



SUMMARY REPORT

Agenda Date: 1/31/2023

To: Board of Supervisors

Department or Agency Name(s): Sonoma County Public Infrastructure - Airport Division

Staff Name and Phone Number: Johannes J. Hoevertsz, 707-565-2231

Vote Requirement: 4/5th

Supervisory District(s): Countywide

Title:

Charles M. Schulz - Sonoma County Airport Terminal Area Redevelopment Project Cost and Contingency Increase.

Recommended Action:

- A) Authorize the Director of Sonoma County Public Infrastructure to approve terminal cost and contingency fund increase not to exceed \$5,000,000.
- B) Adopt a Resolution authorizing a budgetary adjustment to the FY 2022-23 Sonoma County Public Infrastructure Final Budget in the amount of \$3,000,000 from Airport Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act as well as the Airport American Rescue (4/5th Vote Required)

Executive Summary:

The Board awarded construction of the Terminal Modernization Project to Q&D Construction in September 2020. Since the beginning of the project, project enhancements, supply chain shortages, and construction delays have resulted in increased costs. The Department of Public Infrastructure (SPI), Airport Division (Airport) requests that the Board authorize the Director of SPI to approve terminal enhancement contingency funds not to exceed \$5,000,000.

Discussion:

Background. The Charles M. Schulz- Sonoma County Airport (Airport) is the largest airport in the North Bay region. To keep up with passenger demand, the Airport determined there was a need to expand the existing terminal.

On September 1, 2020, the Board awarded Q&D Construction an agreement for construction services, and authorized the Director of SPI (then TPW) to execute task orders with C&S Engineers, Inc. for Construction Manager Administrative Services, and with Mead & Hunt, Inc. to provide professional architectural services related to construction activities for the project.

In November 2022 a portion of the terminal modernization project opened to the public. During construction and after opening several tenant enhancements and several unforeseen areas of concern requiring additional attention came to light resulting in additional costs. Funding for these additional costs would be through available grants.

Additional Project Needs and Enhancements.

The terminal modernization project was first approved by the Board in 2020. Material and labor costs have subsequently increased and several enhancements have been identified, including the following:

Security Improvements Upon opening of the new terminal space, it was discovered through a software patch failure that the overall security system is nearing the end of its useful life and at risk of failure. A new security system is required to improve both safety, security and overall staff efficiencies which will save on cost in the long term. The cost for this required security system is estimated at \$450,000.

Airline Space Enhancements As the project has progressed tenants have requested modifications that would benefit their operations at the Airport included upgraded Airline Ticket Offices (ATOs). This enhancement would add 3 office and break room spaces including cabinetry and IT support equipment. The estimated cost for these tenant improvements would approximately \$1,550,000.

TSA Space Enhancements Requests have been received from the Transportation Security Administration and the Federal General Services Administration for modifications that would benefit TSA operations at the Airport, including the addition of a TSA administrative office and break room space. The estimated cost for these tenant improvements would be approximately \$250,000.

Concession Space Improvements Additional concession area improvements have been proposed including a wine bar and added space for concessionaires. Costs for these improvements are estimated at \$1,000,000.

Unforeseen Conditions In fall 2022, an underground land gap was discovered while excavating for the main terminal entrance. Subsequently the existing structure supporting restaurant operations needed to be demolished. This unforeseen land gap required additional engineering, geotechnical support, additional contractor time and implementation efforts for a new structure. The estimated cost for repair and reconstruction of this area is \$975,000.

Material Cost Increases Due to supply chain challenges and material shortages there have been increased vendor and supplier costs. The estimated cost related to these pricing increases over time is \$775,000.

The Airport is currently in the final construction stages of the project. When completed in 2023, the updated space will include 33,000 square feet of new terminal construction and renovation of 7,000 square feet of the existing terminal. This modernization project will significantly benefit customer service, add amenities and improve the overall experience for Airport users

The Department of Public Infrastructure is recommending the Board authorize the Director of Public Infrastructure to approve use of these funds not to exceed \$5,000,000. The costs noted above total \$4,025,000. The additional \$975,000 has been added to cover any additional unforeseen contingencies should any be needed.

Strategic Plan:
N/A

Prior Board Actions:

December 6, 2022 - Supplemental Professional Services Master Agreements

March 1, 2022 -Terminal Area Redevelopment Project Enhancements Contingency Increase

September 1, 2020 - Approve Construction Agreement Amendment, Task Orders Related to the Charles M. Schulz - Sonoma County Airport Terminal Modernization Project, and Addendum to the Airport Master Plan Environmental Impact Report

September 17, 2019 - Award of Agreement for Construction Manager (Construction Management at-Risk firm) for the Charles M. Schulz - Sonoma County Airport Terminal Area Redevelopment Project

April 30, 2019 - Board Presentation Future Growth of the Airport

February 26, 2019 - Mead & Hunt Task Order #9

January 29, 2019 - Sprung Structure Lease Purchase Option & Sprung Structure Extension Purchase May 8, 2018 - Terminal Expansion Update

May 8, 2018 - Long Term Financing for Terminal Expansion Projects

February 21, 2017 - Approve Sprung Structures Tent Lease

February 9, 2016 - Board Presentation Future Growth of the Airport

February 9, 2016 - Mead & Hunt Master Agreement

September 13, 2016 - Financing Expansion of Existing Passenger Terminal

September 13, 2016 - Approve Contracts for Mead & Hunt Terminal Design

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY23-24 Projected	FY 24-25 Projected
Budgeted Expenses	\$2,000,000		
Additional Appropriation Requested	\$3,000,000		
Total Expenditures	\$5,000,000		
Funding Sources			
General Fund/WA GF			
State/Federal	\$5,000,000		
Fees/Other			
Use of Fund Balance			
Contingencies			

Agenda Date: 1/31/2023

Total Sources	\$5,000,000		
----------------------	--------------------	--	--

Narrative Explanation of Fiscal Impacts:

The \$5,000,000 of additional expense requested will be funded through reimbursement funds received through the Airport Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act as well as the Airport American Rescue Plan Act (ARPA). The FY 2022-23 Adopted Airport Operations budget included \$2,000,000 in anticipated additional project costs therefore, this request is for \$3,000,000 in additional appropriations sourced from CRRSA and ARPA grant proceeds.

The Airport's CRRSA grant was in the amount of \$2,109,097 and the Airport's ARPA grant was in the amount of \$3,209,452. These funds were originally slated to increase fund balance/savings but will be re-directed for these costs and cover the entire amount. Coronavirus Aid, Relief and Economic Security (CARES) Act funds are still being drawn and covering other associated costs.

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Budget Resolution

Related Items "On File" with the Clerk of the Board:

None