



Finance Committee

Building Condition Assessment

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Title

Building Condition Assessment

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive an update on the City's Building Condition Assessment. Briefing only; No action requested.

Report

Issue:

Whether to receive an update on the Building Condition Assessment.

Staff Contact:

Meliss Maxfield, General Services Director, Public Works, 360.753.8202.

Presenter(s):

Meliss Maxfield, General Services Director, Public Works

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 over \$199 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 34 years.

Funding for improvements comes from two sources: 6 percent of the cable television franchise fees and the General Fund. The cable franchise fees are declining as more and more people transition to online viewing. For 2019, revenues from the cable franchise fees generated approximately \$1,030,000. The General Fund contribution is a Council appropriation of year-end savings, which was \$100,000 for 2019.

The City uses a 20-year planning horizon to determine long-term major maintenance needs. To help in this planning, a Building Condition Assessment is conducted on a five-year cycle using an outside consultant. The 2013 assessment estimated repair/replacement costs for all observed deficiencies

was almost \$30 million. An updated assessment was conducted in January 2019. The draft interim report indicates the estimated repair/replacement costs of all observed deficiencies for the reporting period of 2020 - 2025 has grown to \$36.7 million. These observed deficiencies are prioritized by degree of impact. Staff will brief the Finance Committee on the breakdown by impact.

In addition to the 16 Public Works managed buildings, two additional facilities were assessed this year: Priest Point Park Maintenance Facility and the Farmers Market. The observed deficiencies associated at these two locations are \$1.1 million and \$0.5 million respectively.

Overall, the majority of the City's facilities are operating within excellent to fair condition due to the diligent work and effort of City and tenant maintenance. However, the Lee Creighton Justice Center, the Public Works Maintenance Center and the Court Services building are in poor condition due to age and should be considered for replacement.

Neighborhood/Community Interests (if known):

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

Options:

Information only.

Financial Impact:

The 2019 annual funding for the Building Repair and Replacement Fund 029 is approximately \$1.1 million. With \$36.7 million in known observed deficiencies, Fund 029 would need an additional \$5 million annually to address all these deficiencies. Anticipated declines in cable television tax funds as well as year-end General Fund contributions will further stretch Facilities Operations in maintaining the City's portfolio of buildings. Staff will present findings and recommendations on how best to allocate limited funding towards the highest priority needs.

Attachment:

Building Condition Assessment Summary