



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 23, 2016

FROM: GENERAL SERVICES DEPARTMENT WARDS: ALL

SUBJECT: PRELIMINARY NEEDS ASSESSMENT FOR THE CITY'S CORE GOVERNMENT FACILITIES AND INFRASTRUCTURE

ISSUE:

The issue for City Council consideration is to receive and provide input on a preliminary assessment of the condition and repair / replacement needs of core government facilities and infrastructure, as defined below.

RECOMMENDATION:

That the City Council receive and provide direction on the preliminary needs assessment of core government facilities and infrastructure. A more comprehensive assessment of all of the City's facilities and infrastructure, including fleet and streetlights, will be presented during the five-year plan process, which will take place over a series of meetings through March-May 2016.

BACKGROUND:

The City of Riverside owns and maintains multiple infrastructure systems, physical assets and approximately 125 buildings (nearly 1.8 million square feet) that support the primary functions of the City. These systems can be categorized as follows: Core Government Facilities (such as Police and Fire stations); Parks, Libraries & Museums; Commercial Facilities; infrastructure such as roads and sidewalks, sewers and storm water systems; Utilities; and Fleet. The various categories of the City's assets are summarized in Attachment A.

This report will focus on Core Government Facilities, Libraries and Museum buildings maintained by the General Services Department.

- *Core Government Facilities* include 4 police stations, 14 fire stations, the Emergency Operations Center, Urban Search & Rescue building, City Hall and the City Corporation Yard. The City Corporation Yard is where many core city operations are located, such as fleet (vehicle) maintenance, street maintenance, solid waste, traffic signal maintenance, street sweeping, General Services building maintenance, and the Parks Department maintenance and Special Transit program.
- The General Services Department also maintains *all 8 of the City's branch libraries and all three museum facilities*: the Metropolitan Museum, Heritage House, and the historic Harada House.

In recent months, the General Services Department has been meeting with core service departments and conducting on-site evaluations to assess current conditions and future needs of the City's assets. The preliminary assessment is summarized below.

Key Issues

Based on the aforementioned meetings and site visits, two key issues have arisen relative to facility needs in the next five years:

- 1) Insufficient budget appropriations and staffing levels have forced General Services to utilize a reactive approach to building maintenance – as opposed to a strategic, preventative maintenance strategy; and
- 2) There is no established funding source for major repairs, replacement and/or construction of new essential facilities.

Both issues are discussed in further detail below.

Maintenance and Improvements to Existing Facilities

Many existing facilities are experiencing impacts from deferred maintenance. Deferred maintenance is the postponement of building and equipment upkeep, usually due to a lack of funds. Deferred maintenance can result in more significant and costly repairs, reduced energy efficiency, and overall wear and tear to the appearance and function of a building.

The addition of many buildings during the \$1.6 billion Riverside Renaissance has exacerbated the structural financial deficit that already existed with respect to the maintenance of 'pre-Renaissance' assets. Many Renaissance facilities are approaching 10 years of age and require minor and major capital improvements, such as heating and air conditioning system upgrades, roofing repairs, carpet removal and replacement, and electrical repairs. In addition, the City owns a number of aging and historic structures, which require substantial ongoing maintenance and more significant capital improvements. For example, while a portion of the Corporation Yard was rehabilitated as part of the Riverside Renaissance, and received some heating and air conditioning system upgrades in the 1990s, the City garage that houses Fleet Services has not benefited from any significant modernization since the facility was built in 1963 – more than 50 years ago. Deferred maintenance can also impact how a building fares during natural occurrences, such as an earthquake, winds or significant rain.

Proper maintenance of the City's infrastructure aligns with Riverside 2.0's direction to provide appealing, accessible and safe venues. The General Services Department looks to best practices to adequately maintain the City's physical assets. For example, the Department is working to move from reactive maintenance to a preventive maintenance program. A preventative maintenance program will reduce long term costs and improve the function and form of city buildings by scheduling regular facility condition assessments, establishing a systematic project management program, increased use of automated technologies, establishing energy efficiency standards, and smart space planning.

However, preventative maintenance requires more significant resources than the City has been willing or able to set aside in the recent years. Without such additional resources, a reactive approach to maintenance will prevail, thereby leading to further escalation of deferred maintenance and worsening of the City's infrastructure condition.

Construction of New Essential Facilities

Future demand for essential facilities includes rehabilitation or relocation of existing buildings and construction of new facilities. The City's management team has identified the following seven critical facility needs of the City, required to maintain quality City services and promote continued economic development of Riverside.

Facility Need	Comments	Estimated Cost
Constructing a New Downtown Police Station	<ul style="list-style-type: none"> Lease on the current County building expires in August 2017. A new 50,000 square foot facility with adequate parking is needed. 	\$30 million to construct a new facility (excludes land acquisition and possible site specific costs).
Construction of a New Main Library	<ul style="list-style-type: none"> Existing facility is in need of substantial rehabilitation, which is cost prohibitive. Relocation of the existing facility is necessary to construct a new 40,000+ square foot building with adequate parking. 	Approximately \$30 million to construct a new facility (excludes land acquisition and possible site specific costs).
Rehabilitate the Existing Downtown Library to Accommodate the Children's Science Museum	<ul style="list-style-type: none"> The Discovery Cube, which runs children's science museums in Santa Ana and Los Angeles, is interested in opening a similar venue in the current Main Library building. This would further invigorate the downtown, and bring additional visitors and revenues to the City. However, to accommodate a Riverside Cube, the Main Library building would require significant structural and building system improvements. 	\$10 - \$15 million to rehabilitate the existing facility (net of the Discovery Cube investment and available grant funding).
Convention Center Expansion	<ul style="list-style-type: none"> Construct a new events center and parking garage. 	To be determined.
Construct or Relocate Museum Collections and City Archives	<ul style="list-style-type: none"> Existing facilities are not adequate for long term storage needs. Construct a new facility or rehabilitate an existing space. Approximately 30,000 square foot facility is needed. 	\$6 – \$8.0 million depending on land acquisition and rehabilitation needs.
Build a New Downtown Parking Garage	<ul style="list-style-type: none"> Construct new parking garage(s). 	To be determined.
Rehabilitate the Harada House	<ul style="list-style-type: none"> National Landmark. Needs full rehabilitation. 	\$4-5 million
PROJECTED FINANCIAL IMPACT		\$80 - \$100 million+

Funding

Maintenance and Improvements to Existing Facilities

Historically, maintenance funding for core government facilities has been provided by the General Fund, and these assets have been managed by General Services Department staff. The General Services budget includes 'maintenance funds' and 'minor capital improvement funds'. Funding for large capital projects such as the Convention Center rehabilitation, fire stations and libraries will be addressed later in this report.

As stated above, funding and staffing levels have resulted in reactive maintenance. Specifically:

- *Maintenance staffing* for the Core Government Facilities, Libraries and Museum has deviated throughout the years. Currently, maintenance staffing is at a 12-year low with 13.25 FTEs budgeted in this Fiscal Year compared to 21.5 FTEs in Fiscal Year 2007/08. Facility Management Industry benchmarking standards set a range of 55,000 to 70,000 square feet per 1 maintenance technician. Using this method, the City of Riverside should have 25 to 32 FTEs for electrical, HVAC/mechanical, controls and general trades.
- *Routine maintenance funding* for day to day repairs, such as replacing light bulbs, furniture assembly and repairs, replacing carpet tiles, and minor plumbing repairs has remained relatively stable (from a high of \$491,000 in 2009 to the current budget of \$368,000) over a ten year period, in spite of an increase in facilities from the Renaissance program.
- *Funding for minor capital improvements* (such as painting, office furniture system modifications, more significant carpet repairs, heating and air conditioning, plumbing and minor electrical repairs) has fluctuated over the years. As a result, General Services' staff has triaged minor capital improvements on a 'most needed' basis to accomplish as much as possible with available resources.

The following table outlines a range of funding for minor capital improvements over a 10 year period.

Current Year	10 Year Low	10 Year High
FY 2015/16	FY 2005/06	FY 2007/08
\$132,302	\$104,800	\$609,000

Consistent with past years, many maintenance items have been put off to a future year which increases the likelihood of a more expensive repair down the road.

- *Funding for major capital improvements* (such as more significant roof repairs, parking lot repaving, restroom remodels, flooring replacement, elevator rehabilitation, and upgrades to heating and air conditioning, electrical and plumbing systems) are also insufficiently budgeted. Funds in these accounts peaked during the Renaissance at \$3.3 million in Fiscal Year 2007/08, but have fallen to \$0 in the current fiscal year - despite increased demand from Riverside Renaissance and aging facility needs as detailed below. To fund these types of capital projects, staff has deferred spending on major capital improvements, with only emergency needs addressed through carryovers or drawdowns from the General Fund reserve. As a result of delaying needed capital repairs, customer satisfaction has been negatively impacted, and building life cycle and maintenance costs are increasing as the function and value of the City's primary assets are deteriorating.

Staff has prioritized CIP requests from city departments and estimates a need of \$2.7 million in Fiscal Year 2016/17 and \$2.2 million in Fiscal Year 2017/18. Some of the projects identified include City Hall Floor Reprogramming, installation of a fire suppression system in the City Hall basement; security improvements at various facilities; flooring replacements at fire facilities to remove carpet which is a health and safety issue; foundation repairs to the Historic Harada House; Fox Theater carpet replacement and several significant roof replacements and /or repairs.

Overall, staff estimates there is a need for an average of just over \$3 million annually to adequately maintain and address capital improvements for Core Government facilities. In the current fiscal year (and, consequently, in the next two-year budget baseline), only approximately \$535,000 annually is set aside. The chart below outlines critical needs over a 5 year period.

Category	Year 1	Year 2	Year 3	Year 4	Year 5
Maintenance Staffing	\$103,452	\$276,000	\$289,620	\$304,080	\$310,092
Routine Maintenance	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Capital Projects	\$2,704,700	\$2,220,000	\$3,865,000	\$3,865,000	\$3,865,000
TOTAL	\$3,108,152	\$2,796,000	\$4,454,620	\$4,469,080	\$4,475,092

Construction of New Essential Facilities

Historically, larger capital projects such as the Convention Center, Fox Theater, fire stations and libraries have been funded through a variety of methods, including long-term financing, certificates of participation (COPs), user fees, proceeds from bond issues, grants, assessments, impact fees, tax levies and reserve balances. **The City has no funds set aside for replacement or new construction of its key facilities**, including the seven critical needs listed earlier.

Substantial new revenues will be required to address the City's critical facility needs. Alternatives will be discussed during the five-year planning process which will take place in a series of meetings through March-May 2016.

FISCAL IMPACT:

There is no fiscal impact with receiving this report. However, given the magnitude of the City's current repair, replacement and construction needs, new funding sources will need to be identified during the five-year planning process.

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Attachment: Key City Facilities and Infrastructure Asset Summary