



April 19, 2024

TO: CADA Board of Directors

SUBJECT: **April 26, 2024, Board Meeting**
AGENDA ITEM 7
CADA Buildings Project Needs Assessment and CIP Planning Change Order

CONTACT: Marc de la Vergne, Deputy Executive Director and Sustainability Director

RECOMMENDED ACTION:

Staff is recommending the CADA Board approve the attached resolution (**Attachment 1**), authorizing the Executive Director to enter into a change order with Artemis Construction Management to complete the CADA Buildings Project Needs Assessment and Capital Improvement Projects (CIP) Planning Project.

BACKGROUND

Annually, CADA updates its CIP Budget to reflect Maintenance Department priorities for building repairs and major improvements. Staff prepares and presents the CIP Budget to the Board for approval at the June meeting each year. The CIP Budget then funds the recommended capital improvements for the year. Typically, the Maintenance Manager prepares the list of maintenance CIP projects and works with senior staff to refine it before the budget is presented to the Board.

CADA staff have identified a need to make CADA's CIP planning more strategic, with a long-term perspective of the building systems, and to link it more directly to the CADA Strategic Plan objectives, as discussed in the Strategic Plan section below. Staff identified a consultant with specific expertise in construction management, CIP needs assessment preparation, and CIP planning to help CADA staff identify CIP priorities for each of its 52 buildings, with corresponding estimate costs and a recommended phasing strategy. In March 2024, the Executive Director entered into a \$34,596 contract with Artemis Construction Management to assess the first of three building groups – Group 1. That contract (C24-096) was within the Executive Director's contract \$50,000 authority amount. This contract was initiated with the goal of gaining the first phase of information in time to inform the upcoming budget process.

Group 1 included 22 buildings. Artemis has completed the inspections for these buildings and is preparing the inspection reports, estimates and CIP phasing strategy. Phase I of the Group 1 buildings work includes evaluating the needs of the portfolio. Key deliverables include a comprehensive report detailing each building system's current condition assessment, a life-cycle analysis, energy efficient options and a 20-year reserve study. Further details can be found in the attachment. Artemis will provide a short summary of Group 1 findings at the Board meeting.

Phase II of the Group 1 buildings' work includes capital needs planning. Key deliverables include an updated CIP plan, including immediate and short-term repairs, cost estimates, and other

proposed energy and security improvements. The CIP plan will include a master schedule and correlate with the current CADA CIP plan and any financing timelines affecting the plan. The plan will span up to 5 years.

To ensure work can continue with the 30 buildings in Groups 2 and 3 immediately upon completion of the Group 1 work, staff is recommending the Board approve a resolution at this time authorizing the Executive Director to enter into a change order with Artemis to fund the additional work. The consultant's proposal is included with this staff report as **Attachment 2**. Artemis's scope of work and deliverables for Groups 2 and 3 are identical to the scope for the Group 1 buildings. The work will take approximately 9 weeks.

POLICY ISSUES

The Executive Director's contract approval authority is capped at \$50,000. The proposed change order is for \$55,944. Therefore, Board authorization of the change order is required before the Executive Director may sign it. Consistent with Board discussion at the March meeting, staff will be coming before the Board at a future meeting to recommend an increase to the Executive Director's contracting signing authority threshold.

STRATEGIC PLAN

The CADA Board approved a revised strategic plan for 2024-2029 at the March Board meeting. The proposed action advances the following strategic plan objective, strategy, key performance indicator and activities and timelines:

***Objective:** II. Deliver Community Development Leadership*

***Strategies:** C. Sequence Capital Improvement Projects (CIPs) and prioritize projects that are sustainable and functional for CADA's residential and commercial tenants;*

***Key Performance Indicator:** Sequence and Completion of CIPs*

***Activities and Timelines Tracked in Operational Business Plan:** 7. Conduct a comprehensive needs assessment of all CADA buildings to inform long term planning. (2024-2025)*

Completing project needs assessments for each of CADA's residential and commercial buildings will allow CADA to develop a comprehensive and detailed strategy to meet the capital improvement needs of its buildings, which will result in buildings that are more livable for tenants, more energy efficient, more resilient in the face of expected climate change impacts over the coming decades, and with systems that are better-prepared to continue to serve CADA's tenants. This work will also inform our responsible use of resources, including with preventative maintenance that will lower long-term costs and the overall effective management of CADA's assets.

FINANCIAL IMPACT

The proposed change order will be funded from the Asset and Other Professional Services budget and will total \$55,944, funded through remaining funds and supplemented by a transfer of funds from an account originally intended to pay for rental of a supplemental warehouse space. Since CADA is purchasing its own larger warehouse, renting the additional space is no longer necessary. In combination with the \$34,596 for the Group 1 buildings contract, the project total will be \$90,540.

ENVIRONMENTAL REVIEW

Not applicable. This is an administrative action and is not a project subject to the requirements of the California Environmental Quality Act (CEQA).

Attachments:

- 1) Resolution 24-20
- 2) Artemis Construction Management Fee Proposal (dated 4/11/24)

RESOLUTION NO. 24 – 20

April 26, 2024

Adopted by the Capitol Area Development Authority

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CHANGE ORDER WITH ARTEMIS CONSTRUCTION MANAGEMENT

WHEREAS, the CADA 2024-29 Strategic Plan calls for CADA to sequence Capital Improvement Projects and prioritize projects that are sustainable and functional for CADA’s residential and commercial tenants and directs staff to conduct a comprehensive needs assessment of all CADA buildings to inform long-term planning;

WHEREAS, CADA and Artemis Construction Management entered into a \$34,596 contract in March 2024 to conduct the necessary needs assessment for 22 of 52 of CADA’s building, referred to as Group 1, in order to inform budget creation for Fiscal Year 2024-2025;

WHEREAS, Artemis is nearing completion of its work on Group 1 and staff would like work on Groups 2 and 3 to commence as soon as Group 1 work has concluded;

WHEREAS, Artemis has submitted a \$55,950 change order to undertake the Group 2 and 3 work; and

WHEREAS, Board authorization is required to approve contracts in excess of \$50,000.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Capitol Area Development Authority that:

1. The Board of Directors hereby authorizes the Executive Director to execute a change order in the amount of \$55,944 with Artemis Construction Management.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors



Artemis Construction Management Fee Proposal

CADA Capital Improvement Planning (CIP) Consulting ASR 001

Contract #C24-096

04/11/24

Artemis's Additional Services Request (ASR) Fee Proposal is based on continuing the Conditional Needs Assessment and Capital Improvement Plan into Groups #2 and #3. See the enclosed spreadsheet for a breakdown of fees, the buildings that have been completed, and buildings in the remaining groups. For these additional services, Artemis proposes the following Not to Exceed Fee:

Phase #1 – Group #2 & #3	\$38,640.00
Phase #2 – Group #2 & #3	\$17,304.00
Total	\$55,944.00

Scope of Work

Phase 1: Evaluating Needs of Portfolio

Tasks:

- I. Request and collect the following:
 1. Contact information for each Property Manager
 2. Any available plans or construction specifications (As-Builts preferred); Any written bids and estimates for incomplete repairs
 3. Unit Mix of each property
 4. List of proposed repairs/maintenance logs
 5. Phase 1 reports or other studies completed
- ii. Meet with the Property Manager / Maintenance Team and survey staff to understand reoccurring issues
- iii. Conduct a visual inspection of the project site, building exteriors, roof, common areas, lobby, parking areas, mechanical/electrical/plumbing systems, outdoor spaces, and at least one unit per floor, per building, per unit type or 25%, whichever is larger. The inspection will assess the age of the equipment, finish condition, regulatory compliance (fire inspections, ADA, etc.), visual water damage, structural issues, and assessment of the likelihood that hazardous materials are present.

Phase 1: Deliverables

After evaluating the needs of the portfolio, Artemis will create a comprehensive report detailing each system's current condition assessment, life-cycle analysis, relevant photos, proposed energy-efficient options, and a 20-year Replacement Reserve Study. The report will be based on ASTM E2018-15 – Standard Guide for Property Conditions Assessment: Baseline Property Condition Assessment Process and ASHRAE Standard 211-2018 for Energy Audits - Level 1. Each report will be sorted to highlight immediate, short-term, and long-term needs for all 52 buildings individual buildings (for financing purposes). Items for immediate repair or replacement will be detailed in an actionable and biddable way.

Phase 2: Capital Needs Planning

This phase will outline the portfolio strategy and financial plan for developing, funding, and maintaining your communities.

Tasks:

- i. Facilitate up to five meetings with the client staff and stakeholders to review priorities and funding availability.
- ii. Create a custom, web-based dashboard that can be viewable by stakeholders (included for the first year) and updated by the client.

Deliverables:

- i. Working with the client, Artemis will prepare an updated capital improvement plan, including immediate and short-term repairs, cost estimates, and other proposed energy and security improvements. This plan will include a master schedule and correlate with the current Capital Improvement Plan (CIP) and any financing timelines affecting the plan. It will span up to 5 years.

Terms and Conditions

- Work shall be completed within 4 months from receipt of deposit and commencement of work (with the exception of one week between May 27 and 31).
- Includes overhead, profits, taxes, and benefits
- Excludes:
 - Mileage and parking fees; Mileage billed at current IRS rate
 - Printing and shipping costs (billed at cost)
 - Permit handling (additional service available)
 - Performing construction work
 - Producing design or contract drawings
 - Destructive or penetrative testing
 - Engineering
 - Hazardous Material Testing
- Payment of 50% of the contract amount (\$19,320) for Phase 1 is due once the contract for CNA services has been executed. The final payment for Phase 1 is due within 30 days of receipt and acceptance of the final report. For other phases, billings will be submitted the second week of each month for time and expenses provided during the preceding month. Payment will be due within 30 days of receipt of the invoice. A reprocessing fee of 1.5% will be assessed on balances outstanding after 45 days.

CADA Capital Needs Assessment Fee Proposal - 30 Bldgs.	Rate	# of Hrs.	Cost
Phase 1: Assessment (3 months)			\$ 38,640.00
Building Group #2 (secondary and age specific CIP needs)	6 weeks		\$ 22,632.00
Bldg 21, 23, 25, 26, 28, 33, 38, 40, 56, 61-64, 66-68 (1/2 day onsite + 4 hours for prep & reporting each)	\$ 138.00	128	\$ 17,664.00
Bldgs 51, 52, 69 (full day onsite + 4 hours for prep and reporting each)	\$ 138.00	36	\$ 4,968.00
Building Group #3 (remaining buildings)	5 weeks		\$ 16,008.00
Bldgs 30, 34, 37, 41, 42, 47-48, 54, 57, 58 (1/2 day onsite + 4 hours for prep & reporting each)	\$ 138.00	80	\$ 11,040.00
Bldgs 29, 35, 59 (full day onsite + 4 hours for prep and reporting each)	\$ 138.00	36	\$ 4,968.00
Phase 2: Planning for Group #2 & #3 (1 month)			\$ 17,304.00
Two Meetings with Staff and Stakeholders (incl. prep)	\$ 138.00	8	\$ 1,104.00
Timeline, Sequencing, and Integration with current CIP	\$ 135.00	80	\$ 10,800.00
Optional: Dashboard for viewing data and future updates	\$ 135.00	40	\$ 5,400.00
<i>Total Not to Exceed Estimate for Group #2 & #3</i>			<i>\$ 55,944.00</i>

Hourly rate includes mileage and parking

See Attached Spreadsheet and Map for Corresponding Building Numbers

All groups include site assessment, survey of staff, and individual reports per building with a comprehensive database for the portfolio

50% of Phase 1 fee is due before starting the Capital Needs Assessment

Phase 3 proposal will be presented upon the completion of Phase 2

Group #	Map ID	Bldg Name	Street Address	Status
1	17	Somerset	1001-35 Q St	In Progress
1	20	Del Capri	1201 P St	In Progress
1	24	1212 P	1212 P St	In Progress
1	22	1214 P	1214 P St	In Progress
1	49	Lombard	1317 15th St	In Progress
1	50	Park Mansion	1325 - 15th St	In Progress
1	32	Capri	1327 O St	In Progress
1	31	The Valencia	1327/1317 O St	In Progress
1	36	Palm Mansion	1330 P St	In Progress
1	39	The Dean	1400 N St	In Progress
1	43	Stateman	1420 O St	In Progress
1	44	Auslander	1500 15th St	In Progress
1	51	Brannan Court	1500 N St	In Progress
1	27	McCafferty	1506 13th St	In Progress
1	55	Johnston House	1506 O St	In Progress
1	45	Victorian I	1510 15th St.	In Progress
1	18	1517 12th Street	1517 - 12th St.	In Progress
1	19	1521 12th	1521 12th St	In Progress
1	53	Judith Manor	1522 N St	In Progress
1	65	Rooming House	1619 Q St	In Progress
1	60	1625 O	1625 O St	In Progress
1	46	Victorian II	48 15th St	In Progress
2	68	Wing Manor	1209 P St	Not Started
2	21	Gibb Arms	1215 P St	Not Started
2	23	1216 to 1218 P	1216-18 P St.	Not Started
2	25	Deus	1220 P St	Not Started
2	26	Gibson Arms	1228 O St	Not Started
2	38	Culjis Duplex	1321-23 Q St	Not Started
2	66	Above Sam's Market	1330 O St	Not Started
2	40	Greentree Commons	1400-04 O St	Not Started
2	67	Above Luna's Café	1412 1/2 16th St	Not Started
2	33	Metropol	1428 - 14th St	Not Started
2	61	17 Street Commons I	1506-1522 17th, 1524 17th, 1614 O St	Not Started
2	56	Don Carlos	1510 O St	Not Started
2	28	1512 13th	1512 13th	In Progress
2	52	Biele Place	1522 N St	Not Started
2	69	Terraces	1609 O St	Not Started
2	62	Lanai Apts 1	1615 P St	Not Started
2	63	Lanai Apts 2	1623 P St	Not Started
2	64	17th Street Commons II	1631 P St	Not Started
3	30	Le Chateau	1316 N. St.	Not Started

Group #	Map ID	Bldg Name	Street Address	Status
3	34	1316 O	1316 O St	Not Started
3	29	The Cypress	1320 N St	Not Started
3	35	Sonris	1322 O St	Not Started
3	37	Mi Casa	1326 P St	Not Started
3	41	Carriage Path Way	1401-15 St	Not Started
3	42	Moore Manor	1414 O St	Not Started
3	47	Fremont Apartments	1424 P St	Not Started
3	57	Dauger	1501 15th St	Not Started
3	54	Morganson Manor	1515 O	Not Started
3	58	Grantwood Manor	1616 N St	Not Started
3	59	Shelly Arms	1622 N St	Not Started

CHECK OUT CADA RESTAURANTS, SERVICES & PUBLIC ART!



RESTAURANTS & COFFEE

1. Yummy Choice - 1601 10th *
2. Ace's Gyro Shack - 1603 10th *
3. Café Xocolatl - 1607 10th *
4. Le Croissant - 1036 P
5. Cap City Squeeze - 1331 O, 1426 14th *
6. Sam's Market - 1330 O
7. TableVine - 1501 14th
8. Luna's Cafe - 1414 16th *
9. 1412 16th
- 10a. Simon's Bar & Grill - 1413 16th *
- 10b. CLTRE Club Market & Food - 1401 16th *
11. Karma Brew - 1530 16th Ste A

NEIGHBORHOOD SERVICES

12. Goodyear Cobbler & Cleaners - 1623-25 10th *
13. Forever Young Daycare - 1209 P
14. Capital Dry Clean (see #6 Sam's Market)
15. Legado de Ravel Leasing Office - 1520 16th #B
16. CADA Maintenance Office - 701 S *

PUBLIC ART

16. CNRA temporary sidewalk mural (new image every 3-4 months)

★ Capitol Box Art Traffic Utility Wrap

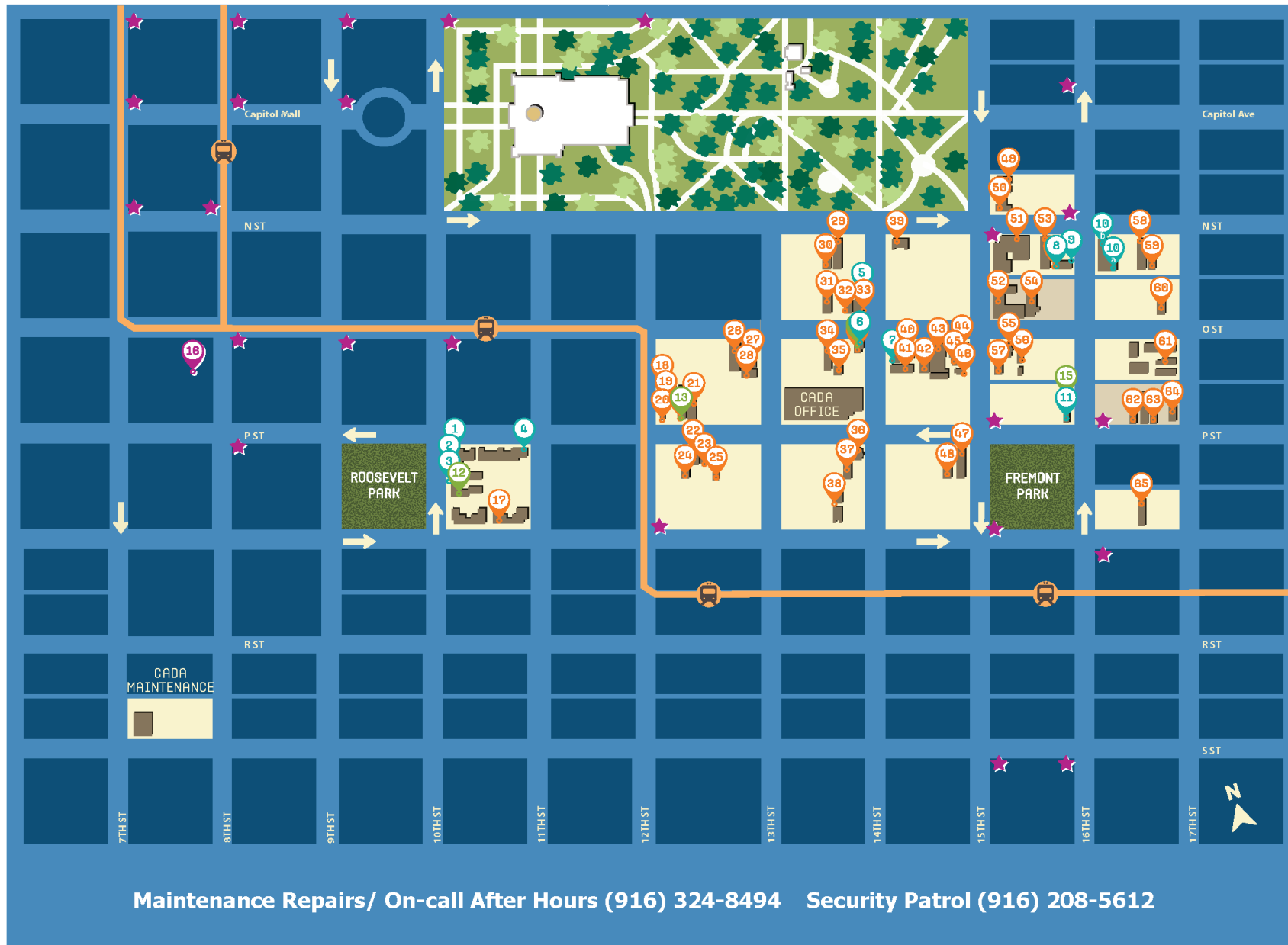
* Denotes a mural location

Light Rail Station



CADA Leasing Office
 1522 14th Street
 Sacramento, CA 95814
 (916) 322-2114

www.cada.org



APARTMENT BUILDINGS

17. 1001 to 1035 Q - Somerset Parkside*
18. 1517 12th
19. 1521 12th
20. 1201 P - Del Capri
21. 1215 P - Gibbs Arms
22. 1214 P
23. 1216 to 1218 P
24. 1212 P
25. 1220 P - Deus
26. 1228 O - Gibson Arms
27. 1506 13th - McCafferty Manor
28. 1512 13th *
29. 1320 N - The Cypress
30. 1316 N - Le Chateau
31. 1317 O - The Valencia
32. 1327 O - Capri
33. 1428 14th - Metropol *
34. 1316 O
35. 1322 O - Sonrisa *
36. 1330 P - Palm Mansion
37. 1326 P - Mi Casa
38. 1321 to 1323 Q - Culjis Duplex
39. 1400 N - The Dean
40. 1400 to 1402 O - Greentree Commons
41. 1401 to 1415 - Carriage Path Way
42. 1414 O - Moore Manor
43. 1420 - Statesman
44. 1500 15th - Auslander
45. 1510 15th - Victorian
46. 1514 15th - Victorian
47. 1606 15th - Fremont Apartments
48. 1424 P - Fremont Wllshire
49. 1317 15th - Lombard
50. 1325 15th - Park Mansion
51. 1500 N - Brannan Court *
52. 1421 15th - Biele Place
53. 1522 N - Judith Manor
54. 1515 O - Morgenson Manor
55. 1506 O - Johnston House
56. 1510 O - Don Carlos
57. 1501 15th - Dauger
58. 1616 N - Grantwood Manor
59. 1622 N - Shelly Arms
60. 1625 O
61. 1506 - 1522 17th, 1524 17th, 1614 O (17th Street Commons)
62. 1615 to 1617 P - Lanai Apts 1 *(off alley)
63. 1623 P - Lanai Apts 2 *(off alley)
64. 1631 17th - 17th Street Commons
65. 1619 Q - Rooming House
66. 1330 O - Above Sam's Market (see #6)
67. 1412 1/2 16th (see #8 above Luna's Cafe)
68. 1209 P - Wing Manor (see #13)

Maintenance Repairs/ On-call After Hours (916) 324-8494 Security Patrol (916) 208-5612