



# PROPERTY MANAGEMENT – 5-YEAR CAPITAL IMPROVEMENT PLAN (FY2017-FY2021)

## Abstract

Development of a Five Year CIP which includes identification and prioritization of current and future funding requirements for capital projects

Cooke, Steve  
Property Management, Director

## **PREFACE:**

Prior to FY16, there had been a steady decrease in the amount of capital funding provided for maintenance of the City's facility assets. The FY2016 budget process was the transition year to provide more funding to support City infrastructure, focusing on maintenance of current assets before funding expansions and new construction; develop long-range debt and capital financing plans for all funds; and most importantly enhance budget accuracy. This focus on capital expenditures continued and expanded for FY2017. Specific changes related to Capital Improvement Plans (CIP) introduced during the FY2016 and FY017 financial planning and budgeting process include the following:

1. Develop a five-year capital funding plan to include operating and capital expenses, secured and potential funding, funding prioritization and annual spending schedules by project/budget item;
2. Increase investment in infrastructure through the use of currently available cash resources Pay-As-You-Go (PAYG) to pay for capital investment;
3. Provide a comprehensive financial picture through combined operations and maintenance (O&M) and capital budgeting

Consequently, the City began development of a Five Year CIP which includes identification and prioritization of current and future funding requirements for capital projects. As part of that process, capital funds were included in the FY2016 and FY2017 budget for pay-as-you-go (PAYG) funding to pay for capital assets and related expenses. The City is allocating \$0.0475 of the property tax rate, from General Fund operating expense to General Fund capital items in FY2016. For the General Fund, this translates to a capital investment of \$22.4M.

## **PROPERTY MANAGEMENT FY2016 CIP UPDATE:**

The Facilities Division in Property Management is responsible for managing building maintenance and repair, facility planning, architectural and construction management services for City facilities. It is important to note that at this time, Property Management does not operate or maintain facilities for Water Department, Public Events, Aviation, or the Fort Worth Zoo. The table below gives a summary of the scope of the facility assets maintained by Property Management:

<b>Number of Buildings</b>	<b>327</b>
<b>Total Facilities Gross Sq. Feet.</b>	<b>3,064,243</b>
<b>Range of Construction Dates</b>	<b>1850 to 2014</b>
<b>Total Replacement Value</b>	<b>\$433,690,524</b>
<b>Deferred Maintenance</b>	<b>\$33,557,822</b>
<b>Total Net Asset Value</b>	<b>\$400,132,702</b>

The FY2016 Property Management adopted budget included total funding of \$4,721,461 for various PAYG capital projects. The table below provides a breakdown of each budgeted item and the total remaining funds.

<b>ITEM</b>	<b>\$\$\$\$</b>
VARIOUS PROJECTS BUDGETED IN FY2016	\$1,564,500
CITY COUNCIL CHAIRS (Added after budget adoption)	\$118,500
ROOF REPLACEMENTS (M&C G-18738)	\$613,461
ROOF REPAIRS @ VARIOUS CITY FACILITIES (M&C G-18762)	\$1,000,000
ROOF REPAIRS @ VARIOUS CITY FACILITIES (M&C G-18828)	\$1,200,000
GORDON SWIFT WINDOW REPLACEMENT (M&C P-11922)	\$225,000
<b>TOTAL</b>	<b>\$4,721,461</b>

## Property Management – 5-Year Capital Improvement Plan (FY2017-FY2021)

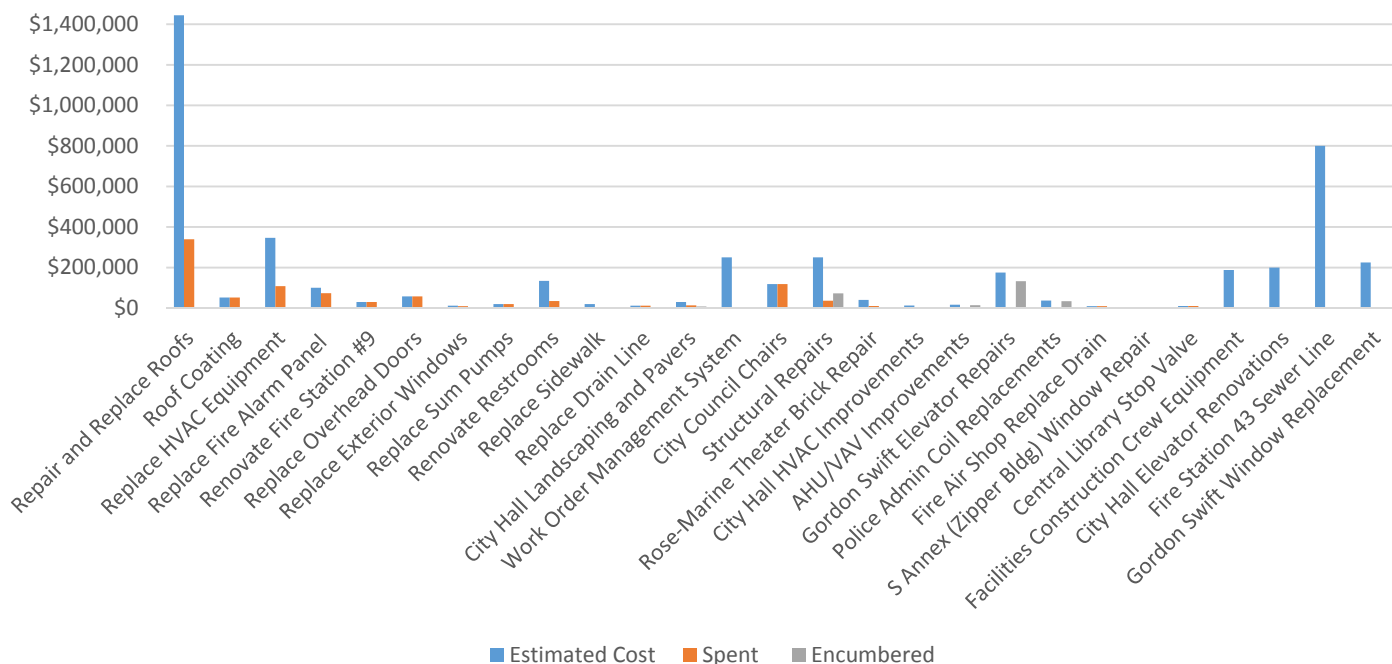
TOTAL ESTIMATED COST (SEE TABLE BELOW)	(\$4,594,737)
REMAINING BUDGET	\$126,724

Below is a list of the projects funded in FY2016:

Project	Estimated Cost	Spent	Encumbered	% Spent
1. Repair and Replace Roofs	\$1,444,233	\$338,971	\$0	23%
2. Roof Coating	\$52,341	\$52,438	\$0	100%
3. Replace HVAC Equipment	\$346,500	\$108,369	\$0	31%
4. Replace Fire Alarm Panel	\$100,000	\$73,180	\$0	73%
5. Renovate Fire Station #9	\$30,138	\$30,138	\$0	100%
6. Replace Overhead Doors	\$57,300	\$57,202	\$4	100%
7. Replace Exterior Windows	\$12,000	\$9,672	\$0	81%
8. Replace Sum Pumps	\$19,974	\$19,974	\$0	100%
9. Renovate Restrooms	\$134,429	\$34,429	\$0	26%
10. Replace Sidewalk	\$20,000	\$0	\$0	0%
11. Replace Drain Line	\$11,612	\$11,612	\$0	100%
12. City Hall Landscaping and Pavers	\$30,000	\$12,990	\$7,475	43%
13. Work Order Management System	\$250,000	\$0	\$0	0%
14. City Council Chairs	\$118,500	\$118,539	\$0	100%
15. Structural Repairs	\$250,000	\$36,193	\$72,802	14%
16. Rose-Marine Theater Brick Repair	\$40,000	\$9,963	\$0	25%
17. City Hall HVAC Improvements	\$12,743	\$0	\$0	0%
18. AHU/VAV Improvements	\$16,350	\$0	\$14,325	0%
19. Gordon Swift Elevator Repairs	\$175,000	\$0	\$132,500	0%
20. Police Admin Coil Replacements	\$37,000	\$0	\$33,851	0%
21. Fire Air Shop Replace Drain	\$9,411	\$9,411	\$0	100%
22. S Annex (Zipper Bldg.) Window Repair	\$4,000	\$3,128	\$0	78%
23. Central Library Stop Valve	\$10,205	\$10,205	\$0	100%
24. Facilities Construction Crew Equipment	\$188,000	\$0	\$0	0%
25. City Hall Elevator Renovations	\$200,000	\$0	\$0	0%
26. Fire Station 43 Sewer Line	\$800,000	\$0	\$0	0%
27. Gordon Swift Window Replacement	\$225,000	\$0	\$0	0%
<b>TOTAL</b>	<b>\$4,594,737*</b>	<b>\$936,415</b>	<b>\$260,956</b>	

\*A further breakdown of this list showing specific buildings can be found in Appendix A.

### FY2016 Capital Projects Progress Update



### CAPITAL PROJECT EXECUTION METHODS:

The cost data used to determine the amount of deferred capital maintenance and to determine the amount of capital funding needed each year to maintain the assets going forward are based on using external contractors and vendors to perform the work. In FY2017, Property Management was authorized to hire a five-person construction team to self-perform as much of the capital work as they can. The entire cost of this crew, including salary, benefits, vehicles, tools, and materials is funding through PAYGO capital projects. It is estimated that using in-house forces to perform the more routine projects, or portions of projects, will save as much as 20% of the total project cost. This will allow more capital projects to be completed for the same amount of funding, with no additional burden on the General Fund. If this model is successful, Property Management will seek to expand the size of the in-house construction crew to produce even more cost avoidance. It is not feasible to perform more specialized work in-house, so the ultimate goal is not to eliminate all use of contractors, but rather to use the in-house workforce only for projects that can be accomplished with significant savings. If the cost of the in-house workforce is close to the cost of using contractors, Property Management will rely on the contractor workforce to minimize the City's risk during periods of economic uncertainty.

### PROPERTY MANAGEMENT 5-YEAR CIP:

Based on the limited existing facility inventory and assessments, there are over \$33M in known deferred capital maintenance items in General Fund facilities throughout the City. This figure is likely to increase substantially to be more reflective of the actual conditions when a complete inventory and assessment is completed within the next year. Based on current known conditions and life expectancies for existing facilities and related capital

## Property Management – 5-Year Capital Improvement Plan (FY2017-FY2021)

equipment, it is projected that \$13M is needed in capital replacement each year for the next ten years. The table below shows the allocation by department:

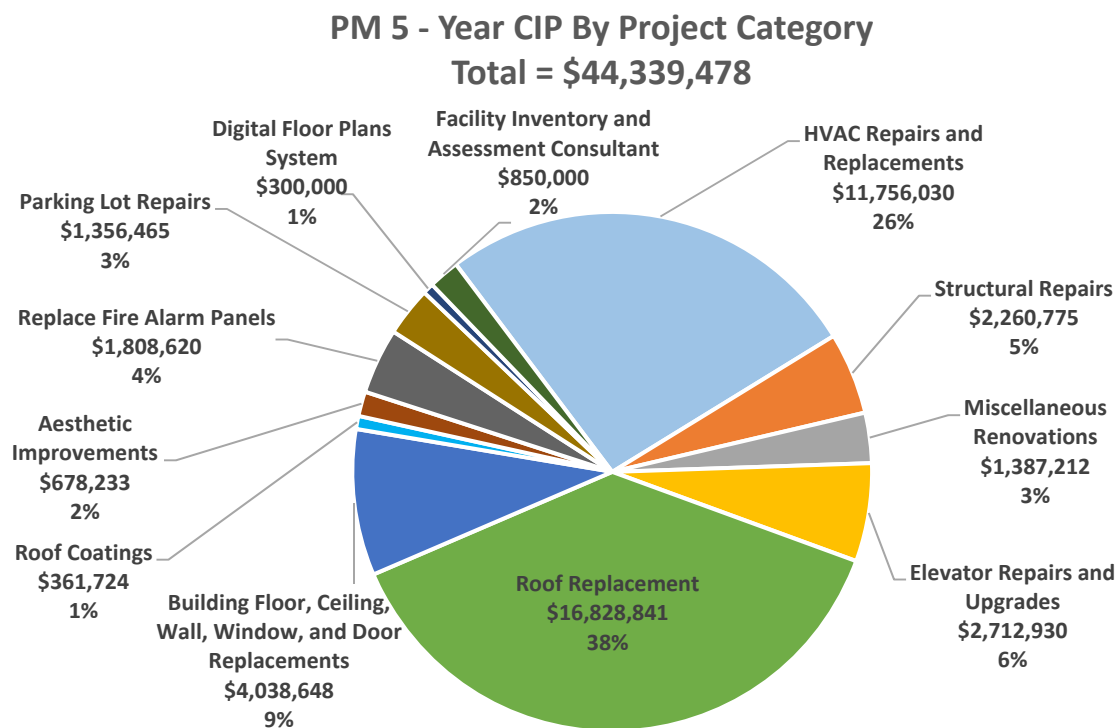
Facility Name	GSFT	RPV	Total Deferred Maintenance		M&R Cost Forecast					
			Deferred Maintenance*	Degradation Cost**	Total	Condition Index***	Avg. Annual 2015 - 2019	5-Year /RPV	Avg. Annual 2015 - 2024	10-Year
Code Compliance	61,666	\$16,450,651	\$229,034	\$0	\$229,034	1.4%	\$278,378	1.7%	\$242,872	1.5%
Fire and Police Training	88,434	\$11,876,269	\$1,187,108	\$0	\$1,187,108	10.0%	\$490,890	4.1%	\$419,842	3.5%
Fire Department	412,927	\$77,280,514	\$5,097,431	\$0	\$5,097,431	6.6%	\$2,603,020	3.4%	\$2,706,923	3.5%
ITS	20,624	\$1,958,435	\$1,001,309	\$0	\$1,001,309	51.1%	\$279,516	14.3%	\$217,376	11.1%
Leased Facilities	98,861	\$14,557,455					\$178,273	1.2%	\$154,777	1.1%
Libraries	395,963	\$91,787,724	\$4,795,771	\$0	\$4,795,771	5.2%	\$1,607,107	1.8%	\$1,511,385	1.6%
Municipal Complex	401,435	\$62,229,313	\$7,647,825	\$0	\$7,647,825	12.3%	\$2,360,255	3.8%	\$2,148,766	3.5%
Municipal Courts	39,408	\$152,699	\$37,116	\$0	\$37,116	24.3%	\$24,094	15.8%	\$35,264	23.1%
PACS	134,150	\$18,363,932	\$2,358,281	\$0	\$2,358,281	12.8%	\$713,268	3.9%	\$702,535	3.8%
PACS Community Center	405,364	\$39,758,722	\$5,374,315	\$0	\$5,374,315	13.5%	\$2,283,026	5.7%	\$2,433,949	6.1%
PACS Pools	10,439	\$1,368,855	\$50,648	\$0	\$50,648	3.7%	\$30,471	2.2%	\$19,387	1.4%
PACS Service Centers	102,847	\$3,147,609	\$1,176,360	\$0	\$1,176,360	37.4%	\$255,055	8.1%	\$254,775	8.1%
PACS Shelters	68,463	\$1,473,894	\$46,989	\$0	\$46,989	3.2%	\$120,339	8.2%	\$111,181	7.5%
Parking Garage	146,763	\$8,279,201	\$422,993	\$0	\$422,993	5.1%	\$167,293	2.0%	\$130,811	1.6%
Police	344,245	\$53,448,951	\$2,091,731	\$0	\$2,091,731	3.9%	\$836,725	1.6%	\$902,471	1.7%
Property Management	231,440	\$23,522,296	\$1,062,532	\$0	\$1,062,532	4.5%	\$705,258	3.0%	\$706,450	3.0%
TPW	66,452	\$3,000,296	\$770,138	\$0	\$770,138	25.7%	\$289,047	9.6%	\$272,738	9.1%
<b>Total</b>	<b>3,029,481</b>	<b>\$428,656,816</b>	<b>\$33,349,582</b>	<b>\$0</b>	<b>\$33,349,582</b>	<b>7.8%</b>	<b>\$13,222,015</b>	<b>3.1%</b>	<b>\$12,971,502</b>	<b>3.0%</b>

Failure to fund these capital repair and replacement projects at the appropriate rate through annual allocations will lead to continued degradation of capital facility assets, and result in continued reliance on the bond program to provide needed capital. The desire is to have capital PAYGO funding to maintain existing assets, and have the bond program focus on growth and new facilities.

The table below shows the FY2017 approved funding and the anticipated spending in each category based on the condition, age and risk associated with service failure over the next five years. This funding level is expected to address all necessary repairs and capital equipment replacements to maintain the existing facility inventory without reliance on the bond program. Each year there will be unplanned failures and minor repairs to be made, therefore staff will adjust the priorities for these repairs as needed in real time throughout the following fiscal years.

Project Name	FY2017	FY2018	FY2019	FY2020	FY2021
HVAC Repairs and Replacements	\$1,300,000	\$1,690,000	\$2,197,000	\$2,856,100	\$3,712,930
Structural Repairs	\$250,000	\$325,000	\$422,500	\$549,250	\$714,025
Miscellaneous Renovations	\$153,400	\$199,420	\$259,246	\$337,020	\$438,126
Elevator Repairs and Upgrades	\$300,000	\$390,000	\$507,000	\$659,100	\$856,830
Roof Replacement	\$829,234	\$2,586,004	\$3,361,805	\$4,370,347	\$5,681,451
Building Floor, Ceiling, Wall, Window and Door Replacements	\$446,600	\$580,580	\$754,754	\$981,180	\$1,275,534
Roof Coatings	\$40,000	\$52,000	\$67,600	\$87,880	\$114,244
Aesthetic Improvements	\$75,000	\$97,500	\$126,750	\$164,775	\$214,208
Replace Fire Alarm Panels	\$200,000	\$260,000	\$338,000	\$439,400	\$571,220
Parking Lot Repairs	\$150,000	\$195,000	\$253,500	\$329,550	\$428,415
Digital Floor Plans System	\$0	\$150,000	\$150,000	\$0	\$0
Facility Inventory and Assessment Consultant	\$350,000	\$125,000	\$125,000	\$125,000	\$125,000
<b>TOTAL</b>	<b>\$4,094,234*</b>	<b>\$6,650,504</b>	<b>\$8,563,155</b>	<b>\$10,899,602</b>	<b>\$14,131,983</b>

\*A listing of the specific projects planned to be completed in FY2017 can be found in Appendix B.



### **2018 CAPITAL BOND PROJECTS:**

Property Management has a lead role in the development of facility projects to be considered in the 2018 Bond Program. Sponsoring departments, such as Library, Fire, Police, Parks and Recreation, etc., submit their requests for new Fire Stations, Libraries, Community Centers, etc. Property Management reviews the scope of these requests, assists in the preparation of cost estimates and helps to identify opportunities for joint use bond projects.

Property Management is the sponsor for two projects submitted for consideration in the 2018 Bond Program. Both of these facilities are for the Fleet Division of Property Management. The first project submitted is for the design of an expansion to the Vehicle Maintenance Facility at the Water Department's Holly Water Treatment Facility. The second project submitted includes the design and construction of an expansion of the Vehicle Maintenance Facility at the North Service Center. Neither one of these projects were ranked high enough by the ranking committee to make the short list to be recommended by staff for inclusion in the 2018 Bond Program.

### **CONCLUSION:**

One of the driving factors in the creation of the Property Management Department was the lack of a comprehensive inventory of City-owned facilities, their conditions, and a plan to properly manage these assets. It will require additional resources to conduct a thorough inventory of all City facilities, and even more resources to conduct detailed condition assessments on each of the facilities. This information is essential in order to determine future capital needs to maintain these facilities.

11/18/2016

Property Management will pursue the implementation of an asset management software solution that allows this data to be easily collected, maintained, and queried. After successfully completing the process of determining what building assets the City owns and what condition they are in, the next logical step will be to prepare a facility master plan to determine the highest and best use for each facility, and to plan for future facility needs.

The General Fund facility footprint increased from 2.5m Sq. Ft. in FY2004 to 3.7m Sq. Ft. in FY2016, a 53% increase (Appendix C). However, the number of facility maintenance staff has decreased by 14 since FY2004, 20% reduction with 53% footprint growth (Appendix D). It is worth noting that additional responsibilities continue to be added to Property Management Department without corresponding resources. Examples include municipal buildings security initiatives, parking lot lighting, parking lot repairs, managing and maintaining leased facilities, managing non-facility equipment, etc.

To be able to properly execute our core mission of maintaining the existing facilities, Property Management needs to be provided the appropriate resources to accomodate these new responsibilities that have previously been performed by other departments.

**APPENDIX A: FY2016 FACILITY PROJECTS IMPLEMENTATION PLAN**

Project Description	Amount	Complete
<b>Facility Renovation and Maintenance</b>	<b>\$1,564,500</b>	
Annex Fire Alarm Panel Replacement	\$100,000	x
Fire Station 9 Renovation	\$30,138	x
Fire Station 35 and Fire Station 3 Replace Overhead Doors	\$57,300	x
R D Evans CC Replace Exterior Windows	\$12,000	x
Municipal Courts Replace Sump Pumps	\$19,974	x
City Hall (2nd Floor) Renovate Restrooms	\$34,429	x
Hazel Harvey Peace Replace Sidewalk and Approach	\$20,000	
Municipal Courts Replace Drain Line	\$11,612	x
City Hall Landscaping	\$30,000	
Facilities Work Order Mgmt System	\$250,000	
Municipal Courts HVAC	\$14,000	x
Animal Control HVAC	\$14,000	x
MLK CC HVAC	\$41,000	
Fire Station 19 HVAC	\$5,500	x
Fire Station 31 HVAC	\$5,500	
Meadowbrook Library HVAC	\$1,500	
Southwest CC HVAC	\$55,000	
Diamond Hill CC HVAC	\$37,000	
Gordon Swift Replace HVAC Controls	\$120,000	
Gateway Park HVAC	\$19,000	
Structural Repairs: - Highland Hills Community Center - Fire Equipment Services Facility - Hazel Harvey Peace Center for Neighborhoods - Riverside Community Center - North Tri-Ethnic Community Center	\$250,000	
Rose-Marine Theater Repairs	\$40,000	x
City Hall HVAC Improvements	\$12,743	
Municipal Complex AHU/VAV Improvements	\$16,350	
Gordon Swift Elevator Repairs	\$175,000	
Police Admin Coil Replacements	\$37,000	
Fire Station 30 HVAC Replacement	\$15,000	
Fire Air Shop Replace Drain	\$9,411	x
S Annex (Zipper Bldg.) Window Repair	\$4,000	x
Central Library Stop Valve	\$10,205	x
Botanic Garden Replace HVAC	\$7,000	x
<b>Remaining Funds to be assigned</b>	<b>\$109,837</b>	



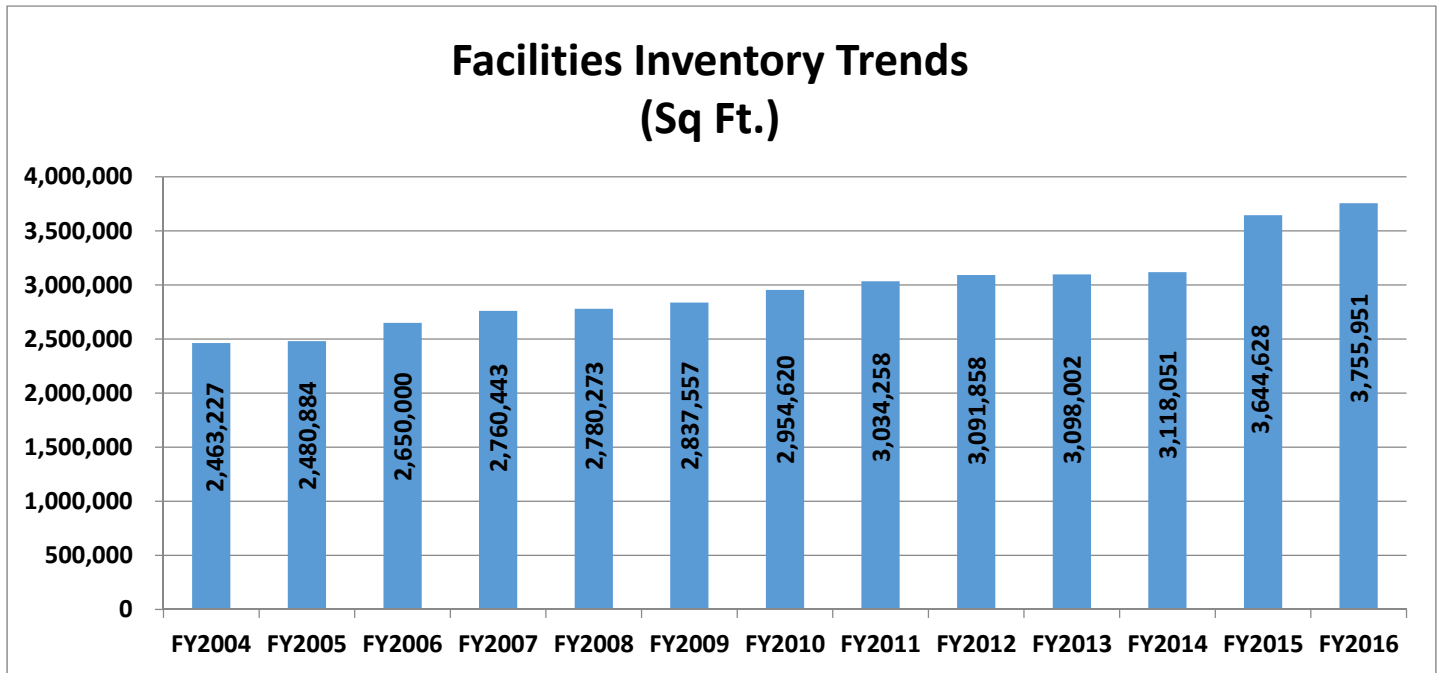
Property Management – 5-Year Capital Improvement Plan (FY2017-FY2021)

<b>City Council Chairs</b>	<b>\$118,500</b>	<b>x</b>
<b>Roof Replacements</b>	<b>\$1,613,462</b>	
Ridglea Library Roof Replacement	\$202,522	x
Fire Station 4 Roof Replacement	\$36,711	x
Fire Station 18 Roof Replacement	\$100,000	x
Northside CC Roof Coating	\$12,655	x
Diamond Hill CC Roof Coating	\$5,000	x
Meadowbrook Library Roof Coating	\$4,900	x
Wedgwood Library Roof Coating	\$5,016	x
Diamond Hill Library Roof Coating	\$4,995	x
South Police Roof Coating	\$19,775	x
Fire Station 6 Roof Replacement	\$110,000	
Old Fire Station 11 (Air Shop) Roof Replacement	\$110,000	
North Tri-Ethnic Roof Replacement	\$300,000	
Fire Station 2 Roof Replacement	\$300,000	
Fire Investigations Roof Replacement	\$110,000	
IT Transmitter Site 11th Ave Roof Replacement	\$25,000	
Thomas Place CC Roof Replacement	\$65,000	
PARD Brennan St. Service Center Roof Replacement	\$85,000	
Municipal Complex Restroom Renovations	\$100,000	
<b>Remaining Funds to be assigned</b>	<b>\$16,888</b>	
<b>Reallocation of FY2016 Surplus Operating Funds to Capital Projects</b>	<b>\$1,200,000</b>	
Gordon Swift Roof Replacement (HVAC Repairs)	\$12,000	
Fire Station 43 Sewer Line	\$800,000	
Construction Crew Equipment	\$188,000	
City Hall Elevator Renovation	\$200,000	
<b>Gordon Swift Window Replacement</b>	<b>\$225,000</b>	<b>\$225,001</b>
<b>FY2016 Total Appropriation</b>	<b>\$4,721,461</b>	

**APPENDIX B: FY2017 FACILITY PROJECTS IMPLEMENTATION PLAN**

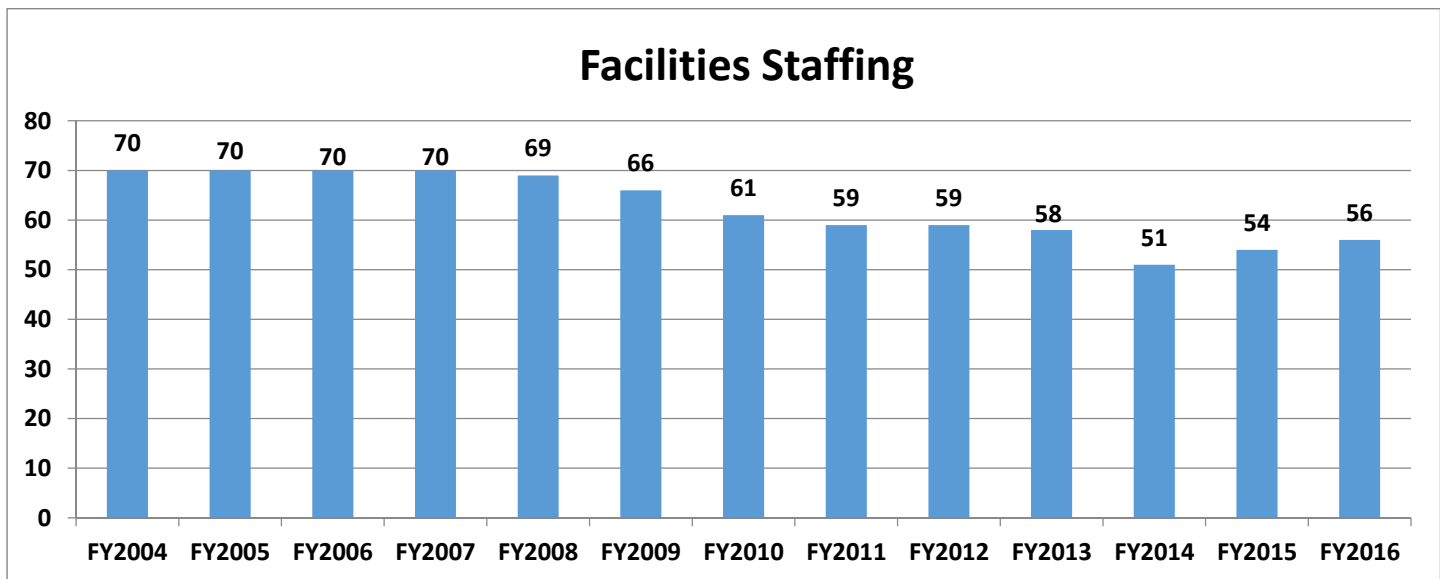
Project Description	Amount
<b>Structural, GS HVAC, Fire Alarm Panels, Parking Lots Repairs</b>	<b>\$1,900,000</b>
Gordon Swift HVAC Replacement	\$1,300,000
Structural Repairs Citywide: - Fire Station 25 - Fire Station 14 - Southside Community Center - City Hall Tunnel	\$250,000
City Hall & Worth Hts CC Replace Fire Alarm Panels	\$200,000
Parking Lot Repairs	\$150,000
<b>Community Centers and Libraries</b>	<b>\$900,000</b>
Fellowship Corner Install Elevator	\$300,000
MLK CC Gym Divider	\$15,000
Fire Station CC ADA Ramp	\$10,000
Replace Flooring: - Southwest Regional Library - East Regional Library - Riverside Branch Library - Diamond Hills-Jarvis Branch Library	\$420,000
Fire Station CC Renovate kitchen	\$10,000
North Tri Ethnic CC Remodel Clinic	\$50,000
Southside CC Remodel Clinic	\$50,000
Doc Session CC Replace Front Counter	\$10,000
Greenbriar CC Replace Front Counter	\$25,000
Fire Station CC Replace Multipurpose Room Floor Tile	\$10,000
<b>Roof Repair and Replacement</b>	<b>\$869,234</b>
Roof Repair and Replacements: - Riverside CC - Fire Station 15 - Cowtown Coliseum Ticket Office - Handley-Meadowbrook CC - Highland Hills CC	\$869,234
<b>Minor Repair and Renovation</b>	<b>\$425,000</b>
Facility Inventory Assessment	\$350,000
City Hall Exterior Improvements	\$75,000
<b>FY2017 Total CIP Appropriation</b>	<b>\$4,094,234</b>

## APPENDIX C



- 53% increase since FY2004

## APPENDIX D



- 20% decrease since FY2004