MEMORANDUM

TO: Board of Trustees

FROM: Steven J. Pinkerton  
General Manager

SUBJECT: Mountain Golf Course Clubhouse – Fire Damage Repair and Renovation – Approve the proposed conceptual design

DATE: November 30, 2018

I. RECOMMENDATION

It is recommended that the Board of Trustees approve the proposed conceptual design for the Mountain Golf Course Clubhouse Fire Damage Repair and Renovation.

II. SUMMARY

The Mountain Golf Course Clubhouse kitchen sustained major fire damage on August 11, 2018. In addition, due to the smoke damage throughout the facility, many other areas of the facility required additional mitigation.

Over the past four months, Staff and the District’s insurer, the Nevada Public Agency Insurance POOL (POOL), have been assessing the damage and determining the amount of the insurance claim for replacement of the portions of the building and equipment impacted by the fire. Our coverage is for replacement of the existing structure and contents. In addition, Staff has been reviewing options for fire repair and renovation and met with key user groups regarding the future options for the building.

III. BACKGROUND

For the past eighteen years, the Mountain Golf Course Clubhouse and its maintenance facility have been identified in a series of studies as deficient and in need of renovation or replacement.

Both buildings are fully depreciated, are not in compliance with modern building standards, and have operational deficiencies.

In 2012, the Board of Trustees directed Staff to establish a working group and conduct facility planning for these buildings. Later that year, Global Golf Advisors
(GGA) was hired to lead the facility planning. In 2013, a final report was issued that recommended that both buildings be renovated or replaced in order to:

- Comply with the Americans with Disabilities Act (ADA)
- Enhance Socialization Elements
- Simplify Operations
- Enhance Key Elements such as the restrooms, practice areas and cart charging space

Later that year, the failing clubhouse deck was demolished, the building interface renovated, and remaining deck area expanded.

In addition, BJG Architecture and Engineering was retained to complete pre-design and develop options and costs to meet GGA recommendations. In 2014, BJG issued a report with six building options ranging from minor to renovation to complete reconstruction of each building. Cost estimates for the options ranged from $800,000 to $3.4 million.

In February 2017, the Board of Trustees reviewed these six options as part of an overall review of District “Legacy” Projects. At that time, the Board unanimously approved a motion which directed Staff to “Slow Mountain Golf Course project implementation, address capital maintenance at both Clubhouse and Maintenance Building as necessary, implement ADA compliance and electric cart charging as CIP Funding allows (Option 6 – Minor Renovation), postpone building replacements.” This direction was reflected in the 5 Year Capital Plan approved in July 2018, which included a design study in year five.

IV. CURRENT SITUATION

The fire damage to the facility has reinforced the need to bring the building up to modern, safe standards. While the majority of the fire damage was limited to the kitchen, the smoke damage impacted a number of interior improvements as well as the exterior deck.

Any renovation work will also require updating parts of the structure to current building codes and accessibility standards. Thus, just repairing the damage will require significant and costly modifications to the building. Given these circumstances, it makes sense to review options for modernizing the building instead of just repairing the building to its previous configuration.

Design Options
Smith Design Group (SDG), a local architectural firm who has been providing support to the adjuster assigned by the insurer to assess the damage, was retained
by the District to work on the rehabilitation plan for the building. SDG has met with District staff, Mountain Course users, and the Board of Trustees to review possible options for updating the building.

After receiving feedback from Staff and the key user groups, SDG has come up with a design concept which is consistent with the 2013 GGA recommendations and which is sensitive to the limited funding available for the project.

The design concept contemplates replacing the current full kitchen with a concession and bar area. Sales data from the past several years indicates that the vast majority of the food sales are for products which don’t require a full kitchen.

Eliminating the stove, fryer, and exhaust hood would greatly reduce the cost of the food service portion of the repair. Instead, more funding would be focused on both the indoor and outdoor dining areas. This would include an expanded seating area outdoors.

In addition, to help increase the operational efficiency of the building, the design contemplates moving the pro shop to the area adjacent to the dining room. The office space on this level would be moved upstairs to the current pro shop location. This would allow the golf pro better visibility of the golf course and golf cart operation. The check-in area and pro shop would have better adjacency to the food service area and could reduce the overall combined staffing need for these operations.

ADA access would be improved via a ramp going from the front entrance of the building to the entryway adjacent to the deck. The deck would be upgraded to meet modern accessibility standards.

The proposed conceptual design drawings are attached.

**Insurance Proceeds**

The building is insured under the District’s policy with the POOL. The POOL and its third party independent adjuster have been working to assess the damage to the facility and the cost of repairing all of the damage. They’ve also been reviewing the additional costs associated with meeting current building codes and accessibility standards.

The POOL hopes to have a loss estimate in the very near future. In the current construction climate, it is difficult to find bidders to help them develop a cost for all of the components of the replacement project.
Once a loss estimate is determined, the POOL and the District can determine whether or not to simply repair the damaged areas or dedicate the proceeds to a more extensive renovation project. The POOL is willing to consider these options and has done the same with other member’s claims.

**Cost and Funding**
The conceptual design includes substantial improvements that would not be covered by the insurance proceeds. While the reduced scope of kitchen improvements could mitigate some of the project enhancements, it is likely that less than half of the proposed concept plan could be funded from insurance proceeds.

Staff contemplates designing a bid package for the project that will allow the Board to choose the level of project enhancements. Thus, if the bids for the enhancements come in far above available funding, a reduced scope could be approved that meets the District’s funding appetite.

Staff reviewed the current available funding in the Community Services Fund. There are a number of Mountain Golf Course projects which could be delayed or eliminated if this project is approved. Staff estimates up to $500,000 in proceeds could be dedicated to the project without negatively impacting the District’s Capital Plan for the Community Services Fund.

Assuming between $250,000 and $400,000 from insurance proceeds, up to $900,000 could be dedicated to the project. Based on the architect’s preliminary estimates, this funding amount could be enough to execute the concept plan. However, given the current construction climate and uncertainty of the insurance proceeds, a bid package with multiple options would be prudent.

**Timing**
As a service organization, it is Staff’s goal to ensure that the Clubhouse Facility is brought back into service as soon as possible. In order to potentially reopen this summer, Staff has initiated an expedited planning and design process.

Expediting the process requires executing multiple tasks simultaneously. Instead of waiting for an answer on the amount of insurance proceeds, Staff is recommending that the design and bid process continue and that the design concept, if approved by the Board, be put out to bid in early January.

As noted above, this bid document would include a number of optional components, allowing the Board to reduce the scope of work depending on the available funding.
V. ALTERNATIVES

If the Board desires more certainty on the insurance proceeds, they can delay approval of the concept design until a later date. This would likely result in an entire season without a food facility at the Mountain Course. It is also likely that some portion of the insurance proceeds would be used to repair paint, carpet, and HVAC in other parts of the building to allow their use for the season.
Proposed Conceptual Design