



Land Use & Environment Committee

Building Condition Report on 108 State Avenue

Agenda Date: 7/16/2020
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Title

Building Condition Report on 108 State Avenue

Recommended Action

Committee Recommendation:

Information only. No action requested.

City Manager Recommendation:

Receive a briefing on the building condition report on 108 State Avenue. Information only. No action requested.

Report

Issue:

Discussion on the building condition report on 108 State Avenue.

Staff Contact:

Meliss Maxfield, General Services Director, Public Works, 360.753.8202

Presenter(s):

Meliss Maxfield, General Services Director, Public Works, 360.753.8202

Background and Analysis:

The Public Works Department is responsible for major capital repair and replacement of 16 City-owned buildings totaling 405,727 square feet, with a current replacement value of just over \$200 million. The buildings provide workspace for nearly 600 employees and over 4,500 people visit them every day. The average age of the City's buildings is 35 years.

The property at 108 State Avenue is the oldest building in Public Works' building portfolio. Built in 1912, with a gross square footage of 14,790, it has served several functions, including municipal (fire and city hall) and nonprofit (family support related services). The Olympia Police Department is currently occupying a portion of the building for their Walking Patrol staff and Crisis Response Team.

A 2019 building condition assessment report on the 16 buildings indicates the estimated repair/replacement cost of all observed deficiencies for the 2020 - 2025 Capital Facilities Plan is \$36.6 million, of which \$1.4 million were identified at 108 State Avenue. The deficiencies at 108

State Avenue include repairs or replacements needed on the exterior walls, HVAC system, electrical, plumbing and interior finishes. Overall, the building is in good to fair condition because of past investments of over \$1 million in the replacement of exterior doors and windows, upgrades to the HVAC system and repairing the roof.

The source of funding to address the high and medium observed deficiencies is the Building Repair and Replacement Fund. Funding for improvements primarily comes from a 6 percent tax on cable television tax. Two other funding sources, Public Facility District reserves and Maintenance Center rental rates provide significantly less revenue and support specific projects within the Building Repair and Replacement Fund (i.e., Hands on Children Museum and Public Works Maintenance Center). In 2016 and 2017, the cable television tax generated over \$1 million annually. After peaking in 2017, the tax is now trending downward, with a 6 to 7 percent drop each year. In 2020, the tax is projected at \$860,000. The cost to make repairs of the high and medium deficiencies at all the buildings is outpacing the Fund and the funding gap is expected to grow to \$3.6 million annually.

Neighborhood/Community Interests (if known):

Maintain safe and efficient City-owned buildings for employees and the public.

Options:

Update only. No action requested at this time.

Financial Impact:

The recent building condition assessment identified \$1.4 million in deficiencies, which should be repaired during the next six years at this location.

Attachments:

None