



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: September 13, 2021
TO: Christine Daniel, City Manager
FROM: Charles S. Bryant, Community Development Director
SUBJECT: Resolution Of The City Council Of The City Of Emeryville Increasing Revenues And Expenditures In The Building Division Budget For Fiscal Year 2021-2022

Resolution Of The City Council Of The City Of Emeryville Authorizing A First Amendment Of The Professional Services Contract With West Coast Code Consultants (WC³) For Fiscal Year 2021-2022 For Building Division Services In An Amount Of \$500,000 To Cover Expanded Services For A Total Amount Not To Exceed \$1,633,700, And Authorizing The City Manager To Amend The WC³ Contract In The Future Up To A Total Compensation Amount Not To Exceed \$2,133,700, Provided That There Is Sufficient Revenue To Cover The Expense

RECOMMENDATION

Staff recommends that the City Council approve the two above-entitled resolutions: (1) increasing revenues and expenditures in the Building Division budget for fiscal year 2021-2022, and (2) authorizing a first amendment to the fiscal year 2021-2022 West Coast Code Consultants (WC³) contract to increase compensation from \$1,133,700 to \$1,633,700 for previously unbudgeted plan review services to the Building Division, and authorizing the City Manager to amend the WC³ contract in the future by up to \$500,000, for a total compensation amount not to exceed \$2,133,700, provided that there is sufficient revenue to cover the expense.

DISCUSSION/ANALYSIS

Budget Adjustments:

The fiscal year 2021-2022 operating budget was approved by the City Council on June 1, 2021 by Resolution No. 21-54. It includes \$1,690,000 in permit and plan checking revenues, and \$1,283,700 in professional services expenditures, in the Building Division budget. Since then, ten major development projects that were not included in this budget have been submitted for plan review, totaling an additional \$731,000 in revenue and \$500,000 in expenditures, as follows:

Plan Reviews				
Description	Address	Valuation	Total Plan Check Fees Collected by City	Consultant Plan Review Fee
Ligand Lab Tenant Improvements	1307 66th St.	3,170,190.00	\$ 19,655.18	\$ 13,758.62
Geltor Phase 2 Tenant Improvements	5400 Hollis St.	18,293,695.00	\$ 113,420.91	\$ 79,394.64
Hollis Business Center Building B Interior and Exterior Improvements	1480 64th St.	5,006,902.00	\$ 31,042.79	\$ 21,729.95
Agenus Tenant Improvements	6455 Christie Ave.	38,057,018.00	\$ 235,953.51	\$ 165,167.46
Hollis Business Center Building A Tenant Improvements	6401 Hollis St.	3,563,878.00	\$ 22,096.04	\$ 15,467.23
Bay St Building AT- Repositioning Improvements	5616 Bay St.	8,131,000.00	\$ 75,618.30	\$ 52,932.81
Sherwin Williams Building 1-31 for Adaptive Reuse and Warm Shell for Life Science	1450 Sherwin Ave.	14,460,000.00	\$ 89,652.00	\$ 58,273.80
4DMT Lab Tenant Improvements	5858 Horton St.	10,590,610.00	\$ 65,661.78	\$ 42,680.16
Nutcracker MF & QC Lab Tenant Improvements	5858 Horton St.	5,822,568.00	\$ 54,149.88	\$ 35,197.42
Sherwin Williams Building 1-31 Selective Demo and Seismic Upgrade	1450 Sherwin Ave.	3,800,000.00	\$ 23,560.00	\$ 15,314.00
Totals		\$ 110,895,861.00	\$ 730,810.40	\$ 499,916.10

Almost all of the projects listed above are tenant improvements for research and development facilities. Staff anticipates that, with the recent increased focus on these types of facilities, there are likely to be more such projects during this fiscal year for which Building Division revenues and expenditures have not been budgeted, necessitating future City Council requests for budget adjustments. In order to provide for this, staff is proposing to increase revenues and expenditures in the current fiscal year budget to levels sufficient to cover any such future projects.

Specifically, staff is proposing to increase Building Division (1730) revenues and expenditures as follows:

Account	Title	Existing Budget	Additional Revenues and Expenditures	Proposed Budget
58200	BUILDING PERMITS	\$ 950,000	\$ 1,270,000	\$ 2,220,000
58250	PLUMBING PERMITS	\$ 80,000	\$ 110,000	\$ 190,000
58300	ELECTRICAL PERMITS	\$ 80,000	\$ 110,000	\$ 190,000
58350	MECHANICAL PERMITS	\$ 70,000	\$ 95,000	\$ 165,000
58380	TITLE 24 ENERGY REV. FEE	\$ 120,000	\$ 165,000	\$ 285,000
58400	PLAN CHECKING	\$ 390,000	\$ 560,000	\$ 950,000
	TOTAL REVENUES	\$ 1,690,000	\$ 2,310,000	\$ 4,000,000
80050	PROFESSIONAL SERVICES	\$ 42,000	\$ 58,000	\$ 100,000
80480	PROF SVC-PLAN CHECK FEES	\$ 669,700	\$ 895,300	\$ 1,565,000
80490	PROF SVC-INSPECTIONS	\$ 572,000	\$ 763,000	\$ 1,335,000
	TOTAL EXPENDITURES	\$ 1,283,700	\$ 1,716,300	\$ 3,000,000

Note that, in both the existing budget and the proposed budget, revenues exceed expenditures because expenditures include only consultant services, whereas revenues must also cover other City expenses such as overhead and administrative costs, which are currently included in the approved budget. Also note that these proposed budget figures are consistent with those of fiscal year 2020-2021, which ended the year with \$1,801,681 in expenditures (originally budgeted at \$1,460,785) and \$4,125,194 in revenues (originally budgeted at \$2,519,139).

WC³ Contract Amendment:

The existing WC³ contract was approved by the City Council on June 15, 2021, by Resolution No. 21-63. This contract does not include the cost to provide plan check services for the projects listed above. Therefore, Section 3B of the Professional Services Contract, "Compensation and Method of Payment", should be revised from \$1,133,700 to \$1,633,700, an increase of \$500,000, which is the cost to provide these services by WC³.

If additional unbudgeted major projects are submitted for plan check as anticipated, staff is also proposing to provide the City Manager with authorization to increase the WC³ contract in the future by up to \$500,000, for a total compensation amount not to exceed \$2,133,700, provided that there is sufficient revenue to cover this expense.

FISCAL IMPACT

Increasing the Building Division revenues to a total of \$4,000,000 and expenditures to a total of \$3,000,000, as proposed above, should be sufficient to cover any further unbudgeted projects that are submitted for plan check during the remainder of fiscal

year 2021-2022. Authorizing the City Manager to approve a future contract amendment with WC³ of up to \$500,000 will allow the City to efficiently process building permit applications as they are submitted.

PREPARED BY: Victor R. Gonzales, Chief Building Official

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Christine Daniel, City Manager

ATTACHMENTS:

- Draft Resolution Revising Building Division Fiscal Year 2021-2022 Budget
- Professional Services Contract with WC³
- Draft Resolution Amending Contract with WC³, including Exhibit A, First Amendment to Contract