

WeatherTech® Raceway at Laguna Seca

*Start/Finish Bridge and Track Resurfacing Project
Public Works, Facilities & Parks – July 26, 2022*



History



- October 19, 2021, Board approved \$750,000 (Cannabis Tax Assignment)
 - Start/Finish Bridge design (\$300,000)
 - Track Resurfacing planning (\$150,000)
 - Turn 3 Structure upgrades (\$300,000)
- December 8, 2021, Board added Bridge & Track projects to CIP
- March 30, 2022, Budget Committee recommended preferred funding source
- April 26, 2022, Board approved additional funding for Bridge & Track \$9,725,000
 - Laguna Seca Fund Balance (\$1,283,905)
 - Cannabis Tax Assignment (\$4,406,095, with \$3,000,000 to be repaid by TOT)
 - General Fund - Sheriff savings (\$3,000,000)
 - Sponsorships for 20% of Bridge (\$1,035,000)
- May 10, 2022, Board adopted Plans/Special Provisions and authorize Notice to Bid

Base Bid + Bid Alternate

- Granite Construction Company
 - Lowest Responsive Bidder
 - \$12,198,230
- Includes:
 - Mobilization, Job Site Management & SWPPP
 - Start-Finish Bridge Demo & Construction
 - Starter Box
 - Bridge Pedestrian Ramps
 - Retaining Wall System
 - Track Drainage Improvements
 - “Piano” Kerbs (red/white corner kerbs)
 - Track Demo & Resurfacing



Project Budget & Funding

Project Budget		Funding	
Enviro/Engineering	\$ 500,000	Funded	
Construction Mgmt	984,145	Design/Turn 3 Balance	\$ 600,000
Construction Contract	12,198,230	LSRA Net Position	1,283,905
Contingency 10%	<u>1,219,823</u>	Cannabis/TOT	4,406,095
		General Fund-Sheriff	3,000,000
Total	<u>\$ 14,902,198</u>	Unfunded	
		20% Sponsorship	\$ 1,634,459
		Funding Shortfall	<u>3,977,739</u>
		Total	<u>\$ 14,902,198</u>

Total Funding Need \$5,612,198

Base Bid

- Granite Construction Company
 - Lowest Responsive Bidder
 - \$9,290,840
- Includes:
 - Mobilization, Job Site Management & SWPPP
 - Start-Finish Bridge Demo & Construction
 - Starter Box
 - Bridge Pedestrian Ramps
 - Retaining Wall System
 - Track Drainage Improvements
 - “Piano” Kerbs (red/white corner kerbs)



Project Budget & Funding

Project Budget		Funding	
Enviro/Engineering	\$ 500,000	Funded	
Construction Mgmt	984,145	Design/Turn 3 Balance	\$ 600,000
Construction Contract	9,290,840	LSRA Net Position	1,283,905
Contingency 10%	<u>929,084</u>	Cannabis/TOT	4,406,095
		General Fund-Sheriff	3,000,000
Total	<u>\$ 11,704,069</u>	Unfunded	
		20% Sponsorship	\$ 1,634,459
		Funding Shortfall	<u>779,610</u>
		Total	<u>\$ 11,704,069</u>

Total Funding Need \$2,414,069

Funding Sources

	Base Bid + Bid Alternate	Base Bid Only
Funding Sources		
General Fund Contingencies	\$ 6,412,316	\$ 6,412,316
Cannabis Tax Assignment	<u>2,070,116</u>	<u>2,070,116</u>
Total Funding Sources	<u>\$ 8,482,432</u>	<u>\$ 8,482,432</u>
Unfunded Need		
* 20% Bridge Sponsorship	\$ 1,634,459	\$ 1,634,459
Funding Shortfall	<u>3,977,739</u>	<u>779,610</u>
Total Unfunded Need	<u>\$ 5,612,198</u>	<u>\$ 2,414,069</u>
Funding Sources Balance	\$ 2,870,234	\$ 6,068,363

* Cash flow advance, sponsorship funds to be remitted by 12/31/23

Bridge

- Lifespan until end of 2022?
- Impacts to spectator circulation
- Event experience expectation
- Sponsorship loss

Track

- Increased repair expense
- Negative publicity
- Loss of track rental and major events
- Continued degradation until unusable
- Loss of FIA certification
- Likely increased cost if Track is bid at a later date

**Potential
Impacts of
Not
Performing
these
Projects**



Sponsorship (Addendum No. 2)

- A&D 20% sponsorship commitment
- Bridge Estimate was \$5,175,000
 - 20% of Bridge - \$1,035,000
- Bridge Actual is \$8,172,297
 - 20% of Bridge - \$1,634,459
- Minimum of \$1,035,000 up to \$1,634,459
- Bridge specific sponsorships
- Sponsorship deadline of December 31, 2023
- Material Default if sponsorships are not obtained

For good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Manager shall use its best, good-faith efforts to, no later than December 31, 2023, secure under contract and receive payment of Sponsorship Revenue in excess of the amount under contract as of the date this Addendum Number 2 is effective in an amount sufficient to provide twenty percent (20%) of the total cost of the Project, but in any event not less than \$1,035,000 (“Additional Sponsorship Revenue”). If the Project is value engineered (i.e., in working with the contractor, costs become reduced), the manager will be kept informed during the process and made aware of the final adjusted project cost prior to the calculation of the 20% cost of the project.

2. The Additional Sponsorship Revenue shall be net of any costs or commissions associated with obtaining the sponsorships or donations and shall be transmitted when received to County to be credited to offset Project costs.

Sponsorship (Addendum Number 2) Excerpt

For Board's Consideration

1. Award Construction Bid
 - Staff Recommends awarding Base Bid + Bid Alternate
 - Alternative option, Award Base Bid only

2. Addendum No. 2 with A&D Narigi Consulting, LLC
 - Additional Sponsorship Revenue
 - 20% of Bridge Project Costs (\$1,634,459)

3. Allocate Available Funding
 - General Fund Contingencies Balance (\$6,412,316)
 - Cannabis Tax Assignment Balance (\$2,070,116)



Questions?

Thank you