



## Executive Summary

### Introduction

In October 2013 Roy Jorgensen Associates, ("Consultant") was awarded a contract by the County of Santa Barbara for a "Facility Condition Assessment and Asset Management Plan Development".

The project provides for two phases:

- Phase I – Facility Condition Assessment (FCA)
- Phase II – Maintenance Management Plan

The project work commenced on October 16, 2013, with a project kick-off meeting in Santa Maria CA.

The fieldwork portion of the FCA was organized into 47 Report Groups, typically aligned with the County portfolio geographic clustering. The one exception to the geographic organization of report groups was County fire stations, which were evaluated as a related group by function.

### Methodology

The opinions and calculations that are provided in the present report are based on a combination of first-hand field inspections, review of key documentation provided by the County, and interviews with various stakeholders. Jorgensen facility professionals conducted field inspections of the facilities between October of 2013 and February of 2014 with attention to the mechanical equipment, electrical systems, building core and shell, parks and grounds—at both the systems level and the component level. These inspections provided the raw data for the analyses that comprise the body of the present report.

The manipulation of these data into the Consultant's FCA process fundamentally incorporates four key guiding features that provide the methodological structure and rigor. These are:

- ✓ ASTM E2018-08 "Standard Guide for Property Condition Assessments: Baseline Condition Assessment Process;"
- ✓ ASTM Standard E1557 "Standard Classification for Building Elements and Related Site Work," also known as "UNIFORMAT II;"
- ✓ Facility Condition Index, and
- ✓ Jorgensen FCA Best Practices.

Two of these features are derived from ASTM (American Society for Testing and Materials – International). Among other things, ASTM provides sets of internationally recognized industry standard practices and is the largest and most readily recognized organization for producing standards.



Relevant herein is Standard E2018-08 "Standard Guide for Property Condition Assessments: Baseline Condition Assessment Process," which pertains specifically to the facility condition assessment process, and which outlines the following objectives and ground rules for the baseline Facility Condition Assessment:

- (1) to define good commercial and customary practice for the [FCA] of primary commercial real estate improvements;
- (2) facilitate consistent and pertinent content in [FCA reports];
- (3) develop pragmatic and reasonable recommendations and expectations for site observations, document reviews and research associated with conducting [FCAs] and preparing [FCA reports];
- (4) establish reasonable expectations for [FCA reports];
- (5) assist in developing an industry baseline standard of care for appropriate observations and research;
- and (6) recommend protocols for consultants for communicating observations, opinions, and recommendations in a manner meaningful to the user.

Employing these guiding principles ensures that the FCA report represents a current industry best practice and that its results will be comparable to other such reports across the industry.

ASTM Standard E1557 "Standard Classification for Building Elements and Related Site Work," also known as "UNIFORMAT II," is also relevant here. UNIFORMAT II defines a standard classification for all building elements and related site work. The system relates to the specific facility elements included on the comprehensive baseline FCA. These include the following:

- ✓ Building Identification
- ✓ Gross Square Footage
- ✓ Date of Construction
- ✓ Type of Construction
- ✓ Functional Use
- ✓ Number of Floors
- ✓ Current Replacement Value

The inclusion of these standards into the baseline Facility Condition Assessment ensures that the findings and recommendations are consistent with a consensus set of "good commercial and customary practice in the United States of America" and provides a minimum level of information to develop pragmatic and reasonable recommendations and expectations for site observations, document reviews and research associated with the FCA.

### **Scope of the Field Work**

Jorgensen's field and analytical team consisted of 9 subject matter experts including:

- Civil engineering
- Mechanical engineering
- Structural engineering
- Building systems, (MEP)
- Architect



- Historical buildings SME
- Pavement engineer
- Parks and recreational facilities specialists
- Econometrician and maintenance systems analyst

The team evaluated approximately 8.5 million square feet of buildings, structures, and developed space, representing approximately \$706.6 million dollars in Current Replacement Value (CRV), and approximately 309.6 acres of park facilities with an estimated CRV of \$258.3 million dollars.

The deferred maintenance is estimated to be \$83.6 million dollars on buildings, parks, and park amenities.

### **Overall Facility Conditions**

- Buildings
  - Being maintained at a minimum level of service.
  - Equipment is not aligned with operating environments.
  - More aggressive pest control is required to minimize on-going damage.
- Parks
  - Site improvements (roads, parking, landscaping, plants and related), are at or below a minimum level of service.
  - Children play areas require remedial and renewal maintenance programs.
  - Park buildings are at a minimum level of service.

### **The Annual Funding Model**

The typical annual funding model, and accepted as a practice standard suggests two to four percent of the current replacement value be provided to maintain the portfolio at an acceptable service level, and ensure the portfolio meets expectation of the economic service life.

The 2% to 4% suggested annual spend is composed of:

- Operating expenses
- Project expenses
- Capital expenses

Renewal funding is obviously critical to maintaining the County portfolio and ability to provide essential services.

The total portfolio for the County is estimated to have a Current Replacement Value (CRV) of \$1.1 billion dollars in current adjusted dollars.





It is important to note that although the total portfolio is estimated to be \$1.1 billion dollars, the Consultant conducted a visual inspection and evaluation of approximately 73% of the County's portfolio (by square footage), or 87.7% by estimated value.

At the \$1.1B CRV, the suggested annual funding would be \$22.0 to \$44.0 million dollars.

### **Current Renewal Spending and Need on Evaluated Portfolio**

Jorgensen constructed an econometric model for each of the forty-seven report groups. Each model consisted of several sub models including:

- A current replacement value model
- A systems condition model
- A spend allocation model
- A capital replacement model

As a result of the modeling process Jorgensen determined the current renewal spend is approximately:

- \$7.4 million dollars in General Services renewal spending
- \$4.6 million dollars in CSD-Parks renewal spending
- \$2.0 million dollars other departments renewal spending

The current renewal need was modeled to be:

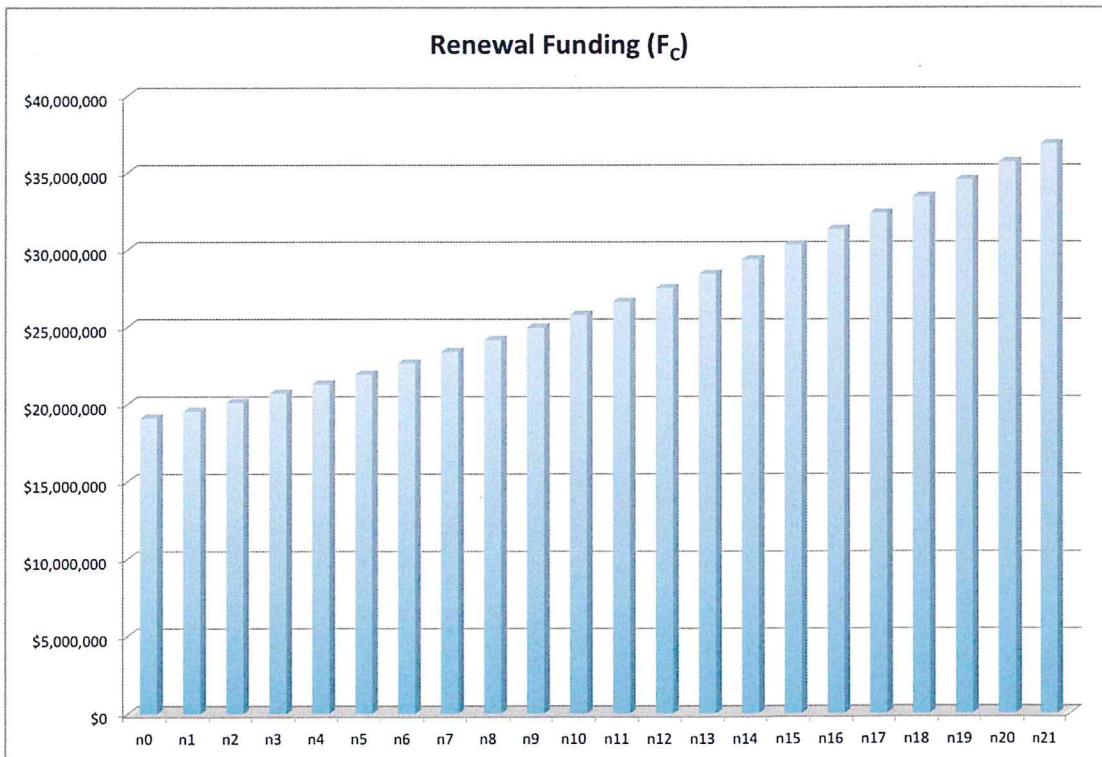
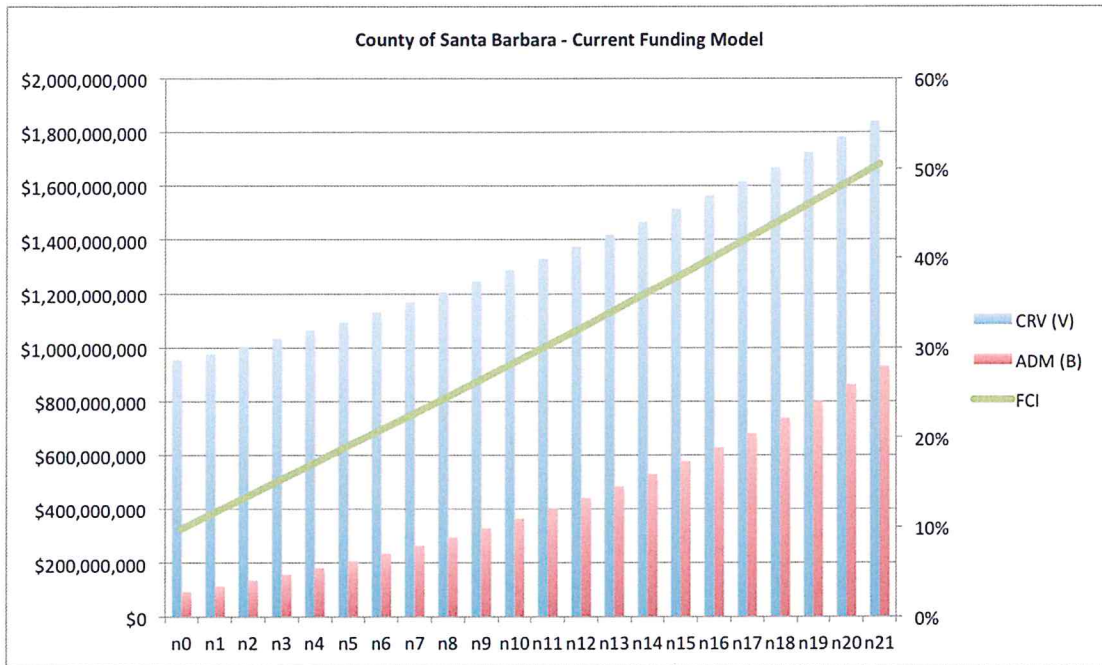
- \$19.2 million dollars (at 2% of the CRV) for the evaluated portion of the County portfolio
- \$2.9 million dollars (at 2% of the CRV) on the unevaluated portion of the County portfolio
- The total annual renewal funding need is \$22.1 million dollars
- Using a 20-year planning horizon, the long term funding is depicted on the page following.

### **Projection of Current Funding Model**

After considering the evaluated condition of the County's portfolio, current funding levels, projected funding levels, projected rates of inflation, general facility deterioration, specific major systems deterioration, and the general aged condition of the County portfolio, the model indicates that the current funding scenario is not sustainable and will lead to an increasing level of deferred maintenance and drives a Facility Condition Index in excess of 50% at the end of a 20-year planning horizon.

The graphical relationship of the variables is presented on the page following.

County of Santa Barbara, California  
 Facility Condition Assessment - 2014





### Composition of Accumulated Deferred Maintenance

Deferred maintenance is required maintenance, repair or capital replacement not accomplished in a budget cycle. Accumulated deferred maintenance is the total deferred maintenance over n number of budget cycles.

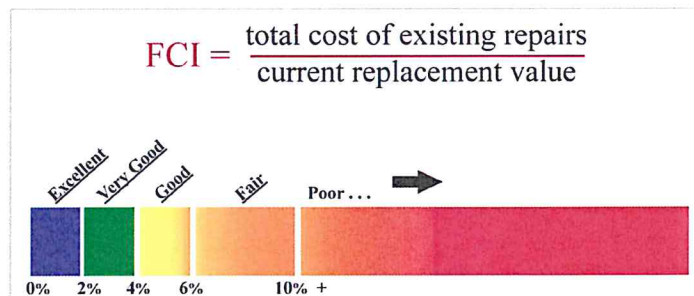
The deferred maintenance calculated by Jorgensen for the County portfolio consists of two parts:

1. Calculated deferred maintenance
2. Observed deferred maintenance

Due to the non-destructive nature of the FCA, typically calculated deferred maintenance will be more than the observed deferred maintenance.

\$38.5 million dollars in DM projects and capital for buildings and \$45.1 million dollars in DM projects and capital for parks, inclusive of park features, resulted in an estimated total of \$83.6 million dollars.

The DM of \$83.6M divided by the CRV of \$964.9 million dollars results in a Facility Condition Index of 8.7%. The FCI of 8.7% is approximately mid-point of "fair".



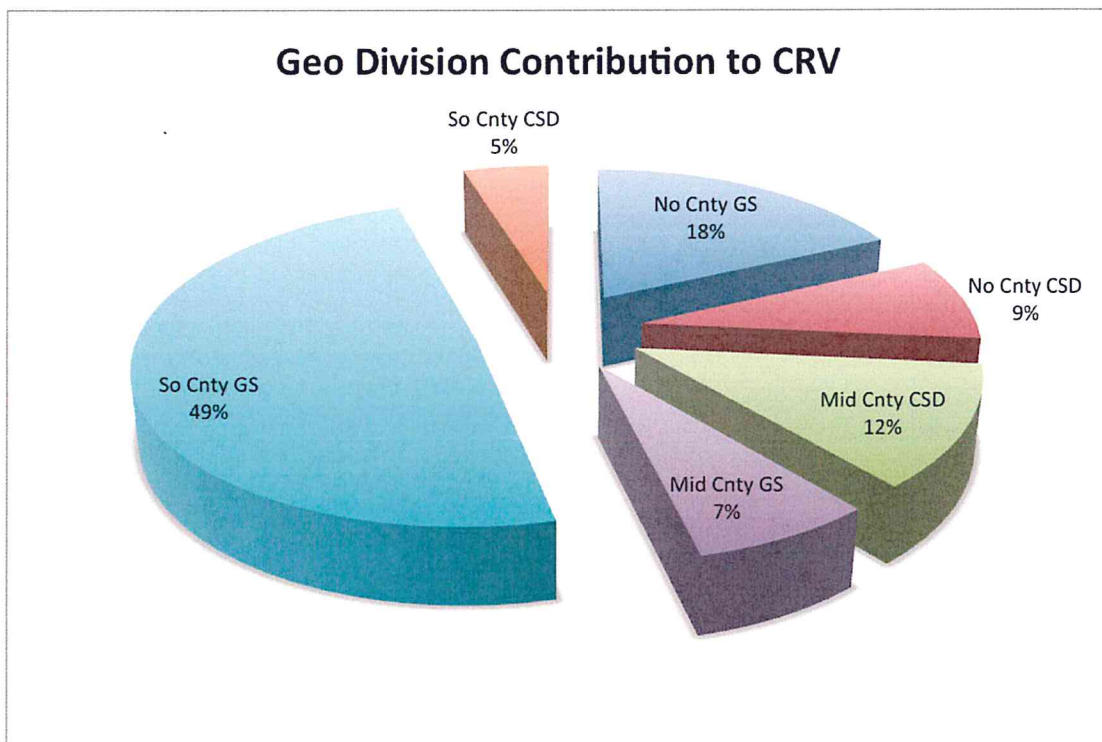


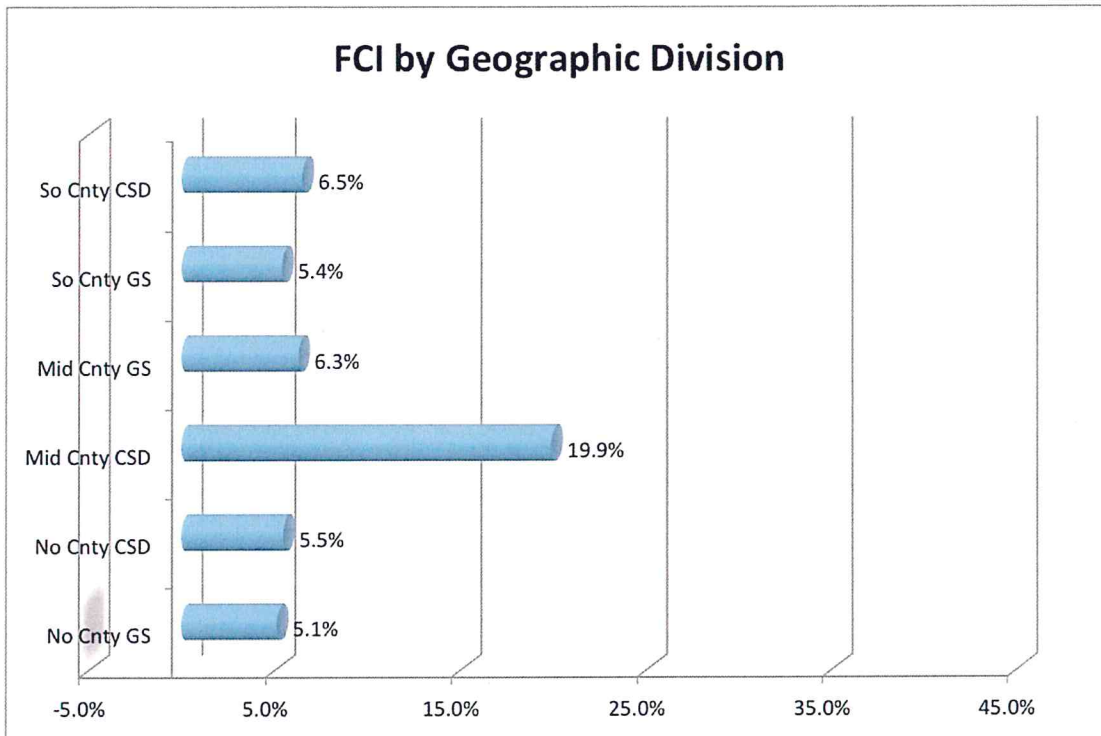


### The Metadata

The County portfolio was visited and evaluated in geographic clusters. The groupings were:

- North County General Services
- North County CSD-Parks
- Mid-County General Services
- Mid-County CSD-Parks
- South County General Services
- South County CSD-Parks





### Current Replacement Values, Deferred Maintenance and the FCI

The scope of the Phase 1 effort involved facilities managed by General Services, and facilities under the cognizance of the Community Services – Parks.

The CSD – Parks was further evaluated in terms of infrastructure, (buildings, structures, roads, irrigation, electrical, and plumbing), and park amenities, (playgrounds, sports courts, picnic areas, camping facilities, boating facilities, and like features).

The aggregated data are presented in the following table (in millions):

Element	General Services	CSD - Parks
Current Replacement Value	\$706.6	\$258.3
Deferred Maintenance	\$38.5	\$45.1
FCI	5.5%	17.5%
Composite CRV	\$964.9	
Composite DM	\$83.6	
Composite FCI	8.7%	





### **Findings and Qualifying Conditions**

- Significant challenges exist in identification and accuracy of the County's asset inventory
- Less significant, but challenging issues exist with respect to the valuation of the County real property asset base
- Collection of "as built" property drawings, presents a significant obstacle to maintenance activities
- The County generally has an "old" portfolio as regards buildings and structures
- Routine and low skill tasks are being performed by high skill technicians due to maintenance staff reductions

### **Preliminary Recommendations**

- Maintenance programs should be developed for out-of-service and abandoned buildings
- Significant work is required to identify and dispose of buildings beyond an economic or useful life
- Signage is significantly inconsistent, absent, requires renewal and does not convey any "brand image" for the County

### **Known Unknowns**

- Maintenance spending and condition of:
  - County-owned properties operated by others
  - County-leased properties owned by others
  - Special district assets
- Accurate inventory of all county-owned property
- Accurate contribution to maintenance spending by non-GS/Parks departments

### **Reference Sources**

- R.S. Means Online (primary costing reference)
- Whitestone Research "Cost Lab" (secondary costing reference)
- Saylor "Commercial Square Foot Building Costs" (secondary costing reference)
- Wiley & Sons "Kerr's Cost Data for Landscape Construction (secondary costing Reference)
- Engineering News Record (construction escalation and geographic normalization factor)
- OMB & BLS (forward inflation and interest rate factors)