

September 28, 2016

To: Mayor Knight & Valdez City Council Members
From: Lisa Von Bargen, CED Director
Re: Year Round Mountain Recreation Site Study Update

Given the detail of the financial analyses included in the Year Round Mountain Recreation Site Study, City Administration felt it necessary to provide project champions with the opportunity to have one-on-one time with the consultants to discuss potential project adjustments to obtain better market alignment. This will bring the study to a more refined conclusion of information. This change order was authorized in May. The original amount of the contract with SE Group was \$145,000. The change order was for \$20,000 bringing the total contract amount to \$165,000. The new substantial completion date was outlined to be July 30th.

As part of the work under the change order, two SE Group team members spent two days in Valdez during which time they spent ½ day with each project proponent, reviewing assumptions for the potential capacity and capital cost calculations and making revisions if necessary.

The time necessary to obtain information from all the project champions took longer than expected, and in some instances has still not been received in full. SE Group will use their expert knowledge to make up the gaps with appropriate industry standard information.

Administration has asked SE Group to finalize the report. They anticipate being in Valdez early to mid November to present the results of the analysis.