



## THE CITY OF KEY WEST

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# EXECUTIVE SUMMARY

**TO:** Jim Scholl, City Manager

**FROM:** Jim Bouquet, P.E., Director of Engineering

**DATE:** December 28, 2015

**RE:** Award of Peary Court Property Physical Needs Assessment to Saltz Michelson Architects in the Amount of \$165,951.00

### ACTION STATEMENT:

Authorize the City Manager to execute an agreement awarding the Peary Court Property Physical Needs Assessment to Saltz Michelson Architects in the amount of \$165,951.00. Approving any necessary budget transfers/amendments.

### BACKGROUND:

The City of Key West has a referendum in the upcoming March 2016 election (Ordinance 15-15) for voters to approve or disapprove the City negotiating the purchase and funding of the Peary Court Residential Development (Perry Court) from Peary Court Holdings, LP. To date, City Staff or City vendors have performed two - 15 year proforma statements, Chief Building Official's Certificate of Occupancy recommendations, a Property Ownership Certification, and two - "As-Is" Market Value Appraisals. To complete due diligence in this property acquisition, City Staff recommends an Architectural Services firm conduct a property physical needs assessment of buildings and infrastructure.

City Staff requested a physical needs assessment proposal from Saltz Michelson Architects, who is a current provider of Architectural Services under Resolutions 15-207 and 12-220. This proposal scope includes:

MEMORANDUM

<u>Deliverable</u>	<u>Description</u>
<u>No.</u>	
1.	Conduct Visual Inspection on 157 Unit / 49 Buildings and Prepare Inspection Reports: <ol style="list-style-type: none"><li>Building Envelope – Roof, Doors, Windows, Walls, Exterior Utility Penetrations</li><li>Electrical Service and Distribution</li><li>HVAC System</li><li>Plumbing Service and Distribution</li><li>Interior Finishes</li><li>Structural / Foundation</li><li>Site Improvements and Drainage</li><li>Termite Visual Inspection</li><li>Mold Visual Inspection</li><li>Construction Materials Moisture Levels</li></ol>
2.	Conduct Detailed Inspections on 16 Selected Units and Prepare Reports <ol style="list-style-type: none"><li>Identify, Quantify, and Summarize Immediate Repair Cost of Construction Deficiencies</li><li>Identify potential for suspect lead based paint and visually identify asbestos containing materials.</li></ol>
3.	Conduct a Wind Mitigation Inspection and Evaluation for Each Building
4.	Summarize Inspections and Detailed Reports
5.	Present the above findings to the City Commission.

Subject to issuance of a purchase order to proceed prior to January 8, 2016, Deliverable Numbers 1 through 4 will be complete by February 8, 2016. Deliverable Number 5 findings will be presented to the City Commission during February.

The Saltz Michelson Architects proposal dated December 17, 2015 for performing these services attached for review.

**PURPOSE AND JUSTIFICATION:**

Conducting a property physical needs assessment of Perry Court buildings and infrastructure by an architectural firm is recommended as a component of the due diligence process prior to acquisition of this property.

Acquisition of the Peary Court Development aligns with several stated goals of the City's Strategic Plan including:

- Economy Goal #4 – *Invest in the development of our workforce.*
- Environment Goal #2 – *The City's built environment reflects and supports Key West values, architectural history, and mixed uses.*
- Quality of Life # 2 – *Options for housing are available to meet the needs of our population demographic.*

## **FINANCIAL ISSUES**

Funding this Peary Court Property Physical Needs Assessment expenditure of \$165,951.00 requires City Commission approving a budget transfer from the FY2015-2016 Budget General Fund City Manager Contingency Account 001-1900-519.98-01 to the General Fund Professional Services Account 001-1900-519.31-00. Currently there is \$185,961. in the General Fund City Manager Contingency Account, an account funded at \$200,000 for the entire FY 2015-16 operating period. Leaving approximately \$20,000 in the Manager's Contingency account for the balance of FY 2015-16 will require close monitoring and, if required, replenishment at a future date. At such time additional City Manager Contingency is required, Staff will bring before the Commission a separate resolution identifying the amount of contingency funding requested and the source for such funding.

## **RECOMMENDATION**

Staff recommends authorizing the City Manager to execute an agreement awarding the Peary Court Property Physical Needs Assessment to Saltz Michelson Architects in the amount of \$165,951.00, including approving any necessary budget transfers/amendments.