



County of El Dorado

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General Services Department update for the West Slope Animal Services construction project.

BUDGET SUMMARY:		
Total Estimated Cost		\$0.00
Funding		
Budgeted	\$6,500,000	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$6,500,000	
Change To Net County Cost		\$0.00

Fiscal Impact/Change to Net County Cost: None

Background:

In 2007, the City of Placerville's 20 year lease for the EDC Animal Services Facility expired. The City requested the County vacate the existing the space that was adjacent to the the City of Placerville's Waste Water Plant. The space occupied by the Animal Services was needed to accommodate State mandated waste water treatment plant upgrades.

In anticipation General Services, in conjunction, with the Public Health Department, had been conducting a search for space that could house a temporary animal shelter plus the field and administrative staff . This resulted in the County entering into a lease agreement for an existing animal shelter facility located along Placerville Drive plus another nearby leased space for the field and administrative staff. The County made tenant improvements to the shelter building to meet animal shelter standards. The necessary special use permits were secured from the City, and the

facility was operational in December 2007.

Prior the expiration of the lease in an effort to meet the long term needs of the community, the Board directed General Services to secure property and enter into an architectural contract for the design of the new Animal Services facility. This resulted in the acquisition of a 10 acre parcel near the town of El Dorado for \$450,000, an agreed upon location of the access road, and a contractual agreement with the consulting firm of George Miers and Associates for the facility design. After discussion about red iron construction versus a concrete tilt-up the Board gave direction to design the facility as a concrete tilt-up.

Animal Services Facility - Project Update: The project design is complete except for the access road and the plans have been sent to Development Services' Building Division to obtain a project permit. Anticipated review time is 30-45 days. In reviewing the design, staff believes the facility's design as a concrete tilt-up is an expensive one. This is due to the relatively small size of the facility not maximizing the benefits of a concrete tilt-up usually accruing to larger buildings, the extent of earth moving needed to prepare a slab for a concrete tilt-up, and design for multiple HVAC units. Additionally, staff believes the flat roof construction will result in long term maintenance issues. Staff believes the project would benefit from a value engineering effort however that is not planned or budgeted for at this time.

Access to the facility, reserved under a road and public utility easement of approximately 1300 feet in length, is over lands currently owned by the Shinn Family. Staff is in receipt of a request from the Family to change the original agreement with a realignment of the access road. Also included in this request are detailed plans and cost estimates of the proposed realignment. Initial review of these materials would suggest that the change in alignment would not result in any additional costs for the road work portion of the project. However, the County would incur additional costs for upgrades to the utilities (water) as well as the storm drainage system. Final assessment of this proposed request will require further analysis and clarification from the Family.

At this point, General Services estimates this project could be ready for bid sometime in May 2009. The current fiscal environment most likely would result in procuring a favorable low bid on the project. This would be an added stimulus to the local economy.

In addition to proceeding with the bidding and construction of an animal services facility, staff have identified a number of other ways for the County to deal with the animal services facility needs:

Lease to Purchase Placerville Drive Temporary Facility: In the event that the BOS chooses to delay, defer or terminate this project the County could choose to change the lease of the Animal Shelter to a lease-to-purchase. The County has expended considerable resources in tenant improvements to the current leased facility. The design and construction associated with the upgrades were approximately \$400,000. Current lease payments of about \$7,700/month for the shelter and \$2,000/month for the field and administrative staff plus \$2,400/month for large animals result in annual lease expenditures of about \$145,000. One option is for the County to better realize the benefits of the Shelter improvements and lease payments through a lease-purchase option. The current shelter is estimated to be worth between \$1.25M and \$1.7M. This would allow for the amortization of expenditures over time, minimum of 5 years, while preserving capital and building equity in the facility that is located on valuable commercial property. Current improvements are designed to meet the needs of the community for 5-7 years. This would allow the County to utilize this temporary facility well into 2015 and maybe longer with some additional work. The property

owner has indicated a willingness to change the current lease arrangement to that of a lease-purchase option. There are several issues that could impact this plan. One is that the Shelter is currently operating under a Temporary Special Use Permit from the City of Placerville. Before proceeding with a lease purchase discussions with the City should occur to ensure that the Permit would be extended. A second issue is that should the site be occupied longer than two years some maintenance and equipment replacement costs will need to be budgeted.

Strategic Facility Plan: Because of the great expenditure of resource required for facilities, all facility requirements must be well developed and planned. This is done with a Strategic Facility Plan. To ensure effective allocation of resources and avoiding spur of the moment projects, the Facility Plan is prepared and approved by the Board as the guiding document for decision-makers. In absence of this document, considerable resources are wasted through unneeded environmental work, designs and other engineering efforts.

In the General Services review of available documentation, it appears that BOS facility decisions were once guided by a 20 year old Facility Space Study, dated July 27, 1988. Subsequent to that study, a Facility Space Study was prepared by TRG Consulting, Inc. in May 2003. However, this study was not adopted by the BOS. Because the 1988 study is so outdated, General Services currently has no approved Strategic Facility Plan to guide decisions. The only available guidance is the Proposed Five-Year Capital Improvement Plan prepared as part of the annual budget process. Although the Animal Services facility was identified as a priority project, without any Strategic Guidance, General Services could not determine where it fits with other County facility needs. For years, the County has operated without a Board approved Facilities Plan. This has resulted in a significant increase in the amount of space under lease. Many of our leased facilities are energy inefficient, resulting in elevated energy costs to the County. Language within the lease agreements make them difficult to terminate and include costly rate increases that are based on the consumer price index. Currently, the County's annual lease payments are approximately \$3.0 million for almost 200,000 square feet. Current energy costs are approximately \$3.0 million for a combined annual expenditure of about \$6.0 million. It is estimated that the County could save between \$1million and \$2 million annually (not all general fund), through a combination of restructuring of the various lease agreements -- to include lease-purchase options, canceling leases with high utility costs, limiting per person square footage allocation to 150 square feet (including common area space), better utilizing existing owned space to the same criteria, consolidating smaller leased facilities into larger ones, as well as a series of facility energy upgrades. This is an opportune time to implement these changes due commercial real estate availability. This would allow the County to build equity through lease-purchase options while real estate values are at an all time low and better utilize existing and owned facility space. However, to achieve the significant annual savings some significant seed money would be required to begin this effort. In addition to the \$6.5M setaside for the Animal Services facility the Board also has set aside \$3.7M designated for capital projects.

Recommended Board Action:

1. Receive and file the update for the animal services construction project.
2. Direct staff to complete the Development Services Department permitting process.
3. Provide direction to staff as whether to continue with construction permitting process beyond the Development Services review for the animal services project and whether to enter into negotiations for development of lease-purchase agreement for the current Placerville Temporary Animal Shelter Facility.
4. Provide direction to staff on whether to place funding for the construction of an animal services

facility on hold with the intent to fund implementation of lease/purchase agreements and energy upgrades for all county leased space to be identified in a Strategic Facilities Plan.

5. Direct staff to begin work in the development of a countywide Strategic Facilities Plan, utilizing resources internal to the County, with Board workshop to follow.

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Concurrences: NA