

City of Capitola

Special City Council Meeting Agenda

Tuesday, February 27, 2024 – 4:00 PM



City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

Mayor: Kristen Brown

Vice Mayor: Yvette Brooks

Council Members: Joe Clarke, Margaux Morgan, Alexander Pedersen

Special Meeting of the Capitola City Council – 4 PM

All correspondence received prior to 5:00 p.m. on the Monday preceding a Council Meeting will be distributed to Councilmembers to review prior to the meeting. Information submitted after 5 p.m. on that Monday may not have time to reach Councilmembers, nor be read by them prior to consideration of an item.

1. Roll Call and Pledge of Allegiance

Council Members Joe Clarke, Margaux Morgan, Alexander Pedersen, Yvette Brooks, and Mayor Kristen Brown.

2. Additions and Deletions to the Agenda

3. Additional Materials

Additional information submitted to the City after distribution of the agenda packet.

- A.** Item 6A - Updated staff report, attachments, presentation, and correspondence received after publication of the agenda.

4. Oral Communications by Members of the Public

*Oral Communications allows time for members of the Public to address the City Council on any "Consent Item" on tonight's agenda, or on any topic within the jurisdiction of the City that is not on the "General Government/Public Hearings" section of the Agenda. Members of the public may speak for up to three minutes, unless otherwise specified by the Mayor. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. **A maximum of 30 minutes** is set aside for Oral Communications.*

5. Staff / City Council Comments

Comments are limited to three minutes.

6. General Government / Public Hearings

All items listed in "General Government / Public Hearings" are intended to provide an opportunity for public discussion of each item listed. The following procedure pertains to each General Government item: 1) Staff explanation; 2) Council questions; 3) Public comment; 4) Council deliberation; 5) Decision.

- A.** Update on the Wharf Resiliency and Public Access Project
Recommended Action: Approve Change Order 5 to the Public Works Agreement with Cushman Contracting for the Wharf Project in an amount not to exceed \$1,713,000 (for a total contract

amount of \$10,027,000) and adopt a resolution amending the FY 2023-24 Adopted Budget to allocate an amount not to exceed \$564,000 in funding for the additional project expenditures.

7. Adjournment - Adjourn to a Special City Council meeting on March 6, 2024, at 6:00 PM.

How to View the Meeting

Meetings are open to the public for in-person attendance at the Capitola City Council Chambers located at 420 Capitola Avenue, Capitola, California, 95010.

Other ways to Watch:

Spectrum Cable Television channel 8

City of Capitola, California YouTube Channel

To Join Zoom Application or Call in to Zoom:

Meeting

link: <https://us02web.zoom.us/j/83328173113?pwd=aVRwcWN3RU03Zzc2dkNpQzRWVXAydz09>

Or dial one of these phone numbers: **1 (669) 900 6833, 1 (408) 638 0968, 1 (346) 248 7799**

Meeting ID: **833 2817 3113**

Meeting Passcode: **678550**

How to Provide Comments to the City Council

Members of the public may provide public comments to the City Council in-person during the meeting. If you are unable to attend in-person, please email your comments to citycouncil@ci.capitola.ca.us and they will be included as a part of the record for the meeting. Please be aware that the City Council will not accept comments via Zoom.

Notice regarding City Council: The City Council meets on the 2nd and 4th Thursday of each month at 6:00 p.m. in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

Agenda and Agenda Packet Materials: The City Council Agenda and the complete Agenda Packet are available for review on the City's website: and at Capitola City Hall prior to the meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue Capitola. Need more information? Contact the City Clerk's office at 831-475-7300.

Agenda Materials Distributed after Distribution of the Agenda Packet: Pursuant to Government Code §54957.5, materials related to an agenda item submitted after distribution of the agenda packet are available for public inspection at the Reception Office at City Hall, 420 Capitola Avenue, Capitola, California, during normal business hours.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's office at least 24 hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

Si desea asistir a esta reunión pública y necesita ayuda - como un intérprete de lenguaje de señas americano, español u otro equipo especial - favor de llamar al Departamento de la Secretaría de la Ciudad al 831-475-7300 al menos tres días antes para que podamos coordinar dicha asistencia especial o envíe un correo electrónico a jgautho@ci.capitola.ca.us.

Televised Meetings: City Council meetings are cablecast “Live” on Charter Communications Cable TV Channel 8 and are recorded to be rebroadcasted at 8:00 a.m. on the Wednesday following the meetings and at 1:00 p.m. on Saturday following the first rebroadcast on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings are streamed “Live” on the City’s website at by clicking on the Home Page link “Meeting Agendas/Videos.” Archived meetings can be viewed from the website at any time.

Capitola City Council

Agenda Report

Meeting: February 27, 2024

From: Public Works Department

Subject: Update on the Wharf Resiliency and Public Access Project



Recommended Action: Approve Change Order 5 to the Public Works Agreement with Cushman Contracting for the Wharf Project in an amount not to exceed \$1,518,000 (for a total contract amount of \$9,832,000) and adopt a resolution amending the FY 2023-24 Adopted Budget to allocate an amount not to exceed \$369,000 in funding for the additional project expenditures.

Background: The Capitola Wharf is currently undergoing significant renovations as part of the Wharf Resiliency and Public Access Project. The initiative focuses on critical elements, including widening the Wharf, addressing failing pilings, replacing the deck, and adding new restroom facilities. The entire project is focused on ensuring the Wharf's long-term resilience. Construction, led by Cushman Contracting, commenced in September 2023 and has progressed steadily.

December 2023 storms caused further damage to both the wharf and its buildings. During the February 22, 2024, City Council meeting, staff reported that both buildings on the Wharf have been declared a total loss. The cost of repairs to these structures would exceed the cost of new construction. Despite a \$500,000 release in funding from the California Natural Resources Agency, the overall project is still facing a deficit due to the need to deal with the buildings and expand the project scope to address broken piles and decking under the building sites. To address this, the City Council directed staff to remove the "Portland Loo" restroom to save costs and explore alternative bids for the demolition work, initially quoted at \$1M.

Discussion: The demolition process involves multiple steps, including content removal, hazardous material challenges, asbestos abatement, and building demolition. Due to Wharf limitations, the demolition necessitates unique considerations and compliance with existing environmental protection permits.

Staff recommends the following approach:

1. Obtain emergency permits for the demolition (in progress).
2. Initiate a change order with the on-site mobilized contractor to include building demolition in the project scope.
3. Execute the demolition, followed by repairs under the demolished buildings. Duration of this work is six weeks to two months.
4. Upon completion of demolition and repairs, resume and finalize the remaining repair work within the overall Resiliency Project.

Cushman contracting has provided the following breakdown of the building demolition costs. This would utilize a subcontractor (Coastwide Environmental) to complete abatement and demolition of the Wharf House in tandem with Cushman's demolition of the Boat and Bait buildings. This allows for a fast completion and reduced costs.

Table 1. Proposed Demolition Costs – Cushman Construction

Description	Labor Cost	Equipment Cost	Subcontractor Cost	Total Cost
Staging Coordination and Traffic Control	\$7,500	\$2,700		\$10,200
Create Access for Demolition Operation	\$21,450	\$18,550		\$40,000

Preparation of Building Demolition Site	\$43,000	\$23,250		\$66,250
Bait Shop Demolition	\$174,550			\$174,550
Hazard Abatement and Contents Removal by Separate Contractor	\$6,000	\$2,000	\$66,250	\$74,250
Wharf House Demolition By Separate Contractor			\$99,850	\$99,850
Coordination During Demolition to Continue Resiliency Project	\$69,000	\$28,750		\$97,750
Direct Mobilization Costs	\$80,375	\$18,813		\$99,188
Total Direct Costs	\$401,875	\$94,063	\$166,100	\$662,038

Mark Up Labor 20% \$80,375

Mark Up Material 15% \$14,109

Mark Up Subcontractor 15% \$24,915

Subtotal \$781,437

1% for Bond \$7,814

1% for Insurance \$15,629

Total Change Order for Demo \$804,880

Staff has explored various alternatives, including obtaining quotes from other qualified contractors. If the City Council were to direct staff to utilize a separate demolition contractor, the following steps would be involved:

1. Cushman to complete work, inclusive of staging the yard, traffic control, extending the runners, temporary building bracing, temporary handrail, debris protection, construction water, and utility demolition, to facilitate demolition contractor access, incurring additional costs.
2. Cease Cushman's work, incurring holding costs during the demolition period.
3. Execute the demolition of buildings while temporarily pausing the Resiliency Project. The anticipated duration of this work is two to three months.
4. Cushman initiates repairs beneath the demolished structures.
5. Upon completion of both demolition and repairs, resume and finalize the remaining Resiliency Project work.

At the time of publishing this report, a quote has been received from Coastwide Environmental, a qualified demolition contractor. Table 2 below outlines fixed costs associated with engaging another contractor, as well as costs incurred if Cushman's work is paused.

Table 2. Proposed Demolition Costs – Demolition by Separate Contractor

Description	Labor Cost	Equipment Cost	Subcontractor Cost	Total Cost
Staging Coordination and Traffic Control	\$7,500	\$2,700		\$10,200
Create Access for Demolition Operation	\$21,450	\$18,550		\$40,000
Preparation of Building Demolition Site	\$43,000	\$23,250		\$66,250
Bait Shop Demolition by Separate Contractor			\$157,000	\$157,000
Hazard Abatement and Contents Removal by Separate Contractor	\$6,000	\$2,000	\$66,250	\$74,250
Wharf House Demolition by Separate Contractor			\$99,850	\$99,850

Direct Mobilization Costs	\$19,488	\$11,625		\$31,113
Total Direct Costs	\$97,438	\$58,125	\$323,100	\$478,663
			Mark Up Labor 20%	\$19,488
			Mark Up Material 15%	\$8,719
			Mark Up Subcontractor 15%	\$48,465
			Subtotal	\$555,334
			1% for Bond	\$5,553
			1% for Insurance	\$11,107
			Total Change Order for Demo	\$571,994
			Stop Work Costs (\$17k/Day for 40 Working Days ¹)	\$680,000
			Total Change Order for Demo with Project Delay	\$1,251,994

If any additional bids are received before the meeting, they will be presented for consideration.

Another alternative is to postpone the demolition of the buildings until the conclusion of the work by Cushman Contracting. This approach entails the following.

1. Immediate Safety Measures - Implement safety measures, such as exterior shoring up of the Wharf House for immediate safety, at additional cost.
2. Partial Project Completion by Cushman – Execute change orders for the work that Cushman has been contracted to complete around the Wharf House/head of the Wharf. Change orders will need to be executed due to constraints associated with working around a building that includes new exterior structural elements (shoring up) to ensure the building does not collapse.
3. Demobilization of Cushman - Cushman demobilizes after completing their designated scope, minus the work that is no longer accessible due to the new exterior elements around the Wharf House.
4. Engineered Plans and Permits - Develop new engineered plans and obtain new regulatory permits for demolition and potentially for Wharf Resiliency Project completion. Staff's previously obtained emergency permits would no longer be feasible because the building would be structurally stable due to the process of shoring up the structure.
5. Bid Process - Initiate a bidding process for the demolition and repair work for the portion of work that Cushman was unable to complete, plus new piles and decking under the buildings.
6. Mobilization of New Contractor - Award the contract to the selected contractor and mobilize them under new permit timing conditions.

Based on staff's experience, this process would likely add approximately a year to getting the Resiliency Project complete. Additionally, this option is likely to increase overall costs due to economies of scale in the current projects, additional mobilization for new contractors, and new expenses for engineering and permitting. Engineering and permitting costs for the current phase of the Wharf Resiliency project totaled \$1.12M.

Fiscal Impact: The fiscal impacts of the demolition of the Wharf House and Boat and Bait properties are substantial, with an estimated \$1M budget for demolition plus an additional \$500,000 to rebuild the Wharf under the location of the buildings. Additional repair work at the head of the Wharf is quantified at \$100,000. Staff is evaluating options for building demolition and will present any additional options during the meeting.

The overall project budget is detailed below.

¹ The contractor provided an estimate of 40-60 working days.

Table 3. Wharf Resiliency and Public Access Project Budget

<u>Funding</u>	
Coastal Conservancy Grant	\$1,900,000
HUD Grant	\$3,500,000
Measure F	\$2,500,000
Insurance from January 2023 Storm Damages	\$1,000,000
California Natural Resources Agency	\$500,000
FEMA	TBD
CWEP Fundraising	\$400,000
Total Project Funding	\$9,800,000
<u>Expenses</u>	
Initial Contract (inclusive of January 2023 Storm Damage)	\$7,740,000
Change Order 1	\$104,300
Change Order 2	\$43,000
Change Order 3	\$213,700
Change Order 4 - Storm Damage (December 2023)	\$213,000
CWEP – Cushman Construction	\$313,000
CWEP – Non-Cushman Items	\$337,000
Building Demolition	\$805,000
Repair Work Under Buildings	\$500,000
Head of Wharf Repair	\$100,000
Credit for PortlandLoo	(\$200,000)
Total Project Costs to Date	\$10,169,000
<u>Available Funds</u>	
Projected Deficit	\$369,000

An allocation of \$250,000 has been designated for enhancements to the Capitola Wharf through the Capitola Wharf Enhancement Project (CWEP). The estimated cost for the procurement and installation of CWEP elements most suitably handled by Cushman (lighting, furniture, viewing stations) is \$313,000.

The original construction contract signed with Cushman Contracting amounted to \$7.74 million. Before the occurrence of the December storm, change orders were executed totaling \$361,000. The subsequent storm damage repairs incurred an additional \$213,000, resulting in a cumulative change order of \$574,000 and a revised contract amount of \$8.31M. The contract with Cushman Contracting was originally approved to authorize staff to execute change orders up to 10% of the contract value.

With the addition of the building demolition and related repair work, repairs on the head of the Wharf, and the associated costs with implementing the Capitola Wharf Enhancement Project (CWEP), staff recommends a change order to the contract with Cushman Contracting in an amount not to exceed \$1,518,000 (for a total contract amount of \$9,832,000) and budget amendment in an amount not to

exceed \$369,000. The initial construction budget for this project was \$8,900,000, with this change order the project is approximately 10.5% above the engineers estimate.

Coordination with FEMA for financial assistance is ongoing, recognizing the potential for additional damage reimbursement in the future.

Attachments:

1. Budget Amendment Resolution

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk. Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE 2023-24 FISCAL YEAR CITY BUDGET AND CAPITAL IMPROVEMENT
PROGRAM BUDGET**

WHEREAS, it is necessary to adopt the 2023-24 Fiscal Year Budget for all City funds and Capital Improvement Program; and

WHEREAS, the City Council conducted budget study sessions, heard and considered public comments, had modified and proposed a budget accordingly, and on June 22, 2023, adopted such budget for the Fiscal Year July 1, 2023, through June 30, 2024; and

WHEREAS, since the adoption of the budget, the Capitola Wharf and buildings thereon sustained significant damage due to winter storms in 2023 and staff has discovered additional damage to the Capitola Wharf requiring the demolition and removal of the buildings; and

WHEREAS, the original project budget did not anticipate the additional cost of demolition and removal of the building; and

WHEREAS, it is necessary to amend the Fiscal Year 2023-24 Adopted Budget to include the \$369,000 in additional project expenditures; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2023-24 Fiscal Year Budget is hereby amended, including Exhibit A (Budget Amendment) to this Resolution; and

BE IT FURTHER RESOLVED that the Finance Director is directed to enter the budget into the City's accounting records in accordance with appropriate accounting practices, and the City Manager, with the Finance Director's assistance, shall assure compliance therewith.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 27th day of February 2024, by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

Kristen Brown, Mayor

ATTEST:

Julia Gautho, City Clerk

City of Capitola Budget Adjustment Form



Item 3 A.

Date 2/23/2024

Requesting Department Public Works

Administrative Council

Item # TBD
 Council Date 2/27/2024
 Council Approval _____

Revenues		
Account #	Account Description	Increase/Decrease
Total		-

Expenditures		
Account #	Account Description	Increase/Decrease
1200-00-00-000-4390.100	Construction - Project Services	564,000
		369,000
Total		369,000 564,000

Net Impact (564,000)

(369,000)

Purpose: Additional funding for the Capitola Wharf Rehabilitation & Resiliency Project.

Department Head Approval _____

Finance Department Approval _____

City Manager Approval _____

DK

Jim Malberg

JG

Westly, Austin

From: roger wyant <haskinshillbilly@gmail.com>
Sent: Monday, February 26, 2024 9:50 AM
To: City Council; Goldstein, Jamie (jgoldstein@ci.capitola.ca.us)
Subject: An alternative to tearing down the two buildings on the Wharf

<http://www.fresnohousemovers.com/>

I'm asking the council to consider seeking advice from a house mover company; to learn if the existing buildings can be moved off site and then returned when the wharf is completed. New construction with current requirements will be extremely drawn out and expensive. If you click on the link for <http://www.fresnohousemovers.com/>, you can see they have done environmentally sensitive projects before.

Roger Wyant
Capitola Ca.

Westly, Austin

From: Clark Cochran <clark.e.cochran@gmail.com>
Sent: Monday, February 26, 2024 9:01 AM
To: City Council
Subject: Capitola Wharf Resiliency Comments

Dear Mayor Brown, Capitol City Council members, and staff,

We are writing to include our names with all the residents who have strongly supported a quick restart of all the community benefits on the new wharf structure. We support fast tracking food trucks, bands, fishing, and a temporary bait shop structure to begin operations immediately upon opening the wharf to the public and operate as continuously as possible (weekends?) during the rebuilding of both structures.

I recently spoke with the bait shop owners and they were quite worried that they did not have the ability to rebuild themselves, so the process to identify investors, city and other government funds, and options like a Go Fund Me account need to be started for them and both buildings before the current wharf resiliency project is completed. Many interdependent things need to be decided before the buildings are rebuilt, so why not start immediately with an open call to local architects to submit concepts that can be voted on to minimize delay? Why not appoint a committee to start the process? Rebuilding both structures will take years so the city council needs to quickly create a complete wharf revitalization plan with an anticipated timeline and share it with the public without unnecessary delays.

Additionally, we have approved at least two measures that were intended to at least in part fund wharf maintenance and it doesn't appear that these funds were applied in sufficient measure to keep the wharf itself and the two buildings from disrepair. The storm surge just amplified the accumulated damage to the point they all became unusable. A skeptic would say maybe that was the plan. What measures going forward will the city use to provide enough reserve funds earmarked specifically for the wharf so there isn't a repeat in the next 40 years or less?

In closing, the wharf resiliency project needs to become the wharf revitalization project that will not be finished until the Wharf House and Bait Shop are once again in operation.

Sincerely,

Clark and Suzanne Cochran
4530 Garnet Street

Westly, Austin

From: Drew Lind <andrewlind92@gmail.com>
Sent: Thursday, February 22, 2024 10:09 PM
To: City Council
Subject: Capitola Wharf Resiliency and Public Access Project

Hello,

I am disturbed by the proposal to move quickly to demolish the Wharf House Restaurant and the Boat and Bait properties. Please consider the following points before doing so:

- 1) The assessment of "total loss" of the Wharf House Restaurant was done by the City's staff. It seems prudent given the nature of building and its popularity with the public to have a third party review the state of building and weigh in on the potential for repairs, if any. That review will not take a significant amount of time and will assure the public that due process was completed before one of the iconic buildings in the city is demolished.
- 2) Assuming that the conclusion holds that both buildings need to be removed, the City should open up the demolition bidding process to other contractors. This is a substantial change to the original contract which envisaged that all the piling and decking rehab work would be completed with the two buildings intact. It would not be unusual given the circumstances, to open the bidding process to those firms well-versed in demolition of old and unique structures. That strikes me as being fiscally responsible, if nothing else.
- 3) Moving forward with no plan for replacing the buildings and an implied promise to build something later with some un-identified funding source will leave the public with a bad taste in their mouths. This project spent considerable time in the review process prior to the letting of the contract to begin the work. Now a substantial change in that plan is occurring and there is no end game identified.

Thank you,
Drew Lind



Wharf Resiliency and Public Access Project

City Council

February 27, 2024

Project Overview - Wharf Resiliency and Public Access



- Project Key Elements
 - Widening, piling fixes, deck replacement, restroom addition
 - Ensure the Wharf's long-term resilience
- Contractor: Cushman Contracting
- Commencement Date: September 2023

Wharf Resiliency Project – — Remaining Scope

- **Address Buildings:** Anticipated demolition
- **Head of Wharf:** Pile replacement and repairs
- **CWEP:**
 - Lighting and related electrical work
 - Furniture installation
 - Art, Fish station
- **Other Items:**
 - Signage project
 - Plaque replacement
 - Security gate installation
 - Landing and floating dock
- **Project Completion Projection** Fall 2023
- **Post-Project:** Future visioning exercises and public process for future development

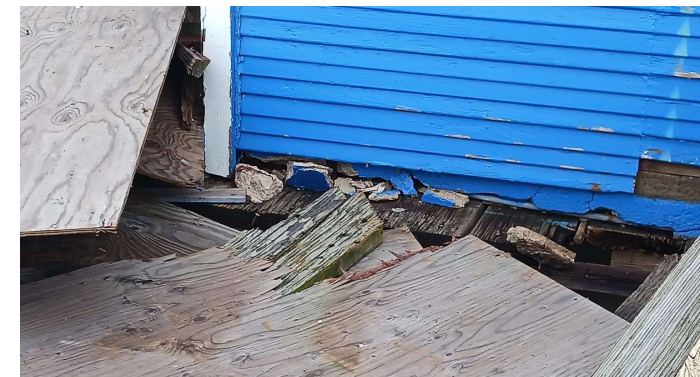


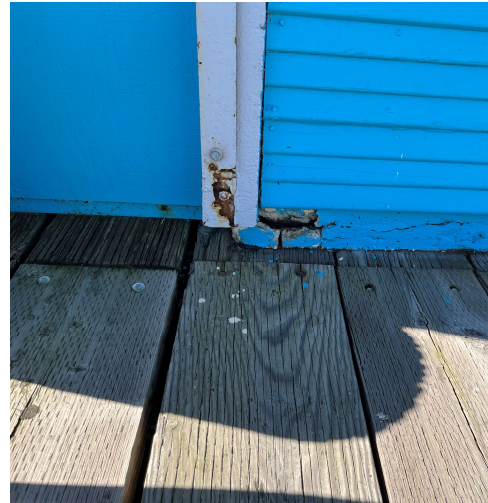


Building Assessments

Wharf House Restaurant

- Severe structural deficiencies
- Immediate hazard





Building Assessments

Bait Shop

- Severe structural deficiencies
- Confirmed by independent engineer

Building Demolition Process

- **Content Removal**
 - Streamlining removal of contents
 - Facilitating Boat and Bait content removal and storage
- **HazMat Challenges**
 - Addressing hazardous material issues
 - Conducting asbestos abatement
- **Building Demolition**
 - Completed under emergency permits
 - Inability to use typical heavy equipment due to wharf limitations
 - Reliance on manual labor to avoid debris entering the ocean
- **Debris Management**
 - Utilizing small trucks for transportation from head to base of the wharf
 - Employing smaller dumpsters near Wharf Road for efficient dumping
 - Ensuring proper disposal of debris

Building Assessments

- **Preserving buildings is not feasible due to:**
 - Extensive repairs needed, including lifting and rebuilding foundation
 - Addressing code non-compliance issues
 - Managing hazardous material concerns
- **Considerations**
 - High associated costs make these repairs financially impractical
 - Projected expenses are likely to exceed the cost of constructing a new building
 - Such repairs would hinder the necessary wharf repairs

February 22, 2024 Council Meeting

- Funding Gap
 - \$500,000 from CA Natural Resources Agency
 - Project still faces a deficit
- Cost-Saving Actions
 - Council's Directive: Remove Portland Loo for cost savings
 - Explore alternative bids for \$1M demolition work

Recommended Approach for Building Demolition and Repair within Resiliency Project

1. Obtain emergency permits for the demolition – in progress.
2. Initiate change order with the onsite mobilized contractor to include demolition of buildings in project scope.
3. Execute demolition of buildings, concurrently with Resiliency Project. Duration 6 – 8 weeks.
4. Conduct repairs under demolished buildings.
5. Upon completion of demolition and repairs, resume and finalize remaining repair work within overall Resiliency project.

Proposed Demolition Costs – Cushman Construction

<u>DESCRIPTION</u>	<u>LABOR COST</u>	<u>EQUIPMENT COST</u>	<u>SUBCONTRACTOR COST</u>	<u>TOTAL COST</u>
Staging Coordination and Traffic Control	\$7,500	\$2,700		\$10,200
Create Access for Demolition Operation	\$21,450	\$18,550		\$40,000
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Wharf House Demolition – By Separate Contractor			\$99,850	\$99,850
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Direct Mobilization Costs	\$80,375	\$18,813		\$99,188
<u>Total Direct Costs</u>	<u>\$401,875</u>	<u>\$94,063</u>	<u>\$166,100</u>	<u>\$662,038</u>

Proposed Demolition Costs – Cushman Construction

Site Preparation	\$116,450
Building Demolition	\$348,650
Project Coordination	\$97,750
Mobilization	\$99,188
Total Direct Costs	\$662,038

Proposed Demolition Costs – Cushman Construction

Total Direct Costs	\$662,038
Mark Up Labor 20%	\$80,375
Mark Up Material 15%	\$14,109
Mark Up Subcontractor 15%	\$24,915
<u>Subtotal</u>	<u>\$781,437</u>
1% for bond	7,814
1% for insurance	\$15,629
<u>Total Change Order for Demo</u>	<u>\$804,880</u>

Alternative Approach: Engage Another Contractor

1. Cushman to complete site preparation work to facilitate demolition contractor access, incurring additional costs
2. Cease Cushman's work, incurring holding costs during demolition period
3. Execute demolition of buildings while temporarily pausing Resiliency Project. Duration 2-3 months
4. Cushman initiates repairs beneath demolished structures
5. Upon completion of both demolition and repairs, resume and finalize remaining Resiliency Project work

Alternative Demolition Costs – Demolition Contractor

<u>Description</u>	<u>Labor Cost</u>	<u>Equipment Cost</u>	<u>Subcontractor Cost</u>	<u>Total Cost</u>
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Alternative Demolition Costs – Demolition Contractor

Site Preparation	\$116,450
Building Demolition	\$331,100
Project Coordination	\$97,750
Mobilization	\$31,113
Total Direct Costs	\$478,663

Alternative Demolition Costs – Demolition Contractor

<u>Total Direct Costs</u>	<u>\$478,663</u>
Mark Up Labor 20%	\$19,488
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Mark Up Subcontractor 15%	\$48,465
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1% for bond	\$5,553
1% for insurance	\$11,107
<u>Total Change Order for Demo</u>	<u>\$571,994</u>
Project Delay Costs*	\$680,000
<u>Total Change Order for Demo with Project Delay</u>	<u>\$1,251,994</u>

* Assumes 40 working day delay. Estimate from contractor is 40-60 working days.

Alternative 2 Approach: Defer Demolition to End of Resiliency Project

1. Immediate Safety Measures:
 - Shore up Wharf House for safety
2. Partial Project Completion by Cushman:
 - Engage Cushman for project work up to Wharf House
 - Incomplete project due to safety concerns/need to shore up Wharf House
3. Demobilization of Cushman:
 - Cushman demobilizes after completing their scope, minus work around Wharf House
4. Engineered Plans and Permits:
 - Develop new engineered plans
 - Obtain new regulatory permits for demolition and Resiliency Project completion
5. Bid Process:
 - Bid out demolition and Wharf repair work.
6. Mobilization of New Contractor:
 - Award contract to selected contractor.
 - Mobilize new contractor, under new permit timing conditions

Alternative 2 Approach: Challenges

- Extends project completion by approximately 1 year
- Adds permitting and engineering costs
- Additional mobilization costs for new contractor
- Reduced economies of scale
 - Current pile/decking price would increase
- Unknown outcome of future bids
- Cost escalation

Proposed Change Order - Cushman Contracting

The total contract cost exceeds the project construction estimate by 10.5%

* Not to exceed estimate only. Final CWEP design contingent on PC approval

Initial Contract (inclusive of January 2023 Storm Damage)	\$7,740,000
Change Order 1	\$104,300
Change Order 2	\$43,000
Change Order 3	\$213,700
Change Order 4 - Storm Damage (December 2023)	\$213,000
Current Contract	\$8,314,000
CWEP – Cushman Construction	\$313,000*
Building Demolition	\$805,000
Repair Work Under Buildings	\$500,000
Head of Wharf Repair	\$100,000
Credit for Portland Loo	(\$200,000)
Estimate of Change Order 5	\$1,518,000
Total Contract Amount	\$9,832,000

Project Budget

Coastal Conservancy Grant	\$1,900,000
HUD Grant	\$3,500,000
Measure F	\$2,500,000
Insurance from January 2023 Storm Damages	\$1,000,000
California Natural Resources Agency	\$500,000
FEMA	TBD
CWEP Fundraising	\$400,000
Total Project Funding	\$9,800,000
<u>Expenses</u>	
Cushman Contract w/ CO 1-5	\$9,832,000
CWEP – Non-Cushman Items	\$337,000
Estimated Project Costs	\$10,364,000
<u>Available Funds</u>	
Projected Deficit	\$369,000

Next Steps – Select Building Demolition Option

	Recommended Cushman Demolition	Alternative 1 Demolition Contractor
Site Preparation	\$116,450	\$116,450
Building Demolition	\$348,650	\$331,100
Project Coordination	\$97,750	
Mobilization	\$99,188	\$31,113
Total Direct Costs	\$662,038	\$478,663
Mark Ups	\$119,399	\$76,672
Bond and Insurance	\$23,443	\$16,660
Project Delay		\$680,000
Total Change Order	\$804,880	\$1,251,995

Next Steps

Project Completion Projection:

- Anticipated project completion in Fall 2023

Future Visioning and Public Process:

- Engage in future visioning exercises
- Initiate a public process to gather input on future wharf development

Recommendation

- Approve Change Order 5 to Public Works Agreement with Cushman Contracting for Wharf Project in an amount not to exceed \$1,518,000 (for a total contract amount of \$9,832,000)
- Adopt a resolution amending the FY 2023-24 Adopted Budget to allocate an amount not to exceed \$369,000 for additional project expenditures



Capitola City Council

Agenda Report



Meeting: February 27, 2024

From: Public Works Department

Subject: Update on the Wharf Resiliency and Public Access Project

Recommended Action: Approve Change Order 5 to the Public Works Agreement with Cushman Contracting for the Wharf Project in an amount not to exceed \$1,713,000 (for a total contract amount of \$10,027,000) and adopt a resolution amending the FY 2023-24 Adopted Budget to allocate an amount not to exceed \$564,000 in funding for the additional project expenditures.

Background: The Capitola Wharf is currently undergoing a major renovation through the Wharf Resiliency and Public Access Project. The Project is focused on crucial elements such as widening the Wharf, fixing failing pilings, replacing the deck, and adding new restroom facilities. The project aims to ensure the Wharf's long-term resilience. Construction by Cushman Contracting began in September 2023 and has been making steady progress since then.

During the February 22, 2024, City Council meeting, the City Council directed staff to return to the City Council with an update at a Special Meeting to be held on February 27, 2024, at 4:00 PM. More information, including a full staff report will be made available to the public by 4:00 PM on Monday, February 26, 2024.

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk

Approved By: Jamie Goldstein, City Manager