



May 20, 2017

To: BOD
From: Mitch Waterman
General Manager
Subject: Proposed Change of Scope for SGM

Directors,

Upon reviewing Wilson Engineering's final cost estimates, it is clear their construction cost estimates have not changed, however, their contingency and projected Architectural and Engineering estimates were significantly higher than what I had previously expected. As the Engineer of Record, the indirect construction values placed on this project represents their professional judgement and expectations. Acknowledging their costs, the total estimated construction cost exceeded our comfort zone requiring an immediate value Engineering assessment to bring costs within an acceptable range.

Using our current Reserve Study as the base guideline (repair and preservation of assets) and a review of all Town Hall survey reports, I am submitting to you for your Governance consideration a pared down Revitalization Scope of Work that has the following elements removed accordingly;

Marina:

- Removed Concrete Plaza, Shelter, Bench.

Recreational Corridor:

- New Community Center (26,000 ft²)
- Pool Locker and Equipment Building Improvements
- Convert Tennis Courts to Skate park
- Prefabricated Pool Cover
- Added Security Cameras at Corridor

Area Z:

- Removed New Storage Buildings (6 Buildings)
- Gravel Around Storage Buildings
- RV Storage Improvements

With the removal of these elements from the project, we retain repair and refurbishment of our core assets, elimination of our beyond life-cycle facilities (Barn 8, Barn 6, Tall Shed) and repair of our failed marina dry storage, failed bulkhead seawall, dock entrances and gangways, and boat launch.

For the Recreational corridor, I propose we demolish Barn 8 and replace the entire facility with a slightly larger building (18,000 to 20,000 ft²) to house essential community services and amenities.



Sudden Valley
Naturally!

As discussed in multiple Town Halls, this scope will yet enable Sudden Valley to obtain a developer's agreement with the County. This scaled back project remains significantly sized as to provide a holistic approach to work impacting the shoreline and all buffer zones and allow the County to minimize regulations impact on the total scope of work.

The down scoped Revitalization is as follows:

Recreational Corridor Scope of Work

- New Community Center – 18,000 to 20,000 ft²
 - YMCA
 - Café
 - Community area
 - Library
 - Child Care Facility
 - Locker rooms (M/F/ Family)
 - Meeting room
- Demolish Barn 6, 8 and infill foundations of Barn 6 and 7
- Establish 3 different age range children play areas
- Resurface parking lots
- Storm drain improvements
- Pool Refurbishments – Resurface Pool, replace deck, repair fence, ADA compliance

Marina Scope of Work

- Repair erosion and replace bulkhead around entire peninsula with soft armoring – urgent action
- Dry storage and boat/ car parking - complete rebuild with improved layout
- Replace interior boat launch float and dock gangways
- Add dry standpipes for fire protection and minor repairs to docks
- Exchange concrete lakeside boat launch for soft launch entry and pocket beach
- Restore swim beach and enhance with low cost nature play elements and a swim float
- Install fencing and native vegetation to separate swim / play areas from dog off leash area
- Resurface tennis / sport courts
- Install a security gate at the marina entrance to lock the park at night
- Extend aquatic license along entire shoreline

Area Z

- Build new maintenance and storage (replacement for Barn 6) building
- Demolish old maintenance building and tall shed
- Install security lighting around perimeter of Area Z and increase camera system
- Pavement between maintenance building and storage building and gravel road repair

Roads

- Surface seal 100% of Main Roads, 76% of Secondary and Residential Roads
- Rotunda Parking pavement



Sudden Valley

Naturally!

As proposed, with the financial concurrence of our Engineering Team, SVCA would be pursuing a loan amount not to exceed \$11,942,062. This equates to the following payment calculations based on a fixed rate 18-year payment plan as follows:

- @ 4.75% interest, **\$33.58 per month** or \$4317.45 lump sum
- @ 5.75% interest, **\$35.86 per month** or same lump sum amount

This provides a delta of \$2.28 per month per lot at 88% collections. Our staff recommends the Association request the \$35.86 amount. The loan we are seeking is based on the US Treasury T-Bill, which may adjust prior to membership approval and securing the loan. Our current best offer is at the 4.75% rate with a fixed rate term from start of the 36-month drawdown through the following 15 year payment period.

Please advise.

A handwritten signature in blue ink, appearing to read 'Mitch Waterman', is written over the text 'Please advise.'

Mitch Waterman
General Manager

