Krpata, McGrath, Yep; Noes: None; Abstain: None; Absent: Hitchens. (See Item C for the commission's recommendation.)

On February 13, 2019, the Parks and Waterfront Commission took action to approve the recommendation (M/S/C: McGrath/Fogel/unanimous): Ayes: Brostrom; Diehm; Fogel; Kamen; Kawczynska; McGrath; McKay; Targ; Wozniak; Noes: None; Abstain: None; Absent: None. (See Item B for the commission's recommendation.)

On January 23, 2019, the Berkeley Energy Commission recommended the City Council integrate greenhouse gas (GHG) reduction goals as stated in the Climate Emergency resolution adopted June 12, 2018 into the T1 funding priorities. (M/S/C: Leger/Stromberg/unanimous). Ayes: Leger, Bell, Patel, Weems, Paulos, Stromberg; Noes: None; Abstain: None; Absent: Luce, Schlacter. (See Item D for the commission's recommendation.)

Energy Upgrades

At the December 6, 2018 Semi-Annual update to Council, staff informed City Council that due to the increase in construction cost, projects would need to be potentially scaled back to ensure that the basic seismic, ADA and other code needs are covered in construction. Based on City Council feedback, staff included many of the energy upgrades as additive/deductive alternates. The estimated cost for energy-saving additions, such as installation of solar systems, HVAC and electrical upgrades, at the Mental Health Building, Live Oak Community Center, and the North Berkeley Senior Center, is \$3.7 million. A large portion of these energy upgrades (i.e. electrification) were not considered in the initial estimate in 2015.

Energy efficiency investments that result in energy use reductions have a measurable pay back that can be calculated by reduced energy costs. In cases where natural gas is being replaced with electricity, it is more difficult to quantify the financial impacts due to differences in the rates and cost of the two different fuel types. While electric heat pumps are 3 to 4 times more efficient than natural gas systems, energy costs are dependent on the current and future price and rate structures for natural gas and electricity. While in the past PG&E's electricity prices have been higher than the state average, East Bay Community Energy, the new community electricity supplier, is committed to providing lower cost electricity and developing electrification-friendly rate structures. Therefore it is difficult to predict or compare future operating costs of electricity and natural gas equipment.

Transitioning buildings away from natural gas to clean electricity offers significant health, safety and resiliency benefits. In cases where on-site solar panels and battery storage are available, it is possible to provide power for a building when the electricity grid goes down. This ability to generate “island power” provides resilience value by allowing care and shelter facilities to retain power in the event of an emergency or disaster.

BACKGROUND

In November 2016, Berkeley voters approved [Measure T1](#)² – a \$100 million dollar general obligation bond to repair, renovate, replace or reconstruct the City’s aging existing infrastructure, including facilities, streets, sidewalks, storm drains, and parks. Measure T1 passed with 86.5% of the vote.

After the passage of Measure T1, the City Manager proposed a [three phase implementation plan](#)³ for the Measure T1 program. The \$100 million of bond proceeds is anticipated to be spent within 12 years, with each phase expected to last four years. Phase 1 covers FY 2018 to FY 2021. Phase 2 covers FY 2022 to 2025. Phase 3 covers FY 2026 to FY 2029.

From December 2016 through June 2017, the City undertook a robust public process to gather input on the proposed projects. In addition to three Measure T1 Workshops for the general public, the Parks & Waterfront and Public Works Commissions invited and received input from the public and other City Commissions. They submitted a [joint report to Council in June 2017](#)⁴ detailing their recommendations. The City Manager incorporated this input and submitted a [final recommended list of projects](#)⁵. Council adopted this list and proposed plan for implementing Phase 1 of the T1 bond program on June 27, 2017.

After the approval of Phase 1 projects, staff have continued to provide updates and gather input from the public. To date, staff have

- Provided 3 semi-annual updates on T1 to Council,
- Held multiple community meetings and events for 17 projects,
- Attended 11 participating commission meetings to provide updates on T1,
- Held 5 meetings with the T1 Joint Subcommittee to discuss and resolve issues regarding T1 implementation, and
- Updated the T1 website⁶ to provide continuous updates to the public on the status of Phase 1 projects, community meetings and events.

² See <https://www.cityofberkeley.info/MeasureT1/>

³ See https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Measure%20T1%20GO%20Bonds%20Recommendations.pdf

⁴ See https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Measure%20T1%20-%20Joint%20Commission%20Report%20-%20June%202017%20w%20attachments.pdf

⁵ See https://www.cityofberkeley.info/Clerk/City_Council/2017/06_June/Documents/2017-06-27_Item_49_Implementing_Phase_1.aspx

⁶ See www.cityofberkeley.info/measureT1

On January 23, 2018, Council adopted Resolution 68,290-N.S., authorizing the allocation of \$2 million from Measure T1 Phase 1 for major renovations of the City of Berkeley's Adult Mental Health Clinic located at 2640 Martin Luther King Jr. Way.

ENVIRONMENTAL SUSTAINABILITY

Transitioning municipal buildings away from natural gas to clean electricity is an important implementation strategy for meeting the goal of Berkeley's Climate Action Plan to reduce emissions 80% by 2050. Municipal building electricity purchased from East Bay Clean Energy (EBCE) is emissions-free. The additional funding will allow for the integration of greenhouse gas reduction and resilience measures into T1 projects by replacing natural gas equipment and appliances with electric heat pumps and other electric appliances, resulting in zero emission municipal buildings, where feasible or practicable.

RATIONALE FOR RECOMMENDATION

In order to keep projects on schedule and spend the 85% of bond proceeds by November 2020, City Council needs to take action on a preferred option. Currently, several projects are delayed (i.e. not being submitted for permitting or posted for bid) until this decision is made. Depending on the option chosen, some projects may have to be reduced in scope, delayed, or removed to meet the budget. Staff may have to re-scope or value engineer projects, which will delay construction and put the program at risk for not meeting the spending deadline. Choosing one of the preferred options will provide staff a definitive direction for T1 Phase 1 program.

ALTERNATIVE ACTIONS CONSIDERED

See Options "A", "B", "C", and "D" starting on page 4.

CONTACT PERSON

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Phil Harrington, Public Works, 510-981-6300

Attachments:

- 1: Resolution
- 2: Measure T1 Scorecard and Options to Address Funding Gap

Option A

RESOLUTION NO. ##,###-N.S.

AUTHORIZING THE REDUCTION OF UP TO \$5 MILLION IN PROJECT SCOPE TO COMPLETE MEASURE T1 PHASE 1

WHEREAS, on June 27, 2017, Council approved \$37.365 million in projects for Measure T1 Phase 1; and

WHEREAS, on January 23, 2018, Council approved Resolution 68,290-N.S., allocating \$2 million from T1's Phase 1 for Major Renovations of the City of Berkeley's Adult Mental Health Clinic located at 2640 Martin Luther King Jr. Way; and

WHEREAS, in November 2017, \$35 million in bonds were sold for Measure T1 Phase 1; and

WHEREAS, due to the cost of approved projects exceeding bond proceeds, an increase in energy upgrades included in the facility projects, and soaring escalation there is an estimated funding gap of approximately \$7 million in Measure T1 Phase; and

WHEREAS, the North Berkeley Senior Center and Live Oak Community Center projects will be fully funded (\$2.7 million in escalation and energy upgrades); and

WHEREAS, to complete the remaining Measure T1 Phase 1 projects, 13 projects will have a reduction in scope and all other project scopes will be adjusted to remain within budget without additional escalation (See Exhibit A); and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that \$5 million in Measure T1 Phase 1 projects be reduced in scope to complete Measure T1 Phase 1 program.

Exhibits

A: Reduction in Project Scope

Exhibit A – Reduction in Project Scope

Reduce Conceptual Design effort for the following project:

- Willard Clubhouse

Reduce the following projects from Planning and Design to Conceptual.

- Berkeley Municipal Pier
- France Albrier Community Center
- Tom Bates Fieldhouse & Restroom

Reduce the following projects from Construction to Planning and Design.

- San Pablo Park Tennis Courts
- Strawberry Creek Park Restroom
- George Florence Park Playground

Reduce the following project from Construction to Conceptual.

- Grove Park Field

Remove or delay the following projects:

- Monterey (Alameda to Hopkins)
- Hopkins (San Pablo to the Alameda)
- Bancroft (Milvia to Shattuck)
- 2nd Street (Delaware to Addison)
- King School Park Bioswale (not feasible) – Since project is not feasible, funding for this project was redistributed to fund green infrastructure options for streets. This option will remove the green infrastructure planned for streets.

Option B

RESOLUTION NO. ##,###-N.S.

AUTHORIZING THE REDUCTION OF SCOPE FOR THE LIVE OAK COMMUNITY CENTER PROJECT FROM CONSTRUCTION TO PLANNING AND DESIGN TO COMPLETE MEASURE T1 PHASE 1 PROGRAM

WHEREAS, on June 27, 2017, Council approved \$37.365 million in projects for Measure T1 Phase 1; and

WHEREAS, on January 23, 2018, Council approved Resolution 68,290-N.S., allocating \$2 million from T1's Phase 1 for Major Renovations of the City of Berkeley's Adult Mental Health Clinic located at 2640 Martin Luther King Jr. Way; and

WHEREAS, in November 2017, \$35 million in bonds were sold for Measure T1 Phase 1; and

WHEREAS, due to the cost of approved projects exceeding bond proceeds, an increase in energy upgrades included in the facility projects, and soaring escalation there is an estimated funding gap of approximately \$7 million in Measure T1 Phase; and

WHEREAS, the North Berkeley Senior Center project will be fully funded (\$1.5 million in escalation and energy upgrades); and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Live Oak Community Center project is reduced to Planning and Design and all other projects' scopes will be adjusted to remain within budget without additional escalation.

Option C

RESOLUTION NO. ##,###-N.S.

AUTHORIZING \$3 MILLION IN FUNDING AND REDUCING \$2 MILLION IN MEASURE T1 PHASE 1 PROJECT SCOPES TO COMPLETE MEASURE T1 PHASE 1 PROGRAM

WHEREAS, on June 27, 2017, Council approved \$37.365 million in projects for Measure T1 Phase 1; and

WHEREAS, on January 23, 2018, Council approved Resolution 68,290-N.S., allocating \$2 million from T1's Phase 1 for Major Renovations of the City of Berkeley's Adult Mental Health Clinic located at 2640 Martin Luther King Jr. Way; and

WHEREAS, in November 2017, \$35 million in bonds were sold for Measure T1 Phase 1; and

WHEREAS, due to the cost of approved projects exceeding bond proceeds, an increase in energy upgrades included in the facility projects, and soaring escalation there is an estimated funding gap of approximately \$7 million in Measure T1 Phase; and

WHEREAS, to complete the remaining Measure T1 Phase 1 projects, \$3 million in additional funding is needed, 7 projects will have a reduction in scope, and all other project scopes will be adjusted to remain within budget without additional escalation (See Exhibit A); and

WHEREAS, on December 13, 2016, Council adopted Resolution 67,781-N.S., which allowed the General Fund to advance T1 projects and be reimbursed later when T1 bond dollars are available ; and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that \$2 million in Measure T1 Phase 1 projects be reduced in scope and add \$3 million in additional funding from General Fund to complete Measure T1 Phase 1 program. The General Fund will be reimbursed once Measure T1 Phase 2 bond proceeds are received.

Exhibits

A: Reduction in Project Scope

Exhibit A – Reduction in Project Scope

Reduce Conceptual Design effort for the following project:

- Willard Clubhouse

Reduce the following project from *Planning and Design* to *Conceptual*.

- Tom Bates Fieldhouse and Restroom

Reduce the following projects from *Construction* to *Planning and Design*.

- Grove Park Field
- Strawberry Creek Park Restroom
- George Florence Park Playground
- Reduce King School Park Bioswale budget by \$500,000, which will allow approximately \$685,000, the balance of the funding allocated to this project, to be used to fund green infrastructure for streets.
- The Berkeley Pier Project T1 allocation will be reduced by \$250,000.

Option D

RESOLUTION NO. ##,###-N.S.

AUTHORIZING \$7 MILLION IN MEASURE T1 PHASE 2 FUNDS TO BE USED TO COMPLETE MEASURE T1 PHASE 1 PROJECTS

WHEREAS, on June 27, 2017, Council approved \$37.365 million in projects for Measure T1 Phase 1; and

WHEREAS, on January 23, 2018, Council approved Resolution 68,290-N.S., allocating \$2 million from T1's Phase 1 for Major Renovations of the City of Berkeley's Adult Mental Health Clinic located at 2640 Martin Luther King Jr. Way; and

WHEREAS, in November 2017, \$35 million in bonds were sold for Measure T1 Phase 1; and

WHEREAS, due to the cost of approved projects exceeding bond proceeds, an increase in energy upgrades included in the facility projects, and soaring escalation there is an estimated funding gap of approximately \$7 million in Measure T1 Phase; and

WHEREAS, on December 13, 2016, Council adopted Resolution 67,781-N.S., which allowed the General Fund to advance T1 projects and be reimbursed later when T1 bond dollars are available ; and

WHEREAS, there is \$7 million available in the City's General Fund for Measure T1 Phase 1 between FY 19 to FY 21.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that funding in the amount of \$7 million from General Fund be used for Measure T1 Phase 1. The General Fund will be reimbursed once Measure T1 Phase 2 bond proceeds are received.

Measure T1 Project Prioritization Scorecard and Potential Savings Options

Project	Criteria							Total	Project Budget	Program Reductions	Option "A"	Option "B"	Option "C"	Option "D"	Additional Escalation of 15% ¹
	GB	EQ	HSR	ES/D	PR	LV	FS								
Conceptual															
Veteran's Building	5	5	10	10	0	0*	5	35	\$148,215						
Old City Hall	5	5	10	10	0	0*	5	35	\$148,215						
Willard Clubhouse	5	10	0	5	0	0	5	25	\$247,025		(\$150,000)		(\$150,000)		B
									\$543,455	\$0	(\$150,000)	\$0	(\$150,000)	\$0	\$0
Planning and Design															
Municipal Pier	10	5	5	10	10	10	0	50	\$889,290		(\$500,000)		(\$250,000)		C
Frances Albrier Community Center	10	5	10	10	0	0	10	45	\$741,075		(\$500,000)				B
Aquatic Park Tide Tubes	10	5	5	10	0	0	10	40	\$345,835						41,500
Tom Bates Fieldhouse/Restroom	5	5	5	5	0	0	5	25	\$247,025		(\$200,000)		(\$200,000)		B
									\$2,223,225	\$0	(\$1,200,000)	\$0	(\$450,000)	\$0	\$41,500
Construction															
Parks and Facilities															
North Berkeley Senior Center	10	5	10	10	10	10	10	65	\$6,719,080						
Live Oak Community Center	10	5	10	10	5	0	10	50	\$4,841,690			(4,000,000)			
Rose Garden Tennis, Pathways	10	5	5	5	5	5	10	45	\$1,185,720						142,286
Rose Garden Drainage	5	5	10	5	5	0	10	40	\$790,480						94,858
San Pablo Play	10	5	5	0	0	5	10	35	\$247,025						29,643
San Pablo Tennis	10	5	5	5	0	0	10	35	\$790,480		(700,000)				B
Grove Park Fields	10	5	5	10	0	0	5	35	\$988,100		(691,670)		(\$270,000)		E
Strawberry Creek Park Restroom	5	5	0	0	5	5	5	25	\$345,835		(242,085)		(\$242,085)		B
George Florence Play	5	5	0	0	0	0	5	15	\$592,860		(415,002)		(\$415,002)		B
									\$16,501,270	\$0	(\$2,048,757)	(\$4,000,000)	(\$927,087)	\$0	\$592,860
Streets and GI															
University Ave, Marina Blvd, Spinnaker	10	5	5	5	10	10	10	55	\$3,458,350						415,002
Adeline and Hearst	10	10	5	5	10	5	10	55	\$2,896,549						347,586
Monterey	5	5	5	5	10	5	10	45	\$24,703		(24,703)				F
Ward	5	5	0	10	5	5	5	35	\$1,679,770						201,572
Hopkins	10	5	5	10	0	5	0	35	\$98,810		(98,810)				F
Bancroft	10	5	5	0	5	5	0	30	\$24,703		(24,703)				F
2nd	5	5	0	0	0	5	5	20	\$247,025		(247,025)				F
King School Park (Not feasible)	5	5	0	10	0	0	0	20	\$1,185,720		(1,185,720)		(\$500,000)		G
									\$9,615,630	\$0	(\$1,580,961)	\$0	(\$500,000)	\$0	\$1,153,876
Citywide Safety Improvements															
Corporation Yard (Electrical)	10	5	5	0	5	0	10	35	\$513,812						61,657
Marina Corporation Yard (Electrical)	10	5	5	0	5	0	10	35	\$335,954						40,314
Berkeley Health Clinic (Electrical)	5	5	5	0	0	0	5	20	\$19,762						
Public Safety Building (HVAC)	5	5	0	5	0	0	5	20	\$19,762						
									\$889,290	\$0	\$0	\$0	\$0	\$0	\$101,972
Projects Completed or in Final Phase															
Citywide Irrigation System									\$741,075	(\$150,000)					H
Berkeley Mental Health Building									\$1,976,200	(\$500,000)					D
Citywide Restroom Assessment									\$148,215						
Tom Bates Field Synthetic Turf Replacement									\$311,252						
									\$3,176,742	(\$650,000)	\$0	\$0	\$0	\$0	\$0
Alternate Funding Sources															
West Berkeley Service Center									\$148,215	(\$148,215)					A
Transfer Station Masterplan									\$500,000	(\$500,000)					
									\$648,215	(\$648,215)	\$0	\$0	\$0	\$0	\$0

Project	Criteria							Total	Project Budget	Program Reductions	Option "A"	Option "B"	Option "C"	Option "D"	Additional Escalation of 15% ¹
	GB	EQ	HSR	ES/D	PR	LV	FS								
Other Program Reductions															
Bond transaction cost not incurred								\$800,000	(\$800,000)						
Over-estimation of art contributions								\$49,000	(\$49,000)						
								\$849,000	(\$849,000)	\$0	\$0	\$0	\$0	\$0	\$0
Total Reductions									(\$2,147,215)	(\$4,979,718)	(\$4,000,000)	(\$2,027,087)	\$0		\$1,890,208
									Bond Program Approvals	39,365,000	39,365,000	39,365,000	39,365,000		
									Program Reductions	(2,147,215)	(2,147,215)	(2,147,215)	(2,147,215)		
									Additional 15% Escalation in Construction Projects, not including Live Oak and NBSC	None	None	None	None		1,890,208
									Live Oak and NBSC Escalation and Energy Upgrades	2,700,000	1,500,000	2,700,000	2,700,000		
									Total Program Cost	\$39,917,785	\$38,717,785	\$39,917,785	\$41,807,993		
									Bond Proceeds	35,000,000	35,000,000	35,000,000	35,000,000		
									Additional Funds Added			3,000,000	7,000,000		
									Funding Gap	\$4,917,785	\$3,717,785	\$1,917,785	(\$192,007)		

- A. Project removed. Alternate funding pending.
- B. Proposed reduction of scope.
- C. Option "A"- savings due to funding from WETA and possible funding from PRW. Options "B" and "C"- savings due to funding from WETA only
- D. Potential savings due to bid received which was below under the Engineer's estimate
- E. Option "A" - reduce scope to Planning and Design. Option "C" - reduce scope to Conceptual
- F. T1 is funding a portion of these street projects and additional funding is needed to complete these streets through construction. Therefore, Option "A" is a proposal to remove these streets to focus on the three streets that have full funding through construction from T1 (Adeline, Hearst and Ward).
- G. Project is not feasible. Option "B" - Funds budgeted to this project used for other streets projects. Option "C"- Funds budgeted to this project will partially be used for other projects
- H. Due to bid which was under the estimate, contract amount was less than budgeted amount.

- Notes:**
1. **Additional escalation calculation:** Project Budget x 80% (estimated construction cost percentage) x 15% (estimated additional escalation)
 2. Bid received was 25% above construction budget.
 3. Engineer's estimate 32.5% above construction budget. Staff estimates bids will come in above engineer's estimate based on NBSC.

Criteria and Description

	<u>Criteria*</u>	<u>Description</u>
GB	Greatest Benefit	Project provides impact to the greatest number of Berkeley Residents.
EQ	Equity	Criteria applied after looking at full list of projects. Consideration of geographic and demographic distribution of projects.
HSR	Health, safety, and resilience	Project addresses public health and safety, such as improvements for disaster preparedness or emergency response.
ES	Environmental Sustainability/ Durability	Project which improves water quality, have elements of green infrastructure, or also include energy, climate, or other zero waste goals. Project uses durable and sustainable technologies.
PR	Project readiness	Considering projects that are underway or already shovel-ready.
LV	Leveraging other funds	Project utilizes other funding sources.
FS	Feasibility	Consideration of the following: (a) the ability to complete a project/sequencing: project does not have any known barriers, such as site conditions, funding, or permitting issues, that will substantially delay or prevent completion of the project (b) renovating infrastructure before end of useful life to avoid larger expense or closure of amenity

*From Council Consent Item #4 (January 31, 2017) and Resolution 67,666-N.S.

Scoring

<u>Criteria</u>	<u>10 Points</u>	<u>5 Points</u>
Criteria GB: Greatest Benefit	Benefits residents Citywide and local communities/districts	Benefits local communities/districts
Criteria EQ: Equity	Project located in geographically AND demographically under-represented area	Project located in geographically OR demographically under-represented area
Criteria HSR: Health, safety and resilience	Major risk to the public if project is not done	Minor risk to the public if project is not done
Criteria ES/D: Environmental Sustainability / Durability	Has potential for considerable sustainability impact	Has potential for minor sustainability impact
Criteria PR: Project Readiness	Project already underway	Adding additional elements to existing projects
Criteria LV: Leveraging other funds	Leverages other external funding source(s)	Leverages other internal funding source(s)
Criteria FS: Feasibility	Meets both categories (a) the ability to complete a project/sequencing AND (b) renovating infrastructure before end of useful life to avoid larger expense or closure	Meets either category (a) the ability to complete a project/sequencing OR (b) renovating infrastructure before end of useful life to avoid larger expense or closure

