

Milwaukee Police Department Facility Capital Improvement Analysis



November 2012

Facilities Condition Assessment Program

Facilities Development and Management



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Facilities Condition Assessment Program — Milwaukee Police Department

Summary

Facilities Development and Management conducted the Facilities Condition Assessment Program (FCAP) at Milwaukee Police Department (MPD) facilities to analyze capital improvement needs over a twenty year time period. The facilities conducted in the analysis and the inspection dates are as follows:

Facilities Evaluated	Address	Inspection Time Frame
2nd District	245 West Lincoln Avenue	January 19-25, 2012
3rd District/Data Comm.	2333 North 49th Street	February 13-27, 2012
4th District	6929 West Silver Spring Drive	September 10-11, 2012
5th District	2920 North 4th Street	September 17-18, 2012
6th District	3006 South 27th Street	January 5-9, 2012
7th District	3626 West Fond du Lac Avenue	October 1-2, 2012
Neighborhood Task Force	4715 West Vliet Street	October 10-30, 2012
Radio Repair Shop	4733 West Vliet Street	September 27-28, 2012
Police Warehouse	2620 West Wisconsin Avenue	October 3-5, 2012
Police Storage	8201 West Keefe Avenue	October 30, 2012
Police Administration Building	749 West State Street	Information from 3rd Party

The facilities above comprise a majority of MPD property and are the focus of the capital improvement plans (CIPs). The CIPs include rehabilitation and replacement projects that are intended to preserve and maintain optimal facility functionality, thereby ensuring dependable environments for police operations. The analysis includes projects for both facility and land improvements.

MPD facility portfolio includes additional properties, that are not included within the FCAP analysis for the reasons below:

Facilities Excluded	Address	Reason for Exclusion
Safety Academy	6680 North Teutonia Avenue	DPW FDM Responsibility
Police Substation, Midtown Shopping	4137 North 56th Street	Leased
Avenues West	2100 West Wells Street	Leased
Police Vehicle Storage Facility	1150 North Alois Street	Leased
Flammable Storage	2620 West Wisconsin Avenue	Long-Lived Asset



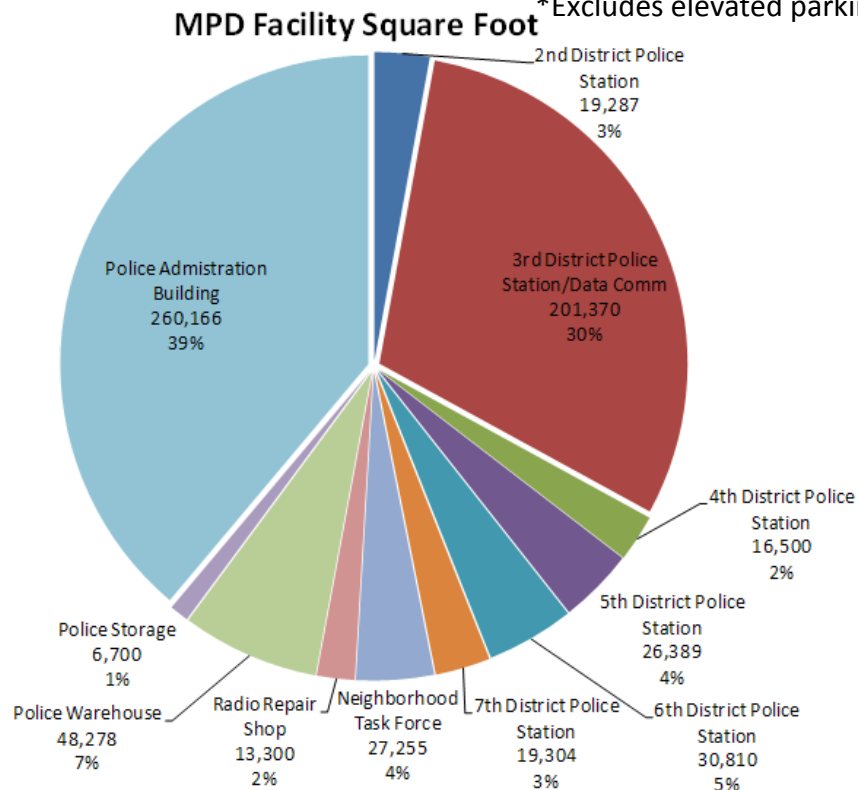
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MPD Facility Portfolio

FCAP analysis includes ten facilities that serve various functions for MPD. Information for the facilities evaluated is as follows:

Facilities Evaluated	Construction Year	Age	Square Feet	Current Replacement Value
2nd District	1952	60	19,287	\$5,226,304
3rd District/Data Comm.	2001	11	111,370*	\$66,127,760
4th District	1965	47	16,500	\$4,476,539
5th District	1960	52	26,389	\$7,156,743
6th District	1987	25	30,810	\$6,461,211
7th District	1981	31	19,304	\$5,248,358
Neighborhood Task Force	1936	76	27,255	\$7,088,136
Radio Repair Shop	1968	44	13,300	\$1,968,594
Police Warehouse	1923	89	48,278	\$4,265,591
Police Storage	1920	92	6,700	\$308,923
Police Administration Building	1971	41	260,166	\$61,100,336
Averages/Totals	1961	51	669,359	\$169,428,495

*Excludes elevated parking garage



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Information for the facilities exclude is as follows:

Facilities Excluded	Construction Year	Age	Square Feet	Current Replacement Value
Safety Academy	1965	41	196,111	\$27,738,926
Police Substation, Midtown Shopping Avenues West	2000	12		
Police Vehicle Storage Facility	1965	47		
Flammable Storage	1960	52		
	2006	7	192	\$49,509
			Averages/Totals	
			196,303	\$27,788,435



MPD FCAP Procedures and Information

The MPD FCAP is a 20 year-forecast of the property and analysis of the capital improvement expenditures. It involves two aspects: the physical analysis and financial analysis. The physical analysis includes an onsite inventory and condition assessment of components that will require capital improvement expenditures within the scope of the 20 year study. The financial analysis includes project scheduling/coordination and cost estimation for these projects.

FCAP includes detailed information about property components at a finite level to serve as the basis for project schedules. The end product serves as a long-term strategic tool to position property fiduciaries to make decisions to best serve its owners.

The following criteria are used to determine MPD FCAP components:

- MPD owned property
 - Pertains to components that are funded by the MPD capital budget.
- Limited Useful Life (UL) expectancy
 - Pertains to components that have an ascertainable service life.
- Predictable Remaining Useful Life (RUL) expectancy
 - Components with service life expiration within the 20 year scope. A prediction for the amount of time (in years) the component has until replacement is required. Subsequent reports may adjust RUL forward or backward depending on information available at the time of update.
- Greater than \$5,000 minimum threshold (some exceptions apply)
 - Occasionally, components less than \$5,000 are included in the capital expenditures plan. These components are usually combined/associated with larger capital projects (or strategized across the facility portfolio) yet remained separately itemized for identification and tracking purposes.
- Requirements by local codes or statutory regulation

Additional information that is used to categorize components include:

- *O+M Responsibility* pertains to those components that require maintenance or replacement less than the minimum capital threshold at/around \$5,000. These components are usually repaired or replaced from O+M funds.
- *Long Lived* pertains to components that are funded through the City of Milwaukee capital program. However, these expenditures are projected beyond the 20 year scope of capital budget, yet still monitored during annual field investigations.
- *Others* pertains to components that are repaired/replaced/maintained by an entity other than Milwaukee Police Department.



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MPD FCAP reports include detailed information about each facility component. A typical component summary will include:

- Component Description
 - Pertains to the element which is projected for capital improvement
- Quantity
- Condition Assessment
 - The condition assessment is determined from on-site inspections, facility plans/drawings, consultant's reports, maintenance history, and collaboration with facility representatives. The condition assessment is used to establish a standardized system for building condition assessment. Each building component is defined with a numerical value to indicate its condition. Periodic condition assessment updates monitor components and result in any necessary adjustments to the funding plan. The condition assessment rating is as follows:

Condition Rating Explanation			
9	Excellent condition – No problems noted	4	Poor condition – Advanced deterioration or obsolescence
8	Very good condition – Minor isolated problems	3	Serious condition – Advanced deterioration or obsolescence with minor function loss
7	Good condition – Moderate isolated problems	2	Critical condition – Advanced deterioration or obsolescence with moderate function loss
6	Satisfactory condition – Minor deterioration or obsolescence	1	Failed condition – Complete loss of function
5	Fair condition – moderate deterioration or obsolescence	N	Not applicable or under construction/repair

- Age
- Photo Documentation
- Useful Life (UL)
- Remaining Useful Life (RUL)
- Replacement History



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The capital budget for the property is included on two spreadsheets. The first spreadsheet contains the anticipated capital projects for years 2012 through 2021. The second spreadsheet contains the anticipated capital projects for years 2022 through 2031. Information on the spreadsheets includes the following categories:

- Component Name
 - Pertains to the element which is projected for capital improvement.

- Quantity
 - Includes the measured amount of each component at the property.

- Units
 - Pertains to the measurement used to determine quantity. The units within the report are as follows:
 - LF = Linear Feet
 - SF = Square Feet
 - SY = Square Yard
 - EA = Each
 - LS = Lump Sum

- 2012 Unit Cost
 - Pertains to the estimated cost per unit measurement for capital improvement. These costs are derived from RS Means Cost Works, Marshall & Swift/Boeckh, AME, Inc., historic data, and other resources.

- 2012 Replacement Cost
 - Pertains to the estimated cost of the capital improvement project. It is derived by multiplying the *Quantity* by *2012 Unit Cost*.

- Useful Life (UL)
 - Pertains to the time frame in years wherein a component is anticipated to remain functional provided it receives proper maintenance. UL is also referred to as Service Life.

- Remaining Useful Life (RUL)
 - Pertains to the estimated service life remaining for any given component. It coincides with the anticipated year of the capital expenditure.

- First Year Funds Requested
 - Pertains to the year in which the capital expenditure is anticipated.

- Local Inflation Factor
 - Building construction materials and costs are projected to increase at 2.7% per year based on information provided from third party sources.



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- Key Performance Indicators (KPIs) are management benchmarks
 - CRDM (Capital Repair/Deferred Maintenance) pertains to projects that have been identified for capital repairs and/or subjected to deferred maintenance and have yet to be funded. The aggregated summation of deferred maintenance projects corresponds to the FCI (see below).
 - CRV (Current Replacement Value) is the insurance estimate for reconstruction of the facility in 2012 dollars as determined by the State of Wisconsin.

FCI (Facilities Condition Index) is the relationship between the aggregated summations of CRDM Buildings divided by the CRV of the facility. This proportion provides a measure to analyze the condition of the property, compare with other properties, and cross reference with City of Milwaukee guidelines. The City of Milwaukee qualifies the facilities in the following manner, which is based upon APPA standards:

Condition	FCI Rating
Good	0.0 – 0.05
Fair	0.051 – 0.099
Poor	>0.1

FCI is a tool used to measure the quality of facilities. The indicator is a quantitative/qualitative scale that measures the overall well being of the portfolio. The quantitative/qualitative information is subjective and varies from agency-to-agency. However, the similarity is that the FCI is a benchmark in which properties are analyzed.

Facilities Development and Management utilizes CRV to devise the FCI. The FCI is calculated by CRDM building components divided by CRV, or:

$$\text{FCI} = \frac{\text{CRDM Building}}{\text{CRV}}$$

A well managed portfolio strategizes capital projects such that the FCI remains relatively predictable and stable over time.

Another feature of FCAP is finding an FCI that meets the unique needs for the City of Milwaukee facility portfolio. Thorough property analysis determines the blueprint of each facility. When facilities are combined, the aggregate data will drive



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the strategy that fulfills property preservation in a predictable and stable manner.

Ongoing analysis of the City of Milwaukee portfolio may result in a modified FCI qualitative/quantitative scale which will reflect the unique need for the City of Milwaukee. Until that time, the APPA benchmark will be used.



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MPD Portfolio Combined Analysis

Anticipated Expenditures

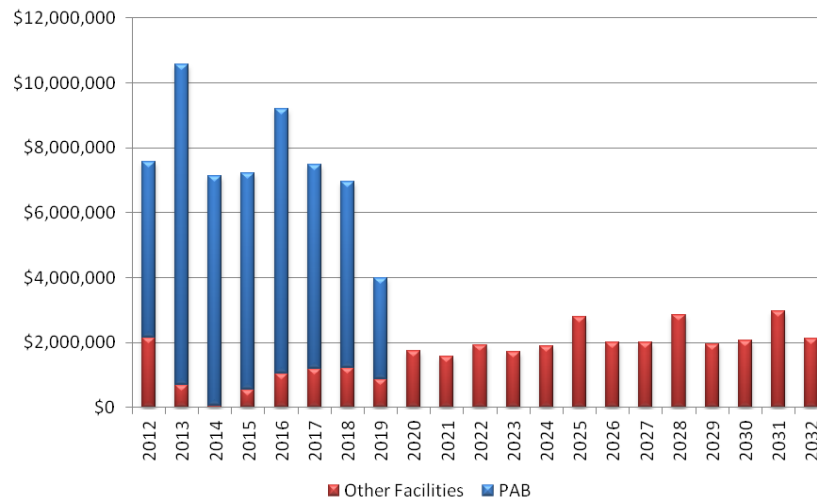
The combined facility portfolio includes the aggregated anticipated capital improvement expenditures for each facility. In other words, it is a summary of the funding plans from each individual facility.

MPD should anticipate the 20-year capital improvement expenditures to amount \$87,091,087, inclusive of inflationary adjustments. Expenditures at each facility vary depending on age, condition, etc. The following information depicts the 20-year expenditure projections.

Facilities Evaluated	20-Year Total Cost*	2022 (median) Facility CRV*	Approximate Facility Renewal Percentage (AFRP)*
2nd District	\$2,233,000	\$6,821,802	32.7%
3rd District/Data Comm.	\$14,377,000	\$86,315,392	16.7%
4th District	\$2,658,000	\$5,843,147	45.5%
5th District	\$3,257,000	\$9,341,570	34.9%
6th District	\$3,328,000	\$8,433,704	39.5%
7th District	\$2,935,000	\$6,850,589	42.8%
Neighborhood Task Force	\$2,051,000	\$9,252,018	22.2%
Radio Repair Shop	\$1,533,000	\$2,569,571	59.7%
Police Warehouse	\$2,813,000	\$5,567,800	50.5%
Police Storage	\$332,000	\$403,232	82.3%
Police Administration Building	\$52,248,087	\$79,753,185	65.5%
Totals	\$87,091,087		39.7%

*Includes property site feature capital expenditures

Annual Facility Expenditures MPD



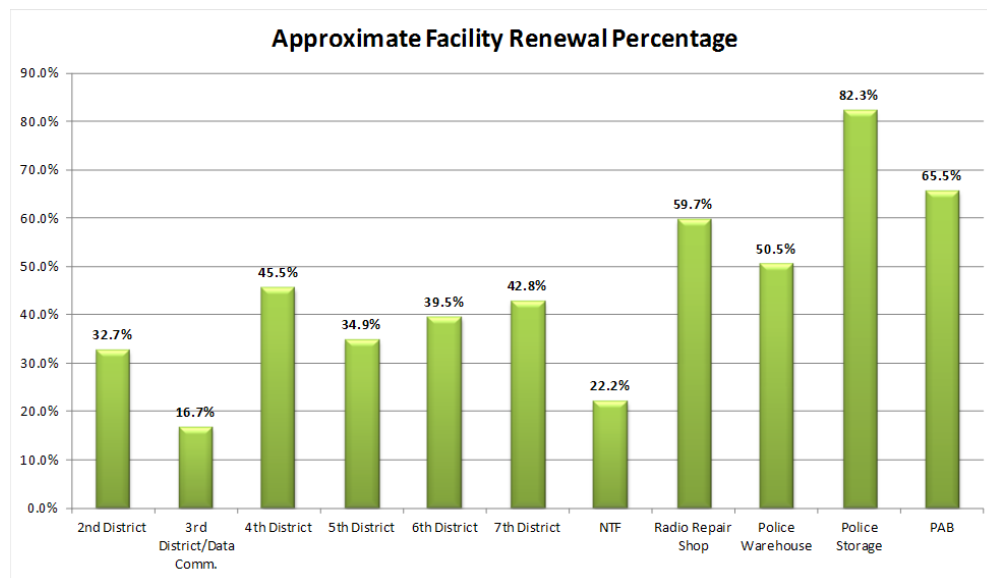
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The approximate facility renewal percentage (AFRP) over the course of twenty years is determined by taking the median year (2022) CRV divided by the 20 year total cost. Each facility is assumed to have, on average, half of its expenditures from 2012 through 2022, and half of its expenditures from 2023-2032. Year 2022 is chosen as the median year to derive the AFRP, which is a measurement of the amount of rehabilitation each facility is anticipated to receive during the 20-year analysis.

The AFRP varies at each facility. Three facilities are at/near 60% AFRP:

- Radio Repair Shop (59.7%) - Governed by inclusion of property site features
- PAB (65.5%) - Near term rehabilitation
- Police Storage (82.3%) - CRV is relatively low in comparison to projects

The AFRP for each facility is depicted below.



Facility Condition Index (FCI)

MPD FCI measurement across all facilities and the combined portfolio is favorable at the present time and throughout the analysis. This indicates that at the present time, the facilities are in good overall condition relative to required capital improvements.

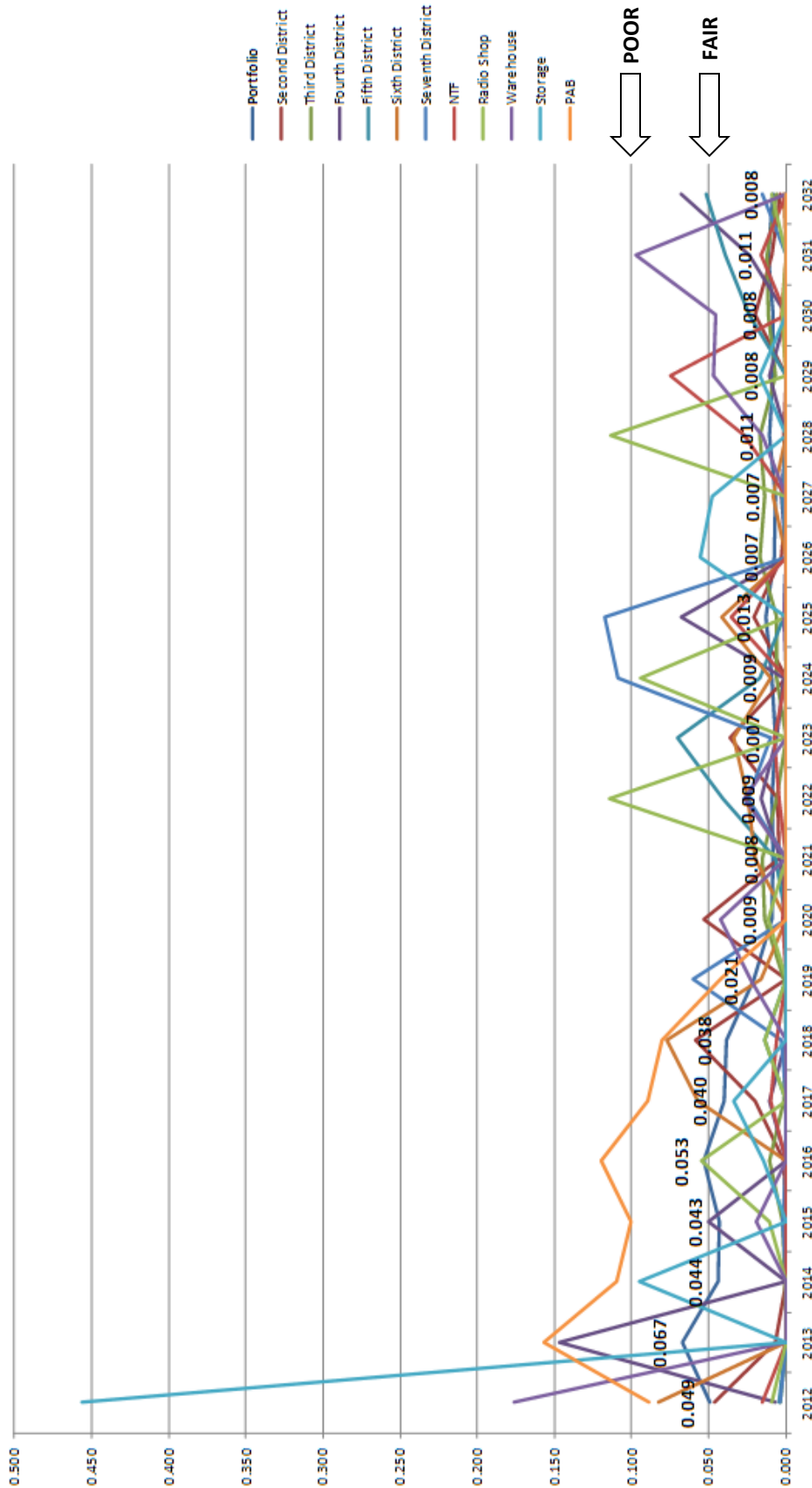
The FCI can be analyzed in two parts: prior to 2020 and beyond 2020. Prior to 2020, the FCI is governed by restoration at the Police Administration Building. Also, projects at 4th, 6th, and police storage contribute to this elevated FCI rating. Third District/Data Comm. Center may also contribute to near term FCI increases based upon the magnitude of the parking garage restoration project and the funding source(s).

Beyond 2020, the FCI remains good overall. As expected, individual facilities occasionally have FCI ratings greater than ten (qualitatively poor). These projects are usually during events that include HVAC, electrical, and/or interior renovations.



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Police Facility FCI



Condition	FCI Rating
Good	0.0 – 0.05
Fair	0.051 – 0.099
Poor	>0.1



MPD Near Term Projects

Near term projects are defined as those within the first six years, which is the standard/traditional capital improvement scope for the City of Milwaukee. The projects at each facility (excluding PAB) during this time frame are listed below.

Near term projects are defined by priority. High priority projects are those that require capital expenditures for remediation within two years. Moderate priority projects are those that require capital expenditures from three- to six-years. Low priority projects are those that require capital expenditures beyond six years, and are not included within the summary tables. Projects that require 2012 expenditures are also known as CRDM projects. More detailed information can be found within the attached project schedules.

Second District

Year	Project
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2012	Floor Replacement, UPS Batteries, Generator Garage Feeder, Pavement Maintenance
2013	Building Automation Installation
2014	
2015	
2016	Garage Door
2017	Building Heat Boilers, Boiler Room Branch Circuits, Asphalt Pavement, Concrete Replacements

Third District

Year	Project
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2012	UPS Batteries, Elevated Parking Garage (cost TBD)
2013	Exterior Paint Finish Application
2014	
2015	Interior Paint Finish Application
2016	Elevated Parking Garage Repairs, Concrete Replacements, Overhead Garage Door
2017	Masonry siding and Sealant



Fourth District

Year Project

2012 UPS Batteries

2013 Interior Renovations, Locker Rooms Installation, Make-up Air Units

2014

2015 Electrical Upgrades

2016

2017 Building Automation System Upgrades

Fifth District

Year Project

2012 UPS Batteries

2013 Exterior Paint Finish Application

2014

2015 Overhead Garage Door

2016

2017

Sixth District

Year Project

2012 Overhead Garage Door, Light Fixtures, Building Automation System Installation,
UPS Batteries, Garage Structural Rehabilitation

2013

2014

2015

2016 Asphalt Pavement, Concrete Replacements, Fuel Dispenser

2017



Seventh District

Year Project

2012 UPS Batteries

2013

2014

2015 Domestic Water Heater

2016

2017 Asphalt Pavement, Concrete Replacements, Chain Link Fence, Light Poles/Fixtures

NTF

Year Project

2012 Built-Up Roof, Wood Window Replacements

2013

2014

2015

2016

2017 Electrical Upgrades

Radio Shop

Year Project

2012 UPS Batteries

2013

2014

2015 Interior Paint Finish, Concrete Replacements

2016 Building Automation System Upgrades

2017



Warehouse

Year Project

2012 Elevator Modernization

2013

2014

2015 Masonry Repairs

2016

2017

Storage

Year Project

2012 Roof Replacements, Light Fixtures, Asphalt Pavement

2013

2014 Interior/Exterior Paint Finish Applications

2015

2016 Unit Heater

2017 Concrete Replacement



Conclusion

MPD facility portfolio is in good overall condition and the FCAP analysis indicates that the 20-year outlook is favorable in consideration of FCI. Near-term PAB rehabilitation, although capital intensive, provides only marginal portfolio FCI increases.

Property acquisitions and abandonment are conducted in consideration of multiple factors. One factor to consider is life cycle capital improvement costs, as provided within the FCAP analysis. Examining the affect of facility costs for replacement, rehabilitation, or acquisition, provides an additional decision making tool.

