

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Public Works

*[Signature]*

BOARD AGENDA # B-3

Urgent

Routine

AGENDA DATE February 3, 2015

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of a Financing Plan for the Public Works Maintenance Shop and Administration Building Reconstruction and Parks Relocation Project using up to \$4,000,000 of Tobacco Endowment Funds for Construction and \$2,592,745 in Public Facilities Fees

STAFF RECOMMENDATIONS:

1. Approve the financing plan for the Public Works Maintenance Shop and Administration Building Reconstruction and Parks Services Relocation Project (Project) to include the use of up to \$4,000,000 of Tobacco Endowment Funds.
2. Authorize the use of \$2,592,745 of Public Facilities Fees for the Project.
3. Approve Parks Shop relocation from Morgan Road to County Center III.

FISCAL IMPACT:

The total estimated cost to re-construct the Public Works Maintenance Shop and Administration Buildings, and relocate Parks Services is \$15,777,745. With the Board of Supervisors approval today, the project will be funded by Congestion Mitigation, Air Quality (CMAQ) funds (\$1,995,915), Morgan Shop Fund Balance (\$3,380,000), Road and Bridge Fund Balance (\$3,809,085), Public Facilities Fees (\$2,592,745), and internal borrowing from the 2006 Tobacco Endowment Fund not to exceed \$4,000,000.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2015-44

On motion of Supervisor De Martini, Seconded by Supervisor Chiesa,  
and approved by the following vote.

Ayes: Supervisors: O'Brien, Chiesa, Monteith, De Martini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

*[Signature: Christine Ferraro]*  
CHRISTINE FERRARO TALLMAN, Clerk

ATTEST:

Approval of a Financing Plan for the Public Works Maintenance Shop and Administration Building Reconstruction and Parks Relocation Project using up to \$4,000,000 of Tobacco Endowment Funds for Construction and \$2,592,745 in Public Facilities Fees

### **FISCAL IMPACT (CONTINUED):**

The overall plan includes two key elements: the re-construction of the Morgan Shop and Administration buildings at a cost estimated to be \$15,435,000; and the relocation of Park Services from the Morgan Road site to County Center III, at a cost estimated to be \$342,745.

The Financing Plan contemplates construction duration of 18 months for the Morgan Shop and Administration buildings. Once the final plans and specifications are approved by the Board of Supervisors and the project is bid, staff will return to the Board of Supervisors to recommend a contract award and to establish the full project budget.

At this time, the Board of Supervisors is recommended to approve the financing plan which includes an internal borrowing with the use up to \$4.0 million from the 2006 Tobacco Endowment Fund. With the Board's approval of the internal borrowing, the term of the repayment will be five years including principal and interest calculated on the lost interest earnings that would have been earned if the principal remained in the County's Treasury Pool. Consistent with previous borrowings from the 2006 Tobacco Endowment Fund, interest for the duration of the repayment term shall at an aggregate not exceed 4.5%.

### **DISCUSSION:**

The Public Works Morgan Facility is a 15.3 acre site originally developed in the 1950's, with most structures built and occupied by 1958. Over the past 56 years the site has seen various minor improvements and maintenance efforts. Much of the site remains in its original state. As a part of the replacement of aging and dilapidated buildings, the Public Works Maintenance Shop and Administration Building Replacement Project will also make site improvements to improve function and efficiency of the current and remaining uses of the site. These uses will include the Public Works Shop, Public Works Administration, Household Hazardous Waste, and the County Fueling Facility. In addition, as a part of the proposed project, the Morgan Road Parks Shop will be relocated, consolidating the Parks Shop operation to County Center III (CC III).

In September 2008, the Board of Supervisors adopted a budget which authorized the development of a needs assessment/master plan and in March 2009, the Public Works staff contracted with Daniel C. Smith & Associates to conduct the Needs Assessment and develop the Public Works Facilities Master Plan.

In July 2010, the Board of Supervisors approved the Public Works Master Plan/Needs Assessment. The Assessment addressed many items including the need to replace aging facilities. Existing facilities are becoming increasingly overcrowded and less functional (the Consultant's findings were that 11 of 16 Morgan Road facilities have exceeded their

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normal lifespan). The report included deficiencies for the existing office and shop. The administration building suffers from overcrowding, age related general disrepair, and security concerns. The following are only some of the issues currently faced:

- The reduced staff levels (15 to 20% lower staffing levels compared to historic levels) are crammed into the building leaving no room for the additional staff needed to address the increasing project loads.
- The roof eaves have severe dry rot throughout and are in need of replacement.
- HVAC systems are old and imbalanced and routinely fail.
- The administration building has inadequate electrical capacity and has limited conduit capacity to accommodate evolving technology.
- Special care must be taken with the use of the building because it has Asbestos Containing Materials (ACM) and lead.
- Plans for lobby security were shelved because at \$50,000 they were deemed too costly an upgrade for the existing, failing facility.

The existing heavy equipment shop, bridge department warehouse, sign shop, and administration building construction were completed and the buildings were occupied in July of 1958. Although the facility has served the Public Works Department well, more than 56 years has passed and time has taken its toll. The shop is inadequate for maintaining a modern fleet and the hazardous material (lead, asbestos) containing facilities are rapidly deteriorating.

The Public Works Department has a fleet of approximately 200 vehicles, plus an additional 50 pieces of equipment, with one quarter of the fleet being Compressed Natural Gas (CNG) vehicles. Additionally, the Department services large specialty equipment for the Department of Environmental Resources (Landfill), Parks and Recreation, Agricultural Commissioner, Sheriff's Office, Cooperative Extension, Turlock Mosquito Abatement (CNG), and the City of Newman (CNG). In total, the Department services 80 CNG vehicles in a facility that was constructed long before any CNG vehicles existed.

California Building Code Section 2211 dictates the requirements for repair garages that service vehicles fueled with lighter-than-air fuels (CNG). The requirements for a compliant facility include:

- Mechanical or naturally integrated ventilation by design;
- Failsafe gas detection and automatic ventilation systems including audible and visual alarms;
- Closed transfer defueling system; and
- Exclusion of ignition sources from critical areas by sound industrial design practices.

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In addition, a new repair facility must anticipate the County's potential future transit needs. Currently, Storer maintains our transit fleet under contract (currently 38 buses in use). As the transit fleet grows, the needs of that fleet may be better served by capable, in-house staff and a facility that has the capability to provide transit maintenance and repair service.

The current repair facility does not meet the above criteria and all of the previously mentioned buildings have succumbed to age. Metal roofs have rusted through and bay doors leak during storms, flooding work areas. Water lines have rusted through and have been abandoned, while critical water supply has been rerouted on interior walls. The restrooms are extremely outdated with no female facilities and are not Americans with Disabilities Act (ADA) compliant.

The master plan estimates that the total non-escalated capital cost of implementing this master plan is \$48.2 million. Redeveloping the Morgan Road site would cost \$42.6 million and entail replacing all existing structures over time, with the exception of the Household Hazardous Waste facility. Each new satellite yard would cost \$1.4 million, or a total of \$5.6 million for all four satellite facilities. Costs by phase were estimated as follows:

Phase 1 (2014).....	\$14,527,805
Phase 2 (2019).....	\$17,457,112
Phase 3 (2024).....	\$10,566,844
Total.....	\$42,551,761

Consequently, on February 11, 2014, the Board approved a Professional Services Contract with LDA Partners to design the new maintenance shop and administration building as Phase 1 of the implementation of the Public Works Facilities Master Plan. Elements of this phase were to include:

- Expanded Heavy Equipment Maintenance bays compliant with CNG fueling standards;
- Office and locker room facilities for shop and roads employees;
- Administration facilities to accommodate all staffing components of Public Works; and
- Shared meeting space for roads and administration / engineering staffing.

The proposed project architectural drawings and details are nearing completion. The plans will be submitted this fiscal year for building plan check. It is anticipated that the project will be ready to bid in the spring of 2015.

A key component of the Public Works Shop and Administration Reconstruction Project is to redevelop and upgrade the current site.

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Below is a list of major efforts of this redevelopment.

- Storm Drainage – This includes replacement and reconstruction of wash out facilities compliant with new state regulation. Additionally, storm water storage and disposal facilities are being developed to accommodate runoff that creates localized flooding.
- Roadway Access Improvements – Currently Morgan Road is classified as a major collector route with increasing traffic volumes. The Morgan Yard access to Morgan Road has long been a safety concern. Improvements to Morgan Road will include a widening component and a two way turn lane for improved and safe access.
- Public Parking – Currently Public Works Administration has less than 10 public parking stalls with limited ADA access and turning movements. The proposed project will include 25 stalls plus ADA parking and improved pedestrian access and turning movements.
- Site Security – For many years the current site has been plagued with vandalism and theft. The current project will improve site lighting and surveillance in an effort to curb vandalism and theft.

Household Hazardous Waste, a function of the Department of Environmental Resources, is included for permanent residency at the Morgan Yard facility. Components of the site improvements to accommodate Household Hazardous Waste Facility include:

- Domestic Sewer Lateral from Morgan Road;
- Improved water service connectivity;
- Larger shared parking facility; and
- Improved public access.

As part of the 2009 Public Works Master Plan and Needs Assessment the Parks maintenance facility and office facility located at the Public Works Morgan Yard were planned to be relocated. Details of this relocation effort include:

- Centralizing Parks Shop operations at the CC III. This consolidation of staff, equipment, shop, and office space will enable Parks staff to operate more efficiently and share resources.
- The CC III site offers room for expansion, parking and additional room for storing needed supplies and materials.

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- Public Works has completed a civil design including a site drawing and has reviewed the improvements needed at the CC III location. Public Works will administer the necessary consultant architect contract, construction contracts, and manage the project.
- Partnering with General Services Agency (GSA) to better utilize warehouse space at CCIII working within the currently evolving GSA model of moving to a “real-time” model for services and supplies.
- Relocation of the existing triple wide public works office building to CC III, to be used by Parks and GSA staff at CC III.
- Site improvements for CC III for water and sewer upgrades to serve new / larger office building.
- Modifications to the existing metal building at CC III, improvements include electrical upgrades, building modifications to repair existing deficiencies and provide improved building access for Parks maintenance needs.

The estimated cost of construction of the Public Works Maintenance Shop and Administration Building Replacement Project is \$15,777,745. Of that cost, \$342,745 is for Parks relocation/consolidation at CC III. Accordingly, Public Works proposes the following revenue sources to fund the project:

Congestion Mitigation, Air Quality (CMAQ)	\$1,995,915
Morgan Shop Internal Services Fund (ISF)	\$3,380,000
Road and Bridge Fund	\$3,809,085
Public Facility Fees (PFF)	\$2,592,745
Internal Financing (Tobacco Endowment Fund)	\$4,000,000
<b>Total Revenue</b>	<b>\$15,777,745</b>

Congestion Mitigation & Air Quality, Morgan Shop ISF, Road and Bridge Funding are already in place and the Public Facilities Fees Committee recommended the use of Public Facilities Fees at their meeting on December 18, 2015. The internal financing is being proposed with a term of five years, including principal and interest calculated on the lost interest earnings that would have been earned if the principal remained in the County’s Treasury Pool, not to exceed 4.5%.

The debt service will be paid by a combination of annual Transit funds and Road and Bridge Fund Balance. The five year average treasury pool rate is 1.2%, assuming a 1.2% interest rate results in a five year combined debt service payment of approximately \$1.25 million from Transit and \$3 million from the Road and Bridge Fund Balance. At the cap interest rate of 4.5%, the principal and interest payment would be \$911,166.56. The table

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below shows the five year principal and interest payments at the treasury pool rate of 1.2%.

<b>Treasury Pool Effective Rate (1.2% - 5 Yr Avg)</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
1	\$781,029.01	\$48,000.00	\$829,029.01
2	\$790,401.36	\$38,627.65	\$829,029.01
3	\$799,886.18	\$29,142.84	\$829,029.01
4	\$809,484.81	\$19,544.20	\$829,029.01
5	\$819,198.63	\$9,830.38	\$829,029.01
<b>Total</b>	<b>\$4,000,000.00</b>	<b>\$145,145.07</b>	<b>\$4,145,145.07</b>

On December 9, 2014, the Board of Supervisors' Capital Facilities Committee composed of Supervisors Monteith and O'Brien reviewed the Project Plan and Financing Plan and supported and recommended the project.

On December 16, 2014, the Debt Advisory Committee composed of Stan Risen, Chief Executive Officer; Lauren Klein, Auditor Controller; Gordon Ford, Treasurer-Tax Collector; Thomas Boze, County Counsel and Angela Freitas, Planning and Development reviewed the internal financing plan, and recommended approval of the Financing Plan.

On December 18, 2014, the Public Facility Fee Committee reviewed and recommended the use of \$2,592,745 from the Other County Facilities fund. The Committee is composed of Thomas Boze, County Counsel; Keith Boggs, CEO; Tim Fedorchak, Capital Projects; Curtis Lee, Auditor's Office; Rachel Wyse, Planning Department; and Steve Treat, Building Division.

The Transit Division's share of Public Works Administration is 7.5%. Today, Transit utilizes CNG slow fill stations and storage areas which occupy 6.5% of the Morgan Road site. Accordingly, up to 14% of the total project cost is eligible for Transit participation.

Previous actions by the Board and Committees for this project are as follows:

September 9, 2008	Board Authorized Public Works to Conduct a 20-year Facility Master Plan/Needs Assessment
July 13, 2010	Board Adopted the Public Works Master Plan/Needs Assessment
February 11, 2014	Board Approved a Professional Services Contract with LDA Partners for Design of the Maintenance Shop and Administration Facility

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December 9, 2014	Capital Facilities Committee supported and recommended the proposed project
December 16, 2014	Debt Advisory Committee supported and recommended a loan up to the amount of \$4,000,000 for construction of the proposed project
December 18, 2014	Public Facilities Fees Committee recommended \$2,592,745 from the Other County Facilities category for construction of the proposed project

Final plans and a construction contract will be brought before the Board for consideration beginning the summer of 2015.

Should the Board approve the Project, Public Works anticipates that the Parks Shop relocation will be completed in the spring of 2015 while construction of the Morgan Road facilities will take one and one half years beginning in the summer of 2015.

**POLICY ISSUES:**

The recommended actions are consistent with the Board's priorities of providing a Safe Community, A Healthy Community, and A Well Planned Infrastructure System by replacing aging, dilapidated buildings and constructing CNG compliant facilities which support public works.

**STAFFING IMPACT:**

Public Works will administer the necessary consultant architect contract, construction contracts, and manage the project. Parks staff will oversee the relocation to CC III.

**CONTACT PERSON:**

Matt Machado, Public Works Director. Telephone: (209)525-4130  
 Colt Esenwein, Public Works Deputy Director. Telephone: (209)525-4130

CE/aa

H:\Clerical\ Board Items\2015\Colt's\Environmental Project & Financial Approval – February 3





**PUBLIC WORKS SHOP AND ADMINISTRATION  
RECONSTRUCTION AND PARKS RELOCATION  
PROJECT AND FINANCIAL PLAN**

February 3, 2015

*“The need to replace aging facilities, which are becoming increasingly overcrowded and less functional”*



# NEEDS ASSESSMENT

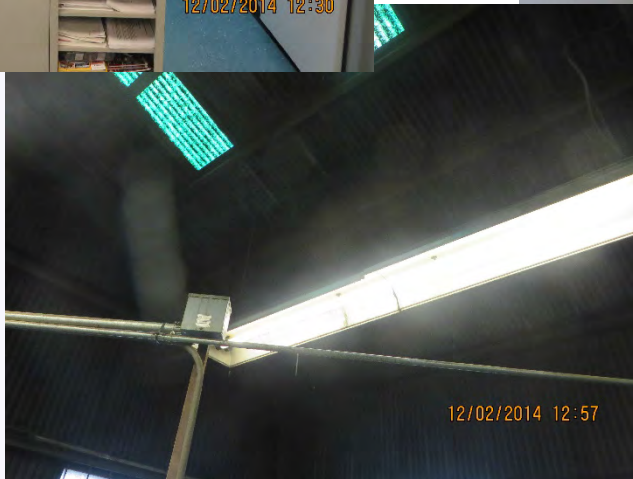
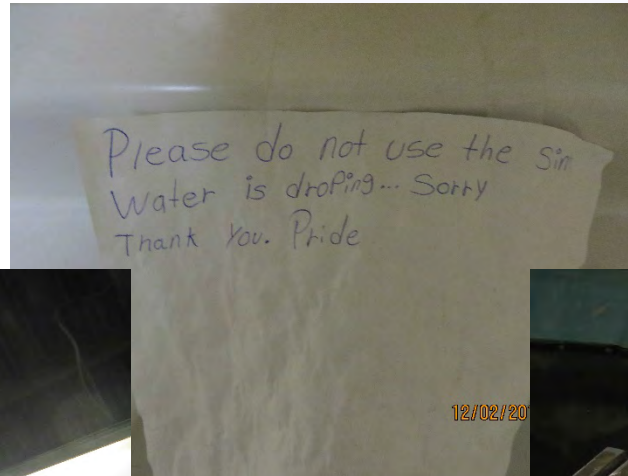
- Aging Facility – Constructed 1958
- Dilapidated Buildings – Lead/ACM
- HVAC Systems Failing
- Dry Rot, Leaking Roofs
- Lobby Security
- CNG Servicing Requirements



*“Nearly all of the facilities at the Morgan Road site are aging and becoming increasingly less functional –especially the Heavy Equipment Maintenance Shop areas and the Administration/Engineering Building.”*



# NEEDS ASSESSMENT



*"The need to provide expanded facilities to correct current spatial deficiencies accommodate forecasted overall county growth, and in turn measured increases in staff and equipment."*



# MASTER PLAN ADOPTED

- Morgan Road Site Redevelopment
- Morgan Shop and Admin Building Design
- Household Hazardous Waste Site Improvements
- County Parks Relocate



*“Due to its age, interior configuration, and structural envelope, the facility is near or at the end of its useful life. The building has met or exceeded its electrical capacity, and has limited conduit capacity to accommodate evolving technology electronics.”*



# Morgan Road Site Redevelopment

- Storm Drainage
- Roadway Widening and Access Improvements
- Improved and Expanded Public Parking
- Improved and Expanded Shared Parking Lot
- Improved Site Security

*“Operationally, the Morgan Site is adversely impacted by a physical layout which necessitates many vehicles having to drive clear across the site on a daily basis to pick up materials and supplies.”*





# Morgan Road Site Map



# Morgan Shop and Administration Building Design

- CNG Compliant, Expanded Heavy Equipment Shop
- Male/Female Restrooms and Locker Rooms
- Modern, Efficient Administration Facilities

*"Total annual shop work orders increased from 1,894 to 2,830. These figures equate to a net increase of 936 work orders per year, or 49.4%."*



# Household Hazardous Waste Site Improvements

- Domestic Sewer Lateral from Morgan Road
- Improved Water Service Connectivity
- Larger Shared Parking Facility with Better Circulation
- Improved Public Access





# County Parks Relocate

- Centralizing Parks Operation at County Center 3
- Relocate Triple-wide Trailer and Colocation with GSA Increases Office, Shop, and Awning Space from 7,548 to 10,432 Square Feet.



# County Center 3 Site Map



# FUNDING PLAN

<b>Public Works Morgan Road Project Cost</b>	<b>\$15,435,000</b>
PW Shop/Admin Construction	\$14,300,000
Construction Management/Administration	\$1,135,000

<b>Parks County Center 3 Project Cost</b>	<b>\$342,745</b>
Project Management/Design	\$38,000
County Center 3 Site Improvements	\$61,000
County Center 3 Shop Building Upgrades	\$243,745

<b>Total Project Cost</b>	<b>\$15,777,745</b>
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# FUNDING PLAN

<b>Proposed Revenue Sources</b>	<b>\$15,777,745</b>
Congestion/Mitigation/Air Quality Grant	\$1,995,915
Morgan Shop Fund	\$3,380,000
Road and Bridge Fund	\$3,809,085
Public Facilities Fees (Other County Facilities)	\$2,592,745
Internal Financing (Tobacco Account)	\$4,000,000



# SCHEDULE

- Parks Relocation
- Advertise Project
- Award Construction Contract
- Notice to Proceed
- Building Occupancy
- Construction Complete

February 2015 – May 2015

May 2015

July 2015

September 2015

November 2016

March 2017



QUESTIONS?



**DECLARATION OF PUBLICATION  
(C.C.P. S2015.5)**

STANISLAUS COUNTY PUBLIC  
WORKS DEPARTMENT  
1716 Morgan Road  
Modesto, CA 95358

**COUNTY OF STANISLAUS  
STATE OF CALIFORNIA**

NOTICE OF INTENT TO ADOPT  
MITIGATED NEGATIVE DECLARA-  
TION

MORGAN ROAD HEAVY EQUIP-  
MENT SHOP/ADMINISTRATION  
BUILDING PROJECT

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of THE MODESTO BEE, printed in the City of MODESTO, County of STANISLAUS, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of STANISLAUS, State of California, Under the date of February 25, 1951, Action No. 46453; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

Notice is hereby given that the Stanislaus County Public Works Department has prepared an Initial Study (IS) of environmental effects, and intends to adopt a Mitigated Negative Declaration (MND), for demolition of and construction of new administration and maintenance facilities at the County's existing facility at 1716 Morgan Road, Modesto, CA 95358.

The proposed project will replace existing County heavy equipment maintenance and administration facilities with new facilities of the same kind. The project would involve approximately 9.5 acres of the 15-acre site. New construction will include buildings, paving, parking improvements and utility services from existing adjacent sources. The adjacent frontage of Morgan Road will also be improved.

The IS/MND has analyzed the potential environmental effects of the project in the range of environmental subject areas specified in the California Environmental Quality Act (CEQA) and the CEQA Guidelines. On the basis of this analysis, the IS/MND finds that the project will not involve any significant environmental effects, provided that the mitigation measures described in the IS/MND are implemented. The County will adopt the mitigation measures in a Mitigation Monitoring/Reporting Plan to be considered by the Board of Supervisors in conjunction with the IS/MND.

Copies of the IS/MND are available for public review at the Ceres Library at 2250 Magnolia in Ceres and the Central Library at 1500 I Street in Modesto.

The Public Works Department will accept public and agency comments on the IS/MND during a 20-day review period that will begin on February 20, 2015 and end on March 11, 2015. Comments may be sent to the Stanislaus County Public Works Department, 1716 Morgan Road, Modesto, CA 95358, Attn: Charlie Simpson, Environmental Processing Coordinator.  
Pub Dates February 20, 2015

Feb 20, 2015

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I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at

MODESTO, California on

February 20th, 2015

(By Electronic Facsimile Signature)

Cynthia A. Williams