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Title: Department of Transportation recommending the Board:
1) Make a determination that a complete facility replacement for the maintenance garage located at 1121 Shakori Road, South Lake Tahoe, CA is more economical than a retro-fit; and
2) Provide direction on funding options of approximately \$2,500,000 to complete the project. (Est. Time: 20 Min.)

FUNDING: General Fund or Road Fund.

Sponsors:

Indexes:

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Date	Ver.	Action By	Action	Result
1/14/2020	1	Board of Supervisors	Approved	Pass

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DISCUSSION / BACKGROUND

In 2016, the Facilities Division commissioned a comprehensive facility assessment that included the Department of Transportation (Transportation), Maintenance and Operations garage building located at 1121 Shakori Road, South Lake Tahoe, CA. The study identified the Shakori garage as having building systems that are at the end of life after 42 years in harsh mountain weather conditions along with having structural problems which was further addressed with a more thorough engineering analysis.

In September 2017, Miyamoto International (Miyamoto) was retained by the County to review the existing conditions of Shakori garage to identify the potential structural deficiencies. The investigation revealed the facility has sustained a degree of damage due to heavy use and exposure to elements. It was further noted that the building appeared to have multiple seismic deficiencies and that the facility has extensive deferred maintenance and other known deficiencies. Following the investigation Miyamoto performed a detailed analysis of the existing facility and prepared construction documents that addressed the identified deficiencies that would extend the useful lifespan.

Two (2) Contractors reviewed the plans prepared by Miyamoto and inspected the facility. Both contractors had daunting concerns with existing conditions and the extensive scope of work including

what they believe will be widespread unforeseeable conditions. One of the contractors ultimately passed. The other contractor provided a draft Rough Order of Magnitude (ROM) cost comparison of renovating the facility per Miyamoto's specifications or a complete facility replacement. As of September 2018, if certain soft costs, special inspections, and a potential 25% contingency (standard of accuracy) are considered the numbers came in at \$2,062,356 for renovation and \$1,767,568 for new construction. Facilities staff and a consultant, AMG Management Group (AMG), reviewed the estimates and concurred they were high for that time. However, given the current escalation in construction costs and the construction material cost impacts (steel in particular) as a result of current tariffs, using that number for budgetary purposes was determined to be appropriate although high. In the ROM, the project priority was determined to be high due to the damage to the CMU walls and timber columns to the point of being structurally unsafe.

In September 2019, Facilities and AMG reconvened and discussed the previous estimates for repair versus complete replacement. It is believed the rough estimates to still be reasonable but likely "tight" given the recent escalation in construction costs. Other items that need to be taken into consideration when identifying a budget are unforeseen conditions (and not included in the original cost estimate) which may include abatement of any hazardous material in the existing building, any required undersized utility services, any required fire system upgrades, and any required Tahoe Regional Planning Agency (TRPA) mandates.

With minimal Road Fund balance, Transportation is providing the following funding options for the Board to consider to cover the approximate \$2,500,000 cost to complete the design and construction for a garage facility replacement at Shakori in South Lake Tahoe:

- 1) General Fund Contingency
- 2) General Fund Capital Replacement Reserve (Currently at \$14,033,000)
- 3) Use the remaining General Fund amount set aside for FEMA projects (Currently at \$1,651,282) in combination with any of the three other funding sources identified to total \$2,500,000
- 4) Use of FY 2019-20 available Road Fund fund balance (Currently at approximately \$1,800,000) in combination with any of the three other funding sources identified to total \$2,500,000

Once direction is received from the Board regarding funding options, the Department will return with a budget transfer to appropriate funding for the project.

ALTERNATIVES

The Board could choose to not approve a complete facility replacement; however, County liability and employee safety would be a concern with the building being identified as having structural damage and deemed at end of life.

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Chief Administrative Office, Facilities Division

CAO RECOMMENDATION / COMMENTS

Consider the item and provide direction to staff.

FINANCIAL IMPACT

The estimated cost for a complete facility replacement for the Shakori Garage is \$2,500,000. Depending on which funding option the Board chooses, various funding sources will be depleted by \$2,500,000 with funding set aside to complete the Shakori project.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Public Safety, Infrastructure and Good Governance

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