

## CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **3.A**

FROM: Matthew McElhenie, General Manager  
Timothy Carmel, District Counsel

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Meeting Date: April 24, 2025	Subject: Discussion and Consideration to Establish the Required Funding Amount to be Held by Cambria Community Council and Cambria Community Services District for Construction, Operation, and Maintenance of the Cambria Skatepark Project, Select a 10%, 15%, or 20% Contingency for the Project Budget, and Establish a Deadline for Skate Cambria to Demonstrate Secured Project Funding
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### **FISCAL IMPACT:**

The Second Amendment to the MOU (Second Amendment) clarified that the Cambria Community Council (CCC), through Skate Cambria's fundraising efforts, will be responsible for any funding shortfalls for the Skatepark Project (the "Project"), including, but not limited to, shortfalls resulting from inflation and change orders, as well as costs related to any suspension of the work that may be necessary due to lack of funds after award of the construction contract. The District's costs will remain limited to the previously committed \$178,000.

### **DISCUSSION:**

At the March 13, 2025 regular Board meeting, the Board of Directors considered alternatives for completion of the Cambria Skatepark Project, including changing its location. The Board determined that the Skatepark location should not change and considered concerns that had been raised by staff regarding funding shortfalls for the Project. The concerns are based on the current cost estimates for the Skatepark Project, and the fact that there is a likelihood that material and construction costs will escalate further due to inflation and other economic factors.

The District has been approved for a \$600,000 Land and Water Conservation Fund Grant (LWCF), which requires a 50/50 match. The District has previously established its share of Project costs at \$178,000 and also holds \$24,334 of funds from the CCC, which funds are to cover expenses already contracted for. Thus far, Skate Cambria and the CCC have raised \$406,882, which includes \$75,000 in pledges. The total amount of funds currently available for the Project (including the LWCF) is as follows:

LWCF Grant	\$600,000.00
Mechanics Bank (CCC cash on hand 1/9/2025)	\$36,109.00
Edward Jones (CCC cash on hand 1/9/2025)	\$273,148.00
CCSD Balance	\$105,020.94
<b>Total</b>	<b>\$1,014,277.94</b>

The District has obtained four estimates of the cost of the Skatepark Project, two engineering estimates (Cannon and Civil Design Studios), and two from general contractors (Coastline and Chaves) as follows:

	<b>Contingency 0%</b>	<b>Contingency 10%</b>	<b>Contingency 15%</b>	<b>Contingency 20%</b>
Cannon Engineering	\$1,428,892.00	\$1,571,781.20	\$1,643,225.80	\$1,757,537.16
Civil Design Studio	\$1,185,795.00	\$1,304,374.50	\$1,363,664.25	\$1,458,527.85
<b>Average</b>	<b>\$1,307,343.50</b>			
Coastline Grading General Engineering	\$1,185,127.00	\$1,303,639.70	\$1,362,896.05	\$1,457,706.21
S. Chaves Construction Inc.	\$1,210,461.85	\$1,331,508.04	\$1,392,031.13	\$1,488,868.08
<b>Average</b>	<b>\$1,197,794.43</b>			
Cannon Engineering	\$1,428,892.00	\$1,571,781.20	\$1,643,225.80	\$1,757,537.16
Civil Design Studio	\$1,185,795.00	\$1,304,374.50	\$1,363,664.25	\$1,458,527.85
Coastline Grading General Engineering	\$1,185,127.00	\$1,303,639.70	\$1,362,896.05	\$1,457,706.21
S. Chaves Construction Inc.	\$1,210,461.85	\$1,331,508.04	\$1,392,031.13	\$1,488,868.08
<b>Average</b>	<b>\$1,252,568.96</b>	<b>\$1,377,825.86</b>	<b>\$1,440,454.31</b>	<b>\$1,540,659.82</b>

The contractors' cost estimates submitted for the Skatepark construction do not include any contingency funds; however, the engineering estimates above included a 15% contingency. The staff has removed 15% of the contingencies from the above engineering estimates, averaged the costs of the four estimates, and believes the Board should discuss and consider the desired funding contingency to cover unexpected costs that arise during the construction of the Project. The average of the four Project cost estimates is \$1,252,568.96. The total funds currently available for the Project (including the LWCF) are \$1,014,277.94.

Based on these figures, the current funding gap ranges from \$238,291.02 to \$526,381.88, depending on whether a 10%, 15%, or 20% contingency is applied. Staff recommends that the Board establish a funding target ranging from \$1,252,568.96 to \$1,540,659.82, depending on the desired contingency.

<b>Potential Funding Gap with Additional Contingencies</b>		
<b>Contingency 10%</b>	<b>Contingency 15%</b>	<b>Contingency 20%</b>
<b>\$363,547.92</b>	<b>\$426,176.37</b>	<b>\$526,381.88</b>

At the March 13, 2025, regular Board meeting, the Board determined that the District will accept the LWCF Grant and requested that the Staff and District Counsel prepare an additional amendment to the MOU with the CCC to clarify that a funding shortfall is anticipated and that the CCC will bear the risk of any cost overruns. Staff and District Counsel prepared the Second Amendment, which included express language that the anticipated funding shortfall will be the responsibility of the CCC (through Skate Cambria's fundraising efforts) and that the CCC understands that work on the Project may need to be suspended in the event of any funding shortfalls once construction contracts have been awarded. It also provides that any such suspension of work, which will likely result in additional costs and claims from the contractor, will also be the responsibility of the CCC.

At the regular Board meeting on April 10, 2025, the Board of Directors approved the Second Amendment. A signed copy of the MOU, as amended, is included with this report for reference.

As part of the project planning process, a Board key decision involves selecting a funding contingency percentage to apply to the total estimated project cost. In line with the Board's direction, staff has developed funding scenarios using contingency rates of 10%, 15%, and 20%.

Additionally, during the April 10 meeting, Director Gray requested that the Board set a deadline for Skate Cambria to demonstrate that the estimated full funding amount has been secured. This deadline will provide Skate Cambria with sufficient opportunity to secure additional donations or other funding sources, while ensuring the project does not remain in an indefinite holding pattern.

The Board further directed staff to exclude \$235,000 in landscaping costs from the Cannon Engineering cost estimate.

It is recommended that the Board of Directors establish a required funding target for the project budget ranging from \$1,252,568.96 to \$1,540,659.82, including the desired contingency, for construction, operation, and maintenance of the Cambria Skatepark Project, and establish a deadline by which Skate Cambria must demonstrate that the necessary funds have been secured in order to proceed with issuing a Request for Proposals (RFP).

#### **ATTACHMENTS:**

1. [CCSD Waterworth Scenario Demonstration](#)
2. [Resolution 49-2021 Establishing an Annual Budget for the Cambria Skate Park Project](#)
3. [Memorandum of Understanding for Skatepark Funding](#)
4. [Amendment to Memorandum of Understanding for Skatepark Funding](#)
5. [Second Amendment to Memorandum of Understanding for Skatepark Funding](#)
6. [Cannon Engineering Cost Estimate](#)
7. [S. Chaves Construction Inc. Cost Estimate](#)
8. [Civil Design Studio Engineering Estimate](#)
9. [Coastline Grading General Engineering Estimate](#)
10. [Agreement for Consultant Services Between CCSD Civil Design Studio](#)
11. [Exhibit A to Agreement for Consultant Services Between CCSD Civil Design Studio](#)
12. [First Amendment to Agreement for Consultant Services](#)
13. [Second Amendment to Agreement for Consultant Services](#)