



Canyon Creek Community Center Update

HOA Annual Meeting - March 27th, 2018

Today's Canyon Creek BathHouse

- Provides for:
 - Showering
 - Changing clothes (not private)
 - Toilets, sinks, baby changing table
 - Limited storage
- The Bad...
 - Open to the elements, leaves, pollen, rain
 - Minimal updates since built ~1990
 - Dry storage rooms leak, door frames show rot and rust,
 - Unpainted cement block
 - Though not required, does not comply to current building, ADA, and Safety Standards



The new Community Center will be a completely redesigned space

- A/C Meeting Space for Events

- Birthday Parties
- Exercise Classes
- Neighborhood Clubs
- Private Parties
- Sports Watching Events
- HOA Meetings
- ...



- Meeting Space Features include:

- Seating for +/- 48 at 6 tables.
- Large Screen TV / Sound System
- Countertop serving space
- Sink / Microwave (but no cooking or refrigeration)
- Event restrooms

- Bathhouse Features:

- "Dried-In", painted walls, new fixtures, partitions
- Two Family Restrooms

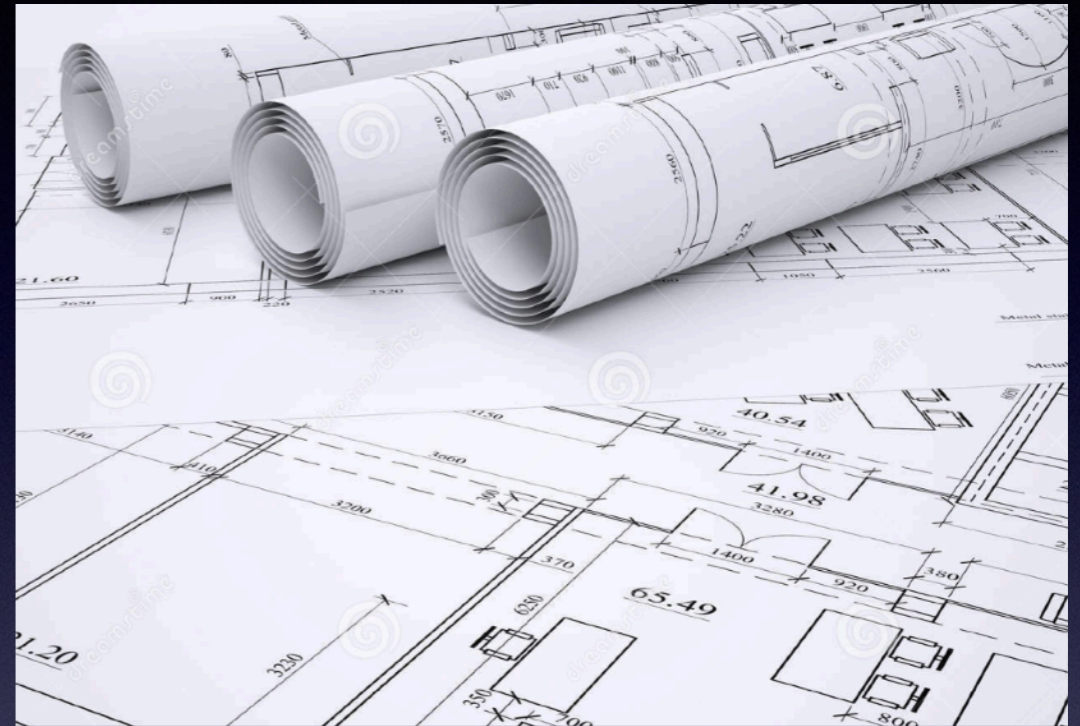
- To use the meeting space, members will:
 - schedule and will gain access with their normal key card for their reserved time.
 - pay a nominal porter service recovery charge.

Community Center Remodel - History

- 2017:
 - ✓ Jan: Contract signed for Architecture
 - ✓ Mar: Initial special assessment to for remodel based on then current estimates of **\$520K**
 - ✓ Sep: Schematic Design complete
 - ✓ Nov: Construction Design I complete, Final HOA ARC changes approved
 - ✓ Dec: Construction Design II complete
- ✓ 2018
 - ✓ Jan: Sealed Design released to 5 contractors for bid
 - 2 no bid (Capital Construction, Reconstruction Experts)
 - 3 competitive bid responses (Gilger Construction: **\$875K**, Renaissance Construction: \$901K, Oliver Construction: \$1,261K)
 - ✓ Feb: Value Engineering review
 - ✓ Mar: Construction contract review, HOA Board Assessing Options

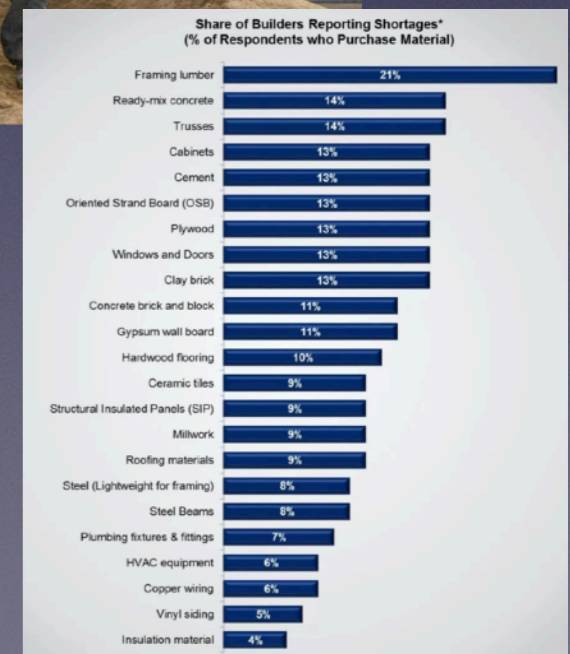
What was not included or discovered?

- March 2017 cost estimate was based on insufficient information to provide an accurate bid. Four Schematic Diagram pages only: Elevation, Floor Plan, Demolition Plan.
- Not included:
 - 74 pages of detail drawings & specifications
 - Significant requirements for plumbing & electrical power.
 - Aesthetics / features: Kynar500 metal roof, limestone façade, limestone tile, T&G ceiling.
- Assumed contract was discovered to be “single source / cost plus contract”.



What has also changed?

- Skilled labor shortages due to Austin thriving growth.
- Statewide skilled labor shortages due to Category 4 Hurricane Harvey (8/25 to 8/29, 2017).
- Building supply shortages. Lumber costs are now up 50%.



Here is the math to proceed

	Architectural Costs	Construction Costs	Less \$400K allocated in Cash Reserves	Covered in Previous \$150 Special Assessment or ~\$194K	Needed \$400 Special Assessment Challenge or ~\$517.2K
Math	Architectural Contract \$65K + 13% over \$500K	Construction Contract	Architectural + Construction -- \$400K Reserves	Less Cash Reserves less 1st \$150/member SA	Less an additional 2nd \$400 / member SA
March 2017 Cost Estimate	\$67.6K	\$520K (Cost+ based)	\$187.6K	(\$6.4K) or 1% contingency	Not Applicable
January 2018 Bids Construction Costs	\$113.8K	\$875K (Fixed Price)	\$588.8K	\$394.8K remaining gap	(\$122.4K) or 12% contingency

What are the board's choices?

Option	Option Title
1	Proceed: ~\$400/member in August 2018 special assessment
2	Proceed w/ VE: ~\$365/member in August 2018 special assessment
3	Start Over: Scrap the existing architecture work, and bids.
4	Repair, No User Improved Value: Use existing cash reserves.

Option 1: “Proceed”

August 2018 Special Assessment for about \$400

Advantages	Disadvantages
<ul style="list-style-type: none">• Break ground October 1st, 2018.• Pool opens April 1st, 2019• Community Center opens on May 1st, 2019.• Greatest positive impact to neighborhood home values.	<ul style="list-style-type: none">• \$400 / member special assessment in August.

Option 2: “Proceed w/ \$50K of Value Engineering” August 2018 Special Assessment for about \$365

Advantages	Disadvantages
<ul style="list-style-type: none">• Break ground October 1st, 2018.• Pool opens April 1st, 2019• Community Center opens on May 1st, 2019.• Positive impact to neighborhood home values.	<ul style="list-style-type: none">• \$365 / member special assessment in August.• Some aesthetic features removed to money:<ul style="list-style-type: none">• Limestone Tile Veneer• Tongue and Groove Ceiling• Removed features may be added back at a later date but at a higher construction costs than if included in the original construction. \$75K (\$50K + 50%).

Option 3: “Start Over”

Scrap the existing designs, architecture work, and bids.
Contract with a new architect with a clearer cost
containment goals to stay within \$600K.

Advantages	Disadvantages
<ul style="list-style-type: none">• <u>Attempt</u> to contain construction costs without an incremental special assessment.	<ul style="list-style-type: none">• Lose approximately \$65K in sunk architectural fees.• Finding an available architect may be difficult in the existing Austin market.<ul style="list-style-type: none">• New architectural fees of ~ \$75K will subtract from the value of the project or will need to be covered with a special assessment.• A new design will likely push back the start of the remodeling until September 2019.• New design is likely to be “far less value for less cost”. Assuming a 20% contingency, construction value would be about \$420K (or about half of the value of Option 1)• Backtracking on the progress that has been made to date.

Option 4: “Repair / No member improved value”

Spend \$300K to only repair the existing Bathhouse

Advantages	Disadvantages
<ul style="list-style-type: none">• Least expensive option. Existing cash reserves and \$150 / member special assessment could be used for bathhouse repairs and other long term improvements or repairs.• Construction can be staged over 3 years.• New repair design would focus on:<ul style="list-style-type: none">• Dry in• Replacement of partitions, doors, frames, locks, rotten wood, damaged conduit, and damaged wiring.• Clean, seal, paint CMU to remove water stains.• Safety	<ul style="list-style-type: none">• Large expense of approximately \$300K with <u>no incremental member value or usability</u>• Least improvement to neighborhood home values.• Virtually, no portion of the investment in the Bathhouse repairs are transferable to a future Community Center remodel.• Lose \$65K in sunk architectural fees.• A staged plan would likely delay start of repairs until September 2019.• Previous \$150 / member special assessment can not be returned because of Texas Business Organizations Code 22.053

What is the board likely to decide?

- Assume that the board is proceeding with Option 1 “Proceed” or Option 2 “Proceed w/ VE”
- Assume that the board will vote for a one time special assessment for ~ \$365 to \$400 to be paid in August 2018.

Option 1 or 2 Schedule

2018									2019								
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
Tennis and BB Courts Open									Tennis and BB Courts Open Parking and Events Limited						Tennis and BB Courts Open		
2018 Pool Season						Early Pool Close	Normal Seasonal Pool Closure						2019 Pool Season				
Board Vote			Constuct Contract Signed	Special Assess													
	Permitting			Serv Ent Const		Construction						HOA Post Const.					
												Furniture Fixtures Decor	Community Center Open				

Immediate Next steps:

- Accepting written member feedback until EOD March 31st:
 - Collect comment forms at annual meeting.
 - Collect comments at board@canyoncreek.net. (NextDoor can not be effectively monitored.)
 - Collect comment forms at Town Hall Meetings
- Town Hall Meetings March 31st (11am to Noon and 2pm-3pm) at existing Bathhouse
 - See architecture plans for existing spaces
 - More time for open Q&A

