

Fiscal Estimate Narratives

DVA 2/10/2014

LRB Number	13-3252/1	Introduction Number	AB-0733	Estimate Type	Original
Description Addition to the 2013-15 Authorized State Building Program					

Assumptions Used in Arriving at Fiscal Estimate

The Department of Veterans Affairs has a contract with an architectural and engineering (AE) "on-call" vendor to do studies and provide cost estimates for potential projects. The assessments done by the AE on-call are used in most projects to determine a budget/cost estimate prior to hiring the actual AE for the project who will do the final design. As part of the Departments long-term strategic planning, a 200-bed study was completed by the AE on-call in September 2012 estimating construction costs. The estimate was based on the average square foot costs by type of space in addition to International Code Council Building Valuation Data and Design Cost Data reports based on similar construction.

This fiscal estimate includes the 200-bed study, costs associated with connecting to the existing tunnel system which links all Skilled Nursing Facilities at King to member activities, food service, laundry and member care. The estimate also includes costs for equipment, final design (incorporating the Federal DVA model of a household/neighborhood concept), hazmat, Division of Facilities Development fee and contingency. The demolition cost of two buildings on the proposed footprint is also included. The two buildings are Burns Clemens Hall (ca. 1959) and Ove Hall (ca. 1929). Both buildings have a multitude of structural issues. Finally, the estimate includes a calculation for inflationary cost increases for a mid-2016 bid opening.

Long-Range Fiscal Implications

The project funding request is for \$28 million in general fund supported borrowing (GFSB) and \$52 million in program revenue supported borrowing (PRSB). WDVA will submit a grant application to the USDVA State Homes Construction Grant Program. When awarded, the grant funds will replace the \$52 million in program revenue supported borrowing.