



Hope Place LLC

Committee

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Dear County Manager, Jim Dinneen:

Hope Place is now under construction and will be completed before years' end. There were unexpected challenges and setbacks during design, bidding and permitting phases but we adapted and adjusted to stay largely within budget with just two exceptions.

Working closely with the design team of BPF/Chapin and the construction manager, Michael Underwood, we were able to maintain the original concept of housing 208 men, women and children in a variety of different room configurations according to established best-practices for homeless transitional housing using materials that will withstand rigorous use for many years. It will be well designed, affordable to construct, and relatively easy to maintain.

In retrospect, we underestimated the cost mostly due to price increases after hurricane Matthew. And, as it is the case with most old facilities, we found several issues that we had not anticipated in our original budget including leaking roofs, a badly deteriorated main electrical service and an asbestos issue. The preliminary assessment of required building code upgrades was also lacking.

Volusia County approved the Hope Place grant of \$3.5M in June 2016. Eligible spending is strictly limited to capital improvements; construction of Hope Place. Despite best efforts to limit renovations to only essential improvements the initial construction cost including design, construction management fees and permitting costs was unacceptably high at \$4.43M. The Hope Place Building Committee got to work value engineering many building improvements and aggressively sought donations. Through those efforts Hope Place garnered many donations totaling hundreds of thousands of dollars. Some of the donations are listed below:

1. Underwood Construction \$95,000
2. BPF/Chapin Design \$41,000
3. Project Management \$10,000
4. Volusia County School Board (water/sewer impact fee credits) \$30,000
5. Verns Insulation \$15,720
6. Verns Cabinets \$2100
7. International Tile (flooring and wall tile) \$86,500
8. Surface Crafter (countertops) \$8,600
9. Florida Paint \$42,000
10. Overhead Doors (garage doors) \$3000
11. Associated Mirror (bathroom accessories) \$10,200
12. Kohler (plumbing fixtures) \$34,400

Value engineering and donations lessened the project budget to \$3.37M. The construction manager's Guaranteed Maximum Price (GMP) is currently \$2,876,475 and utilizes only contractors, subcontractors and suppliers from Volusia County. The GMP includes new hurricane wind load walls, windows and doors, new flooring, energy efficient mini split HVAC systems, a new 2,000 AMP electrical service with new wiring in the residential wings, a retrofitted cafeteria kitchen capable of feeding breakfast, lunch and dinner to over 200 persons at each seating. There will be a WIFI system installed but television will be strictly limited using an inexpensive Air TV system.

"Where children and their families find hope, dignity and a path to self-sufficiency."

What was lost in the drastic budget decrease was renovation of Bldg 10, the partners building, which was to include a daycare for children of families residing at Hope Place. This daycare is an important component of a comprehensive support system intended to assist families as they transition to permanent housing and full employment. The preliminary cost estimate to complete the interior renovation of the Building 10 is \$350,000. Hope Place has \$133,000 available but lacks the remaining \$217,000. Therefore the Building Committee cut the scope back drastically to only do a third of the renovations needed for building 10.

We're also required to install fire sprinklers in the cafeteria which was not factored into the original cost estimate before award of the grant. This will cost in total \$80,000. While currently included in the budget it has significantly reduced funding available for furnishings, fixtures and equipment.

To be able to approve the GMP to move the project forward, the Building Committee decided to take all of the FF&E budget out of the construction phase. We aim to go to the cities that have given us funds for operations and ask their permission to use the funds toward furniture, etc. We will also use donations we have received thus far toward any cost above the \$3.5 million designated by the County to completely finish the project and be able to open in the last quarter of 2017.

Thank you for allowing us to serve the homeless children, youth and families of Volusia County. We assure you that we are working tirelessly to make sure Hope Place will open in 2017 and will be a model to emulate by the entire state if not the county.

Sincerely,



Forough B. Hosseini
ICI Homes
Senior Vice-President Information Systems



Anne Evans
HUM, Board Chair