Agenda Item #14.1
For Council Meeting of: May 22, 2018

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DOUGLAS WILLIAMS, FACILITIES MAINTENANCE AND OPERATIONS COORDINATOR
TRANSPORTATION AND PUBLIC WORKS
STEVE KROECK, DEPUTY DIRECTOR – FIELD SERVICES
SUBJECT: FACILITIES ASSESSMENT AND MAINTENANCE ANALYSIS RESULTS

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that Council, by motion: (1) authorize the director of Transportation and Public Works to raze or remove buildings and structures recommended for razing in Attachment 3 (lines 18 through 29), to raze or remove the Sonoma Avenue House, the Sonoma Avenue Garage and the Doyle Shop Storage Building (lines 9, 10 and 17 on Attachment 3), to raze or remove the former liquor store building at 2810 4th Street listed on Attachment 4 and to investigate potential options for razing or replacement of the Doyle Clubhouse/Scout Building shown on line 16 on Attachment 3; (2) authorize the director of Santa Rosa Water to raze or remove buildings and structures identified for razing in Attachment 4; and (3) authorize the Director of Planning and Economic Development to include those properties recommended for divesting in Attachment 3 in the downtown core as potential assets to be evaluated for a public-private partnership development project in the downtown.

EXECUTIVE SUMMARY

The Transportation and Public Works Department is responsible for maintenance of the City's buildings and public structures. On July 18, 2017, the Santa Rosa City Council, by resolution 2017-142, authorized the award of a professional services agreement to Cannon/Parkin, Incorporated to conduct a Facilities Condition Assessment and Maintenance Analysis for 114 of 118 city-owned structures. The ultimate goal of the study was to determine how much funding is needed each year to properly maintain each facility while meeting the city fiscal sustainability goals. The assessment has been completed, including a comprehensive inventory of all major systems, their condition, identification of a proper maintenance cycle, a 20-year maintenance and management plan to bring the structures into good condition and a general seismic observation. The study relates to two current City Council goals:

Invest in and sustain infrastructure and transportation.	Santa Rosa regularly invests in its transportation, roads, technology and overall infrastructure to protect and sustain its assets and keep pace with community needs.
Foster a 21st century city and organization.	Santa Rosa leads the North Bay by supporting innovation in service delivery, engaging its employees and striving for high employee morale.

BACKGROUND

The Facilities Maintenance Section is currently working on moving from a *reactive* maintenance model to a *preventive* one, with the ultimate goal providing *predictive* maintenance. Two components are vital to achieving the goal: a thorough facilities inventory assessment and maintenance analysis, and a full-function asset management system.

The absence of these two components in the past has resulted in poor tracking of labor, materials, and assets, and consequently an inefficient distribution of limited resources. With these new components in place, building condition and maintenance activities will be thoroughly documented, and data more easily extracted, analyzed, and explained.

The City has very limited records about the current condition of its 118 General Fund-supported structures. All recent capital improvements have been reactionary and associated with weather-related damage, a change in building use, or general system failure. A life-cycle and condition assessment would reveal deficiencies and priorities.

The assessment, including a complete inventory of all major systems, their condition, identification of a proper maintenance cycle, a 20-year maintenance and management plan to bring the structures into good condition, and a general seismic observation has now been completed.

PRIOR CITY COUNCIL REVIEW

On July 18, 2017, the City Council, by Resolution 2017-142, authorized the award of a professional services agreement to Cannon/Parkin, Incorporated to conduct a Facilities Condition Assessment and Maintenance Analysis for 114 of 118 city-owned structures. The goals of the study were to investigate the current condition of the city's facilities, identify and prioritize deficiencies and determine how much funding is needed each year to properly maintain each facility while meeting the city's fiscal sustainability goals.

ANALYSIS

This Facilities Condition Assessment and Maintenance Analysis provides a snapshot of the current physical conditions of the City's building asset system and its components.

The study methodology was limited to visual inspections that are sufficient for planning purposes but not for design or construction documents.

Field reviews were conducted by the consultant with assistance from City staff. A very detailed report was then provided for each facility. An overall summary report was also offered by the consultant. Important findings and conclusions were then taken from the overall summary report and included in the slide presentation. In addition, this information has been incorporated into a quick reference table titled, Facility Condition Assessment, Asset Divestment Model Analysis, Current Portfolio and is included in Attachment 1.

The following three key terms are used throughout the study for each building/structure to describe current conditions and are factors in the recommended activities and disposition determination:

- *Current Replacement Value (CRV)* = present cost of labor, materials, equipment, and demolition to replace an asset.
- *Deferred Maintenance Deficiency (DMD)* = present cost for improving an asset to good condition.
- *Facility Condition Index* = DMD/CRV (scores range from 0.00 [good] to 1.0 [divest])

The (CRV) of each building was determined and compared with the estimated cost to improve it to good condition (DMD). From these two numbers, a simple score (FCI) was assigned. The cost-benefit score was then used to rank priority projects and/or to determine if an asset should be divested/demolished, as follows:

Priority 1 – Currently critical. Requires immediate attention. 0-12 months (Year 1).
Priority 2 – Potentially critical. Will become critical. 13-24 months (Year 2)
Priority 3 – Necessary, but not critical. Should be addressed. 25-60 months (Year 3-5)
Priority 4 – Recommended. Should be considered. 61-120 months (Year 6-10)
Priority 5 – Consider. Extended legacy planning. 121-300 months (Year 11-25)
Priority 6 – No Action. Good condition. 301+ months (Year 26-99)

<u>High-Level Findings and Statistics:</u>

The average building age: approximately 43 years old, which is considered an aging portfolio. The study utilizes two different terms for describing the cost of performing maintenance activities:

Direct Cost = Unit Cost x Quantity x Repair Factor (% of asset that needs replacing)
Project Cost = Direct Cost + 50% (for design, inflation, permit and legal fees, etc.)

The five-year cumulative deferred maintenance deficiency (DMD) need equals $31.7 million in Direct Costs and $47.6 million in Project Costs. The ten-year average annual need (over the current budget) is $5.66 million in Direct Costs and $8.49 million in

Project Costs. The current annual capital budget for Facilities Maintenance is $300,000.

The ultimate goals of the study were to investigate the current condition of the city's facilities, identify and prioritize deficiencies and determine how much funding is needed each year to properly maintain each facility while meeting the city's fiscal sustainability goals. The results of this study will be used to make strategic investments with the current limited budget as well as timely recommendations to Council for additional funding to address the Priority 1 and 2 deficiencies. A list of Priority 1 projects is included in Attachment 2.

Asset inventory and condition data from the study will be converted and entered into the City's asset management system once it is approved and implemented. The data will be used to plan and schedule building maintenance, capital investments and to create/track performance measures. In the meantime, the City will be utilizing proprietary asset management software hosted by the consultant.

During the course of the study, the consultant identified one structure that posed an immediate threat of collapse due to a failed structural element. Staff notified the tenant and informed them that the structure needed to be cleared and permanently closed.

After reducing all of the study data, the consultant developed a list of building and structures that have already outlived their useful life with FCI scores demonstrating that they should be demolished or permanently removed from City service. In addition, the consultant identified buildings where the FCI scores indicate that the City would benefit from divesting of those buildings. A list of these buildings and structures is included in Attachment 3.

In addition, there are several structures that were not evaluated in this study due to their young age, having been built in the last couple years, or due to a predetermined course of action to demolish or remove the structures. A list of those buildings is included in Attachment 4.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378. Future actions by the Directors of Transportation and Public Works, Water, or Planning and Economic Development, as authorized in this motion, will be subject CEQA review.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The Facilities Assessment and Maintenance Analysis results were presented to the Financing for Infrastructure and Housing Ad Hoc Committee on February 5, 2018 with Mayor Coursey and Councilmember Tibbets present. The Committee recommendation was to present these findings to other members of the City Council, hence this report.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – 2018 City of Santa Rosa – Facility Condition Assessment, Asset Divestment Model Analysis, Current Portfolio
- Attachment 2 – Deficiencies by Priority 1 in Suggested Order of Repair – All Assets
- Attachment 3 - 2018 City of Santa Rosa – Facility Condition Assessment, Asset Divestment Model Analysis, Divest Building List
- Attachment 4 – Buildings Not Evaluated – Current Disposition

CONTACT

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