THE CITY OF SAN DIEGO

Report to the City Council

DATE ISSUED:	July 5, 2017	REPORT NO: 17-028

ATTENTION: Honorable Council President Myrtle Cole and Members of the City Council

SUBJECT: Fiscal Year 2016 Park Amenity Condition Assessment Report and Proposed Service Level

REQUESTED ACTION:

This is an information item only.

STAFF RECOMMENDATION:

This is an interim report on park amenity condition assessments. While staff has no recommendations at this time, some service level projections are included in this report.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

In December 2013, City Council authorized (by Resolution No. 308581) the award of three Facilities Condition Assessment (FCA) consultant agreements for the purpose of assessing the condition of City's facilities. Each of the three agreements was authorized for a maximum contract value of $5 million and up to 5 years. Through the annual budget process, the City Council has approved an allocation of $300,000 per year from Fiscal Year (FY) 2014 through FY 2020 for park amenity condition assessments.

Through FY2016, 76 parks have been assessed, including Balboa Park. Each year the parks to be assessed were spread across the City and Council Districts. The initial emphasis for the assessments were on older community parks and neighborhood parks in order to establish an assessment methodology and develop a baseline of values associated with the park amenities assessed.

The City's park system contains 285 parks that are classified as developed parks (regional, community, neighborhood, and mini) in its park inventory representing 8,870 acres:, 249 are currently developed and 36 are currently undeveloped. The total developed acreage within the 249 developed parks is approximately 2,675 acres.

The Park Condition Assessment (PCA) program focuses on the developed acreage within the developed parks where infrastructure has been built or installed that is

utilized by the public. This infrastructure in the developed areas of the parks deteriorates over time and requires operations, maintenance and capital replacement expenditures over time. Therefore, park condition assessments are currently focused on completing the 2,675 developed acres within the 249 developed parks so that the City can develop an asset management plan for the infrastructure in the developed areas of the parks.

Open space parks, golf courses, and joint use sites with local school districts are not included in the 249 parks to be assessed. These types of park facilities may be assessed in future years as funding permits.

From FY 2014 through FY 2016, 76 parks were assessed for a total of 1,252 acres. This represents approximately 47% of the developed parkland to be assessed. The consultant conducted an additional special assessment on sewer laterals and storm drains in the Central Mesa area of Balboa Park.

Park Type by Function	FY2014	FY2015	FY2016	Totals for Each Park Type	Acres Assessed
Regional Park (Balboa Park)	0	0	1	1	416
Community Park	18	21	0	39	586
Neighborhood Park	12	23	0	35	249
Mini Park	0	1	0	1	0.37
Total per FY	**30**	**45**	**1**	**76**	**1,252**

This report provides PCA data and a proposed service level for the 76 parks assessed to date. These 76 parks have been assessed, the data analyzed, and a service level developed using the same methodology as was used for the City-occupied and leased building facilities condition assessments previously reported to the City Council by the Public Works Department with some minor modifications for parks. The primary difference between calculating a building Facility Condition Index (FCI) and a Park Condition Index (PCI) is that a building FCI is based on the value of the replacement of that entire building while a park PCI is based on replacing those amenities within the park that were assessed, not the full replacement value of the park. This is important to note because not all systems which support the successful operation of a park were assessed. Aside from limited investigation in Balboa Park, underground utilities, storm drain pipes, irrigation systems, and other below-ground assets were not included in the park assessments; therefore, they were not included in the replacement value used in determining the PCI.

The PCA is a visual assessment of the park assets that are outside and visually apparent above the ground. Underground assets such as utilities, pipes, and irrigation were not included in the PCA due to the inability to visually assess these assets. The following table lists the park assets included in the PCA.

Assets within the Park Included in the Assessments	
Playgrounds	Park Furnishings
Landscaping	Fences and Walls
Above-Ground Storm Water Devices	Pedestrian Paving
Playing Fields	Parking Lots
Outdoor Courts	Park Roads

To obtain a more complete picture of a park's condition, it is important to include the park buildings with the outdoor assets assessed in the PCA. This report provides the methodology and results of the developed park amenity condition assessments and combines the results of the park amenity condition assessments with the park building condition assessments to derive a total reinvestment need for the assessed parks to bring them to a desired service level. The park buildings are included in the Facilities Condition Assessment (FCA) program and two reports were docketed at City Council in April 2016 and March 2017.

Park Amenity Condition Assessment Methodology:

Each park was visited by a team of assessment professionals using checklists to ensure each asset type was captured in the assessment. During the park site visits, each asset type listed above was inventoried and evaluated for repairs and remaining useful life. The remaining useful life is based on industry standard lifecycle charts and the consultant's professional experience. The inventory information along with the repairs and remaining useful life for each asset type were used to estimate the maintenance and capital backlog and to project future capital renewal costs over a 20-year period.

A detailed report was generated for each park assessed as well as the two summary reports that are attached to this report (Attachments A and B). The reports outline the immediate maintenance and capital needs within the park as well as the projected costs associated with each asset type and the year major maintenance or replacement is necessary over the 20-year period. The projected costs in the 20-year outlook assumes the immediate maintenance and replacement needs were performed in the fiscal year the park was assessed. For example, if an assessment conducted in FY 2015 indicated a playground needed to be replaced, the 20-year outlook shows the playground being replaced again at the end of its 15-year useful life, or in 2030.

It is important to note that the repair or replacement costs shown on the individual park assessment reports and summary reports only reflect the repair or replacement of the existing asset. Similar to the condition assessments for facilities, these costs do not reflect expansions, upgrades, or improvements to the asset.

Terminology:

The maintenance backlog for a facility is a summation of the estimated cost of repairs for each asset type within the park. It does not include routine maintenance.

The <u>capital backlog</u> is a summation of the estimated cost of replacement of the asset type that have no remaining useful life within the park. Park assets that have no remaining useful life but are still in service, will eventually need to be replaced due to failure or deterioration. While these park assets may still be in service past the end of their useful life, assets such a playground equipment are routinely evaluated to ensure they are safe.

<u>Capital renewal</u> for a particular year is a summation of the estimated cost of replacement of the park asset type that have reached the point where they have no remaining useful life in the particular year. If playground equipment is identified as a capital backlog and is replaced, the capital renewal will occur in 15 years at the end of the new play equipment's useful life. Capital renewal is used for budgeting future needs.

<u>Asset Functions:</u>

The developed park inventory to be assessed have been grouped into categories by asset function as shown in the table below. The park types by function are based on the Recreation Element of the City's General Plan.

Developed Park Types by Asset Function		
Regional Parks	Regional asset, tourist destination, special natural features	Balboa Park Mission Bay Park Chicano Park
Community Parks	Serve a population of approximately 25,000 residents	Parks containing both passive and active recreation. May include athletic fields, recreation centers, and aquatic centers
Neighborhood Parks	Serve a population of approximately 5,000 residents	Normally provide passive recreation such as picnic areas and turf for informal play
Mini Parks	Serve residents within ½ mile of the park	Normally include passive areas, playgrounds, and plazas

<u>Condition Ratings and Park Condition Index (PCI):</u>

Facility Condition Index (FCI) which was used in the FCA program is an industry-standard calculation of a facility's condition that can be used to compare the condition of facilities within an inventory that have been assessed with a consistent methodology. While there is no industry-standard for park facilities, the methodology used to calculate a building's FCI can be modified slightly to apply to park assets. The primary difference between a building FCI and a Park Condition Index (PCI) is in how the Plant Replacement Value (PRV) is calculated. For building

assessments, the PRV includes the cost to replace the entire building. Since not all assets within the parks were assessed, primarily underground assets such as storm drain pipes, electrical systems, and irrigation systems, the park PRV is calculated by including the replacement value of only those assets within the park that have been assessed, not the full replacement of the park.

A park's PCI rating is a modified building industry-standard FCI, which incorporates the cost of the maintenance backlog <u>and</u> capital backlog divided by the PRV of assets assessed. The PCI formula used for the FY 2014 through FY 2016 assessments is:

$$\textbf{PCI} = \frac{\textbf{(Estimated Cost of Maintenance Backlog + Capital Backlog)}}{\textbf{Plant Replacement Value (PRV) of Assets Assessed}}$$

The PCI Condition Ratings are comparable with the FCI condition ratings implemented in the City's FCA program for structures and buildings.

PCI Condition Ratings		Examples:
Good	0% to 20%	Balboa Park Nobel Athletic Area Martin Luther King Community Park
Fair	21% to 29%	South Clairemont Community Park Dusty Rhodes Neighborhood Park
Poor	30% or higher	Allied Gardens Community Park Keiller Neighborhood Park

<u>PCI Summary – 76 Parks</u>

The following table provides the average PCI for the four park types (also called Park Asset Functions). The average PCI rating is an average of the parks assessed to date in each asset function. Regardless of the average PCI, the PCI of individual parks may rate from good to poor. An average PCI of fair, for example, does not mean that every park that has been assessed is in fair condition. For example, the average PCI of the 76 parks assessed to date is 16, which corresponds with good condition. Specific examples include Balboa Park, which has a PCI of 5 – good condition, while Pacific Beach Community Park has a PCI of 36 – poor condition.

Park Type by Function	No. Parks Assessed FY14-FY16	Acres Assessed FY14-FY16	Average PCI[1]	Avg. PCI Condition Rating[2]
Regional Parks	1	416	5	Good
Community Parks	39	586	15	Good
Neighborhood Parks	35	250	21	Fair
Mini Parks	1	0.37	81	Poor[2]
Total Parks Assessed	**76**	**1,252**	**16**	**Good**

Note 1 – *It is not Industry Best Management Practice or typical for agencies to improve facilities to an PCI of 0.*
Note 2 – *The PCI of poor for a park may be influenced by the need to replace a single asset type. For example, the lone mini park assessed was Cedar Ridge Mini Park, which contains walkways, a playground, and landscaping. The fact that the playground needs to be replaced heavily influenced the PCI of this park. If the playground were new, this park would have received a much lower PCI number possibly moving it to the Good category.*

Reliability Levels:

Identifying a service level for our parks is an important step in developing an asset management plan and determining the reinvestment needed to execute the asset management plan and achieve service level goals. While the Recreation Element within the City's General Plan provides service levels for the different types of parks, those service levels are based on mission-specific goals such as meeting an overall park availability goal (acres/population). This report focuses on the service level associated with condition assessments of existing developed parks and is based on condition goals which assure the asset is functional, reliable, and safe throughout its lifecycle.

A PCI in fair or poor condition indicates a backlog of maintenance repairs and capital replacements. Even parks with a PCI in good condition may have a backlog of maintenance repairs and capital replacements. It is important to understand the type of subsystems that will need to be replaced so that an effective capital and maintenance program can be developed. Targeting funding strategically toward park subsystems that are critical to the operation of the park will ensure reliability of the park inventory.

Park subsystems are not all equal in terms of their ability to provide a park that is reliable (e.g., playground vs. a picnic table). Therefore, the park subsystems have been categorized into three reliability levels based on their impact to park operations as shown in the table below. The three reliability levels are Level 1 Operations Impacts, Level 2 Deterioration, and Level 3 Appearance.

Reliability Levels by Park Subsystem

Reliability Level 1 Operations Impacts	Reliability Level 2 Deterioration	Reliability Level 3 Appearance
Playgrounds	Parking Lots	Landscaping
Athletic Fields	Park Roads	Park Furnishings
Pedestrian Walkways	Above-Ground Stormwater Devices	Fences
Outdoor Courts		Signage

The definitions of the three reliability levels are:

- Level 1 Operations Impacts are those subsystems that if in poor condition or no longer in service, the primary mission of the park may not be able to be met. We have identified those core subsystems to be playgrounds, athletic fields, walkways and outdoor courts. These are the primary assets people come to the parks to use. They are the highest priority assets to be addressed as funding becomes available. Depending on the primary mission of the park, any of the Level 1 subsystems would be the top priority for funding.

- Level 2 Deterioration are those subsystems which will impact park users in

some manner if they are in poor condition or no longer in service, but do not stop people from using the park as it was intended. These include parking lots, because users can walk into the park from an adjacent street, park roads, and storm water devices. In the case of storm water devices, if a drainage inlet is not functioning, a portion of the park could be flooded for a period of time.

- Level 3 Appearance are cosmetic or non-essential subsystems. While some people may visit a park to enjoy its landscape, the landscape is not essential to the functionality of the park.

It is important to address critical deficiencies in the Level 1 Operations Impacts followed by the Level 2 Deterioration subsystems and Level 3 Appearance to ensure usability of the park.

The table below summarizes the estimated backlog by Reliability Level for each park type. Completing all of the backlog for existing facilities indicated in the table below is not industry Best Management Practice and is not a recommended service level. The purpose of this table is to characterize the backlog so that a service level can be established that addresses the most critical systems to maintain safety and operations.

Park Type by Function	No. Parks. Assessed FY14-16	Acres Assessed	Level 1[5] Operations Impacts	Level 2[5] Deterioration	Level 3[5] Appearance
Regional Parks	1	416	$4.8	$6.9M	$71K
Community Parks	39	586	$53.7M	$18.3M	$4.3M
Neighborhood and Mini Parks	36	250	$27.3M	$4.2M	$2.0M
Total Parks	**76**	**1,252**	**$85.8M**	**$29.4M**	**$6.3M**

Note 5 – *It is not Industry Best Management Practice or typical for agencies to improve facilities to a backlog of $0.*

Proposed Service Level for Developed Parks:

Asset management is critical to developing an effective capital and maintenance program which, if implemented, will ensure the safety and reliability of the parks inventory. In order to plan for future funding needs so that an effective capital and maintenance program can be implemented, it is important to establish condition goals called Service Level PCI goals.

Since the methodology to derive a park's PCI score is similar to deriving a building's FCI score, staff in consultation with the assessment professionals determined that the same service level could be used for both PCI and FCI. A proposed PCI goal of 15 is consistent with the FCA program proposed FCI goal of 15 for public buildings. The FCA program proposed the FCI goal of 20 for city offices and sheds on developed parks since these types of buildings do not serve a public use. An FCI of 20 is still in good condition, just not quite as good as the public use buildings with an FCI of 15.

Using the same service level goal for parks and the public use buildings within those parks ensures the total reinvestment calculation is consistent for both assets. It also ensures that park facilities are weighted equally to address the different users of that park. Some users may rate a recreation center as being the most important asset within a park while other users may rate an athletic field as being more important. Weighting these very different assets equally provides a holistic approach to managing the city's assets.

The following chart shows the necessary reinvestment amount for each park type to achieve a PCI of 15 for each park. Balboa Park, being the only regional park assessed to date, has a PCI of 5; therefore, Balboa Park's park amenities (which excludes facilities and buildings) do not need additional reinvestment because they exceed the goal PCI of 15. It is important to note that the necessary reinvestment amounts are not an asset management plan. They are provided as an estimate of what it would cost only to rehabilitate the developed park inventory to the proposed service level goals. Asset management planning will combine condition data with mission criticality and functional adequacy so that the City can develop a prioritized listing and long-term plan for each asset in the inventory. Reinvestment in assets that are already at the service level PCI goal might be warranted in the case of regional assets such as Balboa Park that have higher patronage. While the community parks assessed to date already have an average PCI of 15, there are several community parks which individually have a PCI higher than 15. The necessary reinvestment shown for community parks represents the 2016 dollar amount to bring those with a PCI of 16 or higher to a PCI of 15. The same is true for neighborhood and mini parks.

Proposed Service Level PCI 15:					
Park Type by Function	No. Parks. Assessed FY14-16	Acres Assessed in FY14-16	Avg. ACTUAL PCI	Max. GOAL PCI	Necessary Reinvestment[3]
Regional Parks	1	416	5 Good	15 Good	$0
Community Parks	39	586	15 Good	15 Good	$13.1M
Neighborhood and Mini Parks	36	250	21 Fair	15 Good	$11.7M
Total Parks	**76**	**1,252**	**16 Good**	**15 Good[4]**	**$24.8M[5]**

Note 3 – Necessary reinvestment amounts are based on improving the PCI of each facility within the asset function to the maximum goal PCI.
Note 4 – Represents an average FCI for the inventory.
Note 5 – Necessary reinvestment amounts do not include future capital renewal, improvements, expansion, or upgrades.

Achieving this proposed service level for park amenities assessed requires a reinvestment of $24.8M for the 76 parks to improve each park to a PCI 15 - Good. The average PCI's reported are for 2016 and the PCI's increase over time due to deterioration of the park assets. Therefore, additional funding will be required to

maintain these goal PCI's over time as assets deteriorate and reach the end of their useful life.

Combined Results for PCA Park Assets and FCA Buildings within Parks

To determine the necessary reinvestment amount for a particular park which includes the outside assets and the buildings, the PCA data has been combined with the FCA data. The FCA and PCA were completed with the same methodology but different consultants. The numbers in the following chart were taken from the results of the FCA reports that were docketed with the City Council in April 2016 and March 2017.

FCA FY16 Proposed Service Level (FCI 15/15/20/20): City-Occupied & Leased Public & Semi-Public – FCI 15 Good City-Occupied & Leased Office/Work Yard/Operations/Commercial/Residential - FCI 20 Good				
Park Type by Function	**No. Bldgs. Assessed FY 2014–2016**	**Avg. ACTUAL FCI**	**Max.[7] GOAL FCI**	**Necessary Reinvestment[6]**
Regional Parks (Balboa Park)	118	19 Good	15/20 Good	$79.2M
Community Parks	101	10 Good	15 Good	$45.4M
Neighborhood and Mini Parks	25	10 Good	15 Good	$1.7M
Total Park Buildings	**244**	**24 Fair**	**15 Good[7]**	**$126.3M[8]**

Note 6 – Necessary reinvestment amounts are based on improving the PCI of each facility within the asset function to the maximum goal PCI.
Note 7 – Represents an average FCI for the inventory.
Note 8 – Necessary reinvestment amounts do not include future capital renewal, improvements, expansion, or upgrades

The following chart provides the necessary reinvestment when the park building FCA data is combined with the park assets PCA data for the 76 parks assessed to date.

Proposed Service Level for 76 Developed Parks (outside assets and buildings)				
Park Type by Function	Buildings: Reinvestment for FCI 15/20	Dev. Parks: Reinvestment for PCI 15	Max. GOAL FCI	Total Necessary Reinvestment to Obtain a FCI/PCI of 15/20 for 76 Parks
Regional Parks (Balboa Park)	$79.2M	$0	15/20 Good	$79.2M
Community Parks	$45.4M	$13.1M	15 Good	$58.5M
Neighborhood and Mini Parks	$1.7M	$11.7M	15 Good	$13.4M
Total	**$126.3M**	**$24.8M**	**15/20 Good**	**$151.1M**

Achieving a proposed service level of 15 requires a reinvestment of $151.1M for the 76 assessed parks to improve the average PCI/FCI to 15/20 Good with a maximum FCI for each building of FCI 15 – Good for City-occupied and leased public/semi-public and FCI 20 – Good for City-occupied and leased offices/work yards/operations and commercial/residential facilities. The average PCI/FCI's reported are for 2016 and the PCI/FCI's increase over time due to deterioration of the asset sub-systems. Therefore, additional funding will be required to maintain these goal PCI/FCI's over time.

SUMMARY:

Through Fiscal Year 2016, 76 developed parks across the city have been assessed to ascertain the condition of the assets within those parks. The 76 parks include Balboa Park as the only regional park, 39 community parks, 35 neighborhood parks, and 1 mini park. In total 1,252 acres of parkland were assessed which is 47% of the developed park acreage. In addition, 244 buildings or structures were also assessed within those 76 parks with Balboa Park containing 118 facilities.

The true value of the assessment reports generated for each park and for each facility lies in how the data can be used to develop long-term asset management plans. An important first step in any asset management plan is to identify the assets owned, where those assets are located, and the condition of those assets. Based on the data obtained in the condition assessments, a service level PCI/FCI goal can be established which than can be used to calculate necessary reinvestment to obtain the desired service level PCI/FCI goal.

Both the developed park amenity condition assessments and the facilities condition assessments were assigned a Park Condition Index and Facility Condition Index service level goal of 15 which is good condition (PCI/FCI of 0 to 20 is good condition). The service level PCI/FCI goal is then used to calculate the necessary reinvestment to bring the outdoor park assets and park buildings to the service level goal of 15. Based on these calculations, $24.8M of reinvestment is necessary for the park assets and $126.3M of reinvestment is needed for the buildings and structures

within those 76 parks. This equals a total reinvestment need of $151.1M to bring the 76 parks within the goal of Park Condition Index of 15. The necessary reinvestment amounts do not include future capital renewal, improvements, expansion, or upgrades.

The $151.1M is in 2016 dollars and will increase in time due to inflation and due to continuing deterioration of the park assets. The condition assessment data and the proposed reinvestment amounts are a snapshot in time that provide valuable information on the current condition of park assets and the costs associated with maintaining and replacing those assets over time. This condition assessment data along with a mission-specific business model will be used in developing a city-wide asset management plan that will help the City make the most effective use of its resources.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVES:

Goal # 1: Provide high quality public service

> Objective #1: Promote a customer-focused culture that prizes accessible, consistent, and predictable delivery of services

Goal #2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

> Objective #3: Invest in infrastructure
> Objective #4: Foster services that improve quality of life

Goal #3: Create and sustain a resilient and economically prosperous City

> Objective #1: Create dynamic neighborhoods that incorporate mobility, connectivity and sustainability

FISCAL CONSIDERATIONS:

None, this is an information report only.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (if applicable): N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS:

City Council 12/9/2013 Resolution 308581; FCA Consultant Contracts

Infrastructure Committee 1/21/2015; FY 2016 – 2020 Consolidated Multi-Year Capital Planning Report

Infrastructure Committee 6/3/2015; FY14 Facilities Condition Assessment Update

City Council 7/13/2015; FY14 Facilities Condition Assessment Update

Infrastructure Committee 12/9/2015; FY17 – FY21 Five-year Capital Infrastructure Planning Outlook

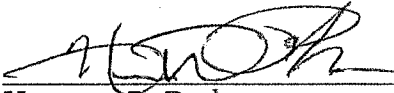Infrastructure Committee 3/16/2016; FY16 Facilities Condition Assessment Update

City Council 4/12/2016; FY16 Facilities Condition Assessment Update

COMMUNITY PARTICIPATION AND OUTREACH EFFORTS:

Presentation to the Park and Recreation Board on March 16, 2017

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include City of San Diego residents. Impacts include improving the conditions of our City parks.

Herman D. Parker
Director
Park and Recreaton Department

David Graham
Deputy Chief Operating Officer
Neighborhood Services

Attachment:

  A. Park Amenity Assessment Cumulative Report, June 30, 2016
  B. Park Amenity Assessment Balboa Park Cumulative Report, June 30, 2016