



# PDHQ Budget Update

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BUDGET, FISCAL AND LEGISLATIVE STANDING COMMITTEE

APRIL 1, 2026

# Background



- On February 21, 2023, City Council adopted Resolution 2023-024, awarding the Design-Build contract for the Police Department and Training Facility (“PDHQ”) to C. Overaa & Co. in the amount of \$38,491,497 and appropriating \$43,608,026 to fund the project.
- The appropriation amounts were to fund the Overaa design-build contract and other expenses associated with the project like - construction contingency, special testing, furniture, fixtures and equipment, IT equipment, utilities, permits, and miscellaneous costs.
- On April 21, 2025, City Council adopted Resolution 2025-051, appropriating a net amount of \$1,920,325 to the PDHQ project that adjusted the Lease Revenue Bonds Amount and appropriated the interest earned. The new total project budget was \$47,981,853.
- On July 7, 2025, City Council adopted Resolution 2025-093, appropriating an amount of \$728,632 from Fund 130 for a Tier 4 Emergency Generator for the PDHQ project.
- On September 2, 2025, City Council adopted Resolution 2025-111, authorizing the inclusion of 8% contingency in the amount of \$3,079,320 to the Overaa contract and allocating \$11,750 of interest earned.



# PDHQ Funding Sources

Council Adoption	Reso No.	Budget	Funding Source
12/20/2021	2021-166	\$18,500	GFDR
1/18/2022	2022-009	\$882,925	2022 Lease Revenue Bonds Proceeds
5/16/2022	2022-068	\$747,375	2022 Lease Revenue Bonds Proceeds
2/21/2023	2023-024	\$28,839,700	2022 Lease Revenue Bonds Proceeds
2/21/2023	2023-017 / 2023-024	\$10,414,859	GFDR
2/21/2023	2023-024	\$4,353,467	ARPA
7/10/2024	2024-098	\$76,070	ARPA
4/21/2025	2025-051	\$1,920,325	2022 Lease Revenue Bonds Adjustment & Interest Earned
7/7/2025	2025-093	\$728,632	FY 2024-26 Fund 130 Appropriations (BAAQMD Regulatory Compliance Costs)
9/2/2025	2025-111	\$11,750	2022 Lease Revenue Bonds Proceeds Interest Earned
	<b>TOTAL BUDGET</b>	<b>\$47,993,602</b>	



# PDHQ Expenses

Expense	Adjusted Spending Budget	Expended	Balance
Construction Management Services	\$1,773,803	\$1,286,192	\$487,611
Bridging Architect	\$747,375	\$651,875	\$95,500
Construction	\$38,491,497	\$37,152,550.88	\$1,338,946.12
Design-Build Construction Contingency (8%)	\$3,079,320	\$984,326.84	\$2,094,993
Special Testing	\$100,000	\$0	\$100,000
FF&E	\$1,600,000	\$654,113	\$945,887
IT Equipment	\$350,000	\$156,280	\$193,720
Miscellaneous Costs	\$100,000	\$52,938.93	\$47,061
Permitting/Utilities	\$450,000	\$440,821.23	\$9,179
<b>TOTAL:</b>	<b>\$46,691,995</b>	<b>\$41,379,097.71</b>	<b>\$5,312,897</b>

\*As of 3/23/26

# Incoming Expenses

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- With upcoming change orders, the plaza renovation and recently applied tariffs, an increase in the design-build construction contingency to 10% (\$3,849,149) is needed.
- Sufficient funding exists in the project appropriation; no new appropriation is required.

# Recommendation

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1. Receive Presentation.
2. Authorize the City Manager to continue to monitor project interest earnings and expenses with City's design-build contractor (Overaa), and City's construction management services contractor (Mack 5) until construction completed on PD HQ project.
3. Proceed with a recommendation to the City Council to increase the authorization amount to include a 10% contingency (\$3,849,149) in the design-build contract (\$38,491,497) for a total construction authorization amount not to exceed \$42,340,646.



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Questions?

