



Laguna Woods Village®

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SPECIAL OPEN MEETING

**CORPORATE MEMBERS SPECIAL OPEN MEETING OF THE
GOLDEN RAIN FOUNDATION OF LAGUNA WOODS, UNITED LAGUNA WOODS
MUTUAL, THIRD LAGUNA HILLS MUTUAL, LAGUNA WOODS MUTUAL NO.
FIFTY**

CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATIONS

**Thursday, September 29, 2022 – 10:00 a.m.
24351 El Toro Road, Laguna Woods, California
Board Room/Virtual Meeting
<https://us06web.zoom.us/j/89500280643>**

NOTICE OF MEETING AND AGENDA

- 1. Call Meeting to Order – Bunny Carpenter, GRF President**
- 2. Approval of the Agenda**
- 3. Entertain a Motion to Receive Presentation and Approve the GRF Board of Directors Recommendation for the Building E Capital Improvement Project**
- 4. Director Comments**
- 5. Adjournment**

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STAFF REPORT

DATE: September 29, 2022
FOR: Board of Directors, All Boards
SUBJECT: Building E Capital Improvement Project

RECOMMENDATION

Receive presentation and approve the GRF Board of Directors recommendation for the Building E capital improvement project for a 6,500 square foot conventional construction building with an estimated total project cost of \$4.3 million.

BACKGROUND

Building E is located at the Maintenance Service Center adjacent to the maintenance/warehouse building (Building D) and houses primarily administrative support personnel for the Landscape, Maintenance & Construction and Security departments. The facility also has extensive law enforcement electronic equipment that is in use by security personnel on a daily basis.

This building was first constructed as a metal warehouse structure, then reconstructed in 1976 as a single-story wood framed structure. The building is surrounded by grade level asphalt and parking. Record plans are not available for the original design and construction of the existing foundation slab, including its thickness, sub-base or waterproofing capabilities. However, the building is experiencing movement and settlement that has resulted in severe cracking in walls, displacement in door and window alignments, and water damage caused by moisture intrusion from the roof and exterior walls.

Funding to address the deteriorating conditions of Building E have been included in prior year's capital plans since 2017. Recent discussions regarding the need to demolish and replace the existing Building E have been ongoing since early 2021. In June 2021, the Maintenance & Construction Committee concluded that no further assessment of the existing building components was needed and recommended that an architectural consulting firm be hired to analyze alternatives for replacing Building E with a new structure.

In January 2022, the GRF Board approved the architectural consulting contract that included an assessment of conventional and modular construction options, including space planning for additional staff to relieve overcrowding in the adjacent Building D. Based on these results, the GRF Board evaluated additional options to reduce the proposed size and to minimize the associated cost to construct a new facility.

DISCUSSION

The GRF Board of Directors has considered several space planning and construction options to address the intended uses for the proposed new Building E, including work space needs for Landscaping, Maintenance & Construction and Security personnel located at the Maintenance Yard and the potential impacts of relocating staff to other existing facilities.

Consideration was given to the original proposal presented by the architectural consultant along with alternative options aimed at reducing the footprint and cost of the proposed new building. A key component of the recommended plan includes relocating 10 full-time M&C damage restoration staff positions, currently using a portion of Building D for office space, to the third floor of the Community Center. The relocation will address existing improper work environment conditions caused by inadequate ventilation and overcrowding. These options are summarized in the following table:

	Option 1 (10,000 s.f.)	Option 2 (8,090 s.f.)	Option 3 (6,485 s.f.)	Option 4 (6,500 s.f.)
Construction Item	Feasibility Study Conventional Construction	Reduced Office Space All Trailers	Reduced Office Space All Trailers + Community Center	Reduced Office Space Conventional Construction + Community Center
Site Preparation	\$ 945,000	\$ 945,000	\$ 945,000	\$ 945,000
Building Construction	\$3,330,000	\$2,940,000	\$2,170,000	\$2,165,000
Comm Ctr Tenant Imp			\$ 250,000	\$ 250,000
Construction Subtotal	\$4,274,000	\$3,885,000	\$3,365,000	\$3,360,000
Engineering/Permits (18%)	\$ 770,000	\$ 700,000	\$ 605,000	\$ 604,800
Contingency (10%)	\$ 427,000	\$ 380,000	\$ 330,000	\$ 330,000
Total Estimated Project Cost	\$5,500,000	\$4,965,000	\$4,300,000	\$4,294,800

A presentation on the recommended scope of work for Option 4, a 6,500 square foot conventional construction building with an estimated budget of \$4.3 million, for the Building E capital improvement plan will be presented to the Corporate Members for consideration at the September 29, 2022 meeting.

FINANCIAL ANALYSIS

The 2023 Business Plan includes an allocation of \$750,000 for engineering services for the proposed Building E capital project. An additional allocation of \$3,550,000 will need to be included with the 2024 Business Plan to bring the total project budget to \$4,300,000. All funding is proposed to be allocated from the GRF Capital Reserves Facility Fund.

The financial analysis used to support the recommend action will be presented at the September 29, 2022 meeting. This analysis concluded that the recommend action is the most cost-effective option for the proposed capital project as shown in the summary below and there is sufficient reserve funding available for the prosed project and other approved projects in the GRF Capital Plan.

	Option 1 (10,000 s.f.)	Option 2 (8,090 s.f.)	Option 3 (6,485 s.f.)	Option 4 (6,500 s.f.)
Construction Item	Feasibility Study Conventional Construction	Reduced Office Space All Trailers	Reduced Office Space All Trailers + Community Center	Reduced Office Space Conventional Construction + Community Center
Estimated Project Cost	\$5,500,000	\$4,965,000	\$4,300,000	\$4,294,800
Life of Item (in Years)	60	20	20/60	60
Replacement Factor	35%	35%	35%	35%
Annual Maintenance Cost	\$ 19,425	\$ 51,450	\$ 39,433	\$ 15,000
Total Maintenance Cost – 60Y	\$1,165,500	\$3,087,000	\$2,366,000	\$ 900,000
Total Cost Over 60Y	\$6,665,500	\$8,052,000	\$6,666,000	\$5,194,800

Prepared By: Manuel Gomez, Maintenance and Construction Director

Reviewed By: Siobhan Foster, CEO/General Manager
 Steve Hormuth, Financial Services Director

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