Submission to
City of Owen Sound

Facility Condition Assessment Summary Report

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1. Introduction

Roth IAMS Ltd. (Roth IAMS), was retained by City of Owen Sound to undertake a Building Condition Assessment (BCA) of their portfolio located in Owen Sound

The site visits were undertaken during February and March 2024.

2. Scope of Work

The scope of work was generally based on the ASTM Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process (E2018-15) and included:

- Background Information Request and Review;
- Interview(s) with Knowledgeable Site Staff;
- Walk-through Site Assessment Visit; and
- Preparation of a comprehensive report.

The ASTM defines a physical deficiency as a conspicuous defect or significant deferred maintenance of a site's material systems, components, or equipment as observed during the site assessor's walk-through site visit. Included within this definition are material systems, components, or equipment that are approaching, have reached, or have exceeded their typical expected useful life (EUL) or whose remaining useful life (RUL) should not be relied upon in view of actual or effective age, abuse, excessive wear and tear, exposure to the elements, lack of proper or routine maintenance, etc. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes conditions that generally do not constitute a material physical deficiency of the site.

The review of the site was based on a visual walk-through review of the visible and accessible components of the property, building and related structures. The roof surface, interior and exterior wall finishes, and floor and ceiling finishes of the on-site building and related structures were visually assessed to determine their condition and to identify physical deficiencies, where observed. The assessment did not include an intrusive investigation of wall assemblies, ceiling cavities, or any other enclosures/assemblies. No physical tests were conducted, and no samples of building materials were collected to substantiate observations made, or for any other reason.

The review of the mechanical systems, electrical systems, and fire & life safety systems at the property included discussions with the site representative and review of pertinent maintenance records that were made available. A visual walk-through assessment of the mechanical systems, electrical systems, and fire & life safety systems was conducted to determine the type of systems present, age, and aesthetic condition, with considerations of the reported performance. No physical tests were conducted on these systems.

A detailed evaluation of the property development's compliance with applicable national and/or provincial Building Codes and/or Fire Codes is not part of the scope of this assessment. It is assumed that the existing buildings and related structures were reviewed and approved by local authorities at the time of construction. However, applicable codes may be referenced by Roth IAMS, at their discretion, to identify deficiencies and appropriate recommendations.

Replacement and repair costs are based on unit rates published by Means Publishing and/or Marshall & Swift Valuation Service, combined with local experience gained by Roth IAMS. The quantities associated with each item have been estimated during a walk-through site assessment and do not represent exact measurements or quantities. At the time of replacement, specific "scope of work" statements and quotations should be determined, and the budgetary items revised to reflect actual expenditures. Not included are items that would be addressed as routine maintenance. However, the capital costs may include items, which are currently managed under the Operations and Maintenance budget for the site.

Opinions of probable costs for deficiencies that are individually less than the established threshold amount are generally not included in the FCA cost tables. The exception are deficiency costs relating to life, safety or accessibility, these may be included regardless of this cost threshold.

The five year needs for the Water Treatment Plant and Water Distribution Workshop have not been included in the financial analysis and will be included in the City's update to the Water Financial Plan and Rate Study, to be completed in early 2025.

2.1 Deviations from the Guide

The major deviations from ASTM E2018-15 for this project that was not included are as follows:

- A review of municipal/public records for zoning;
- A comprehensive building and/or fire & life safety code/regulatory review for compliance. It is assumed that at the time of building construction/commission and/or subsequent renovation(s), a duty of care was undertaken to ensure the building and related structures were constructed in accordance with the current building and fire code, as well as reviewed and approved by the local authorities having jurisdiction; and
- A review of municipal/regional records to determine if the property resides in a designated flood plain.

Furthermore, the BCA did not include a:

- Verification of the number of parking spaces;

- Verification of gross and net usable areas of the site building(s); and
- Review of as-built construction drawings for the building and site.

3. Limiting Conditions

This report has been prepared for the exclusive and sole use of City of Owen Sound. The report may not be relied upon by any other person or entity without the express written consent of Roth IAMS Ltd.

Any reliance on this report by a third party, any decisions that a third party makes based on this report, or any use at all of this report by a third party is the responsibility of such third parties. Roth IAMS Ltd. accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made, or actions taken, based on this report.

The assessment of the building/site components was performed using methods and procedures that are consistent with standard commercial and customary practice as outlined in ASTM Standard E 2018-15 for facility condition assessments. As per this ASTM Standard, the assessment of the building/site components was based on a visual walk-through site visit, which captured the overall condition of the site at that specific point in time only.

No legal surveys, soil tests, environmental assessments, geotechnical assessments, detailed barrier-free compliance assessments, seismic assessments, detailed engineering calculations, or quantity surveying compilations have been made. No responsibility, therefore, is assumed concerning these matters. Roth IAMS Ltd. did not design or construct the building(s) or related structures and therefore will not be held responsible for the impact of any design or construction defects, whether or not described in this report. No guarantee or warranty, expressed or implied, with respect to the property, building components, building systems, property systems, or any other physical aspect of the property is made.

The recommendations and our opinion of probable costs associated with these recommendations, as presented in this report, are based on walk-through non-invasive observations of the parts of the building which were readily accessible during our visual review. Conditions may exist that are not as per the general condition of the system being observed and reported in this report. Opinions of probable costs presented in this report are also based on information received during interviews with operations and maintenance staff. In certain instances, Roth IAMS Ltd. has been required to assume that the information provided is accurate and cannot be held responsible for incorrect information received during the interview process. Should additional information become available with respect to the condition of the building and/or site elements, Roth IAMS requests that this information be brought to our attention so that we may reassess the conclusions presented herein.

The opinions of probable costs are intended for order of magnitude budgeting purposes only. The scope of work and the actual costs of the work recommended can only be determined after a detailed examination of the element/system in question, understanding of the site restrictions, understanding of the effects on the ongoing operations of the site/building, definition of the construction schedule, and preparation of tender documents. We expressly waive any responsibilities for the effects of any action taken as a result of these endeavors unless we are specifically advised of prior to, and participate in the action, at which time, our responsibility will be negotiated.

Our opinions and recommendations presented in our reports will be rendered in accordance with generally accepted professional standards and are not to be construed as a warranty or guarantee regarding existing or future physical conditions at the site or regarding compliance of Site systems/components and procedures/operations with the various regulating codes, standards, regulations, ordinances, etc.

4. Condition Rating (FCI)

Facility Condition Index (FCI) is an industry-standard benchmark used to compare the overall condition of a building across a portfolio. FCI is displayed as a percentage of the specified facilities needs over a specified time horizon divided by the total current replacement value of the building.

$$FCI = \frac{\sum Renewal\ Needs\ in\ a\ Given\ Period\ of\ Time}{Current\ Replacement\ Value\ (CRV)}$$

For City of Owen Sound, the costs of a building's total five-year repair and renewal needs are then compared against the cost of rebuilding that same building from the ground up. The results of this comparison give the building its FCI. FCI is measured as a percentage from 0 to 100, with "0" indicating new, or with no renewal needs.

A building with a lower FCI rating needs less repair and renewal work than a building with a higher FCI rating. By investing in repair and renewal (e.g., repairing roofs, updating heating ventilation and air conditioning units, modernizing electrical and plumbing systems), a building's FCI rating can be lowered and thereby improved.

Roth IAMS uses the 5 Year FCI Industry Condition Rating descriptions for evaluation for municipalities as best practice.

Table 4 – Facility Condition Index		
FCI	**Description**	**Condition Rating**
0%-10%	The Facility and its components are functioning as intended; limited (if any) deterioration observed on major systems.	**Good**
11%-30%	The Facility and its components are functioning as intended; however, some elements are beginning to show signs of wear; More frequent component and equipment failure is anticipated.	**Fair**
31%-60%	The Facility and its components are showing signs of increasing deterioration. Potential frequent component and equipment failures may occur.	**Poor**
>60%	The Facility and its components appear worn with obvious deterioration. Critical component or equipment failure are more frequent. Occasional building shutdowns could occur. Management risk is high.	**Very Poor**

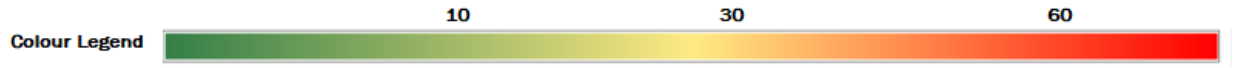
After analyzing the recommendations extracted from the data, a 5-year FCI was calculated. The current (2024) 5-Year FCI for all Assets is 16.55 % resulting in an FCI category of Fair.

5. Asset Summary

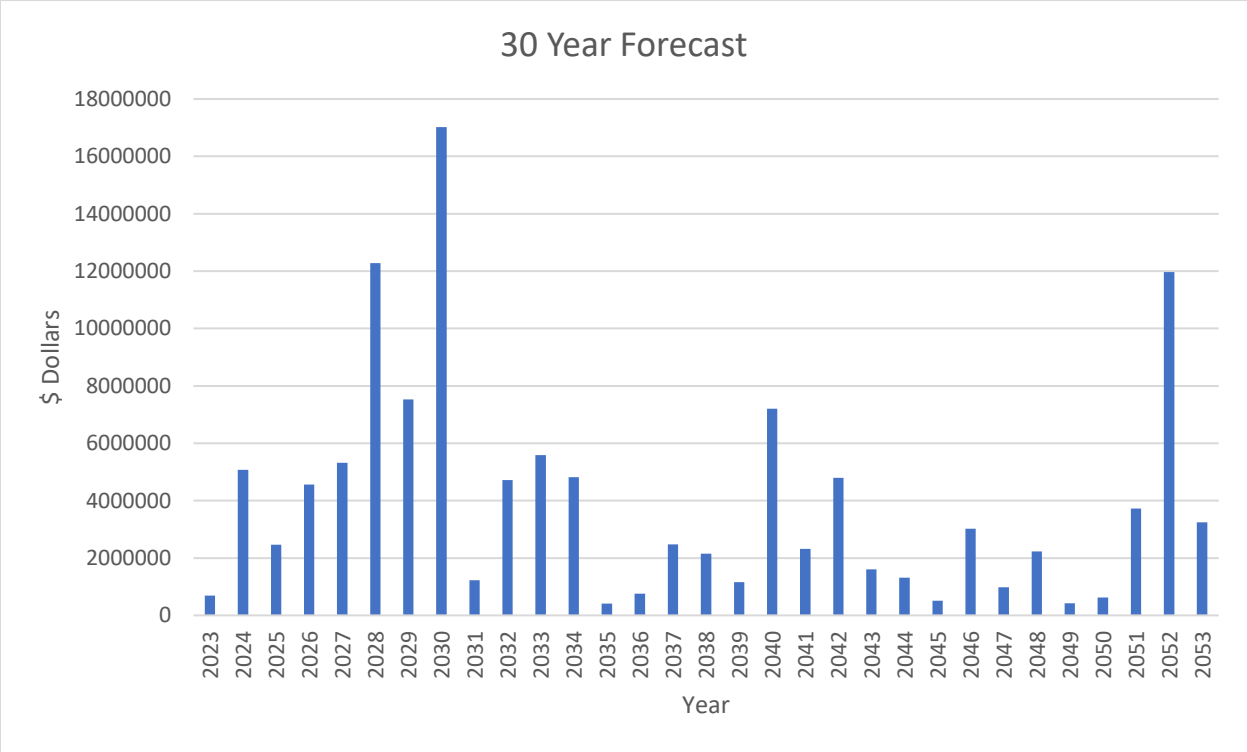
The figure below shows the detail of each assets CRV, 5 year renewal need and FCI

Assets (by Type)	Sum of Replacement Value	5 Year Renewal Need	5 Yr FCI
Animal Control Shelter	$ 1,217,383	$ 195,852	16%
Bayshore Arena and Community Centre	$ 47,704,950	$ 12,023,086	25%
Billy Bishop Museum	$ 2,393,550	$ 376,248	16%
City Hall	$ 11,599,389	$ 97,156	1%
Duncan McLelland Washrooms and Field House	$ 1,373,341	$ 250,734	18%
East Side Boat Launch	$ 387,207	$ 15,163	4%
Fire Hall	$ 3,168,227	$ 2,473,446	78%
Greenwood Cemetery Office	$ 793,555	$ 324,003	41%
Greenwood Workshop	$ 2,233,352	$ 85,299	4%
Harrison Park Community Centre	$ 1,322,592	$ 387,860	29%
Harrison Park Inn	$ 1,736,405	$ 287,219	17%
Harrison Park Island Washroom	$ 743,938	$ 95,237	13%
Harrison Park Senior Centre	$ 753,940	$ 89,008	12%
Harrison Park Swimming Pool and Change House	$ 933,953	$ 137,633	15%
Harrison Park Workshop	$ 1,773,360	$ 355,764	20%
Julie McArthur Regional Recreation Centre	$ 59,629,343	$ 43,578	0%
Kelso Beach Accessible Washroom	$ 417,080	$ -	0%

Assets (by Type)	Sum of Replacement Value	5 Year Renewal Need	5 Yr FCI
Kelso Campground Washroom	$ 344,529	$ 16,460	5%
Kiwanis Soccer Complex Field House	$ 1,108,301	$ 60,869	5%
Marina Storage and Washrooms	$ 594,127	$ 34,090	6%
Marine Museum and O.N.R. Offices	$ 2,612,775	$ 697,561	27%
Market Building and Shelter	$ 4,580,477	$ 1,334,797	29%
McQuay Tannery	$ 901,110	$ 61,854	7%
Murray McDonald Building	$ 7,119,031	$ 1,751,038	25%
OSNGUPL Library	$ 9,994,720	$ 1,701,334	17%
Police Station	$ 8,464,867	$ 6,416,098	76%
Storage Building	$ 1,501,329	$ 35,623	2%
Tom Thomson Memorial Art Gallery	$ 6,003,004	$ 779,907	13%
Transit Terminal	$ 2,110,794	$ 243,752	12%
Grand Total	**$183,516,628**	**$30,371,775**	17%

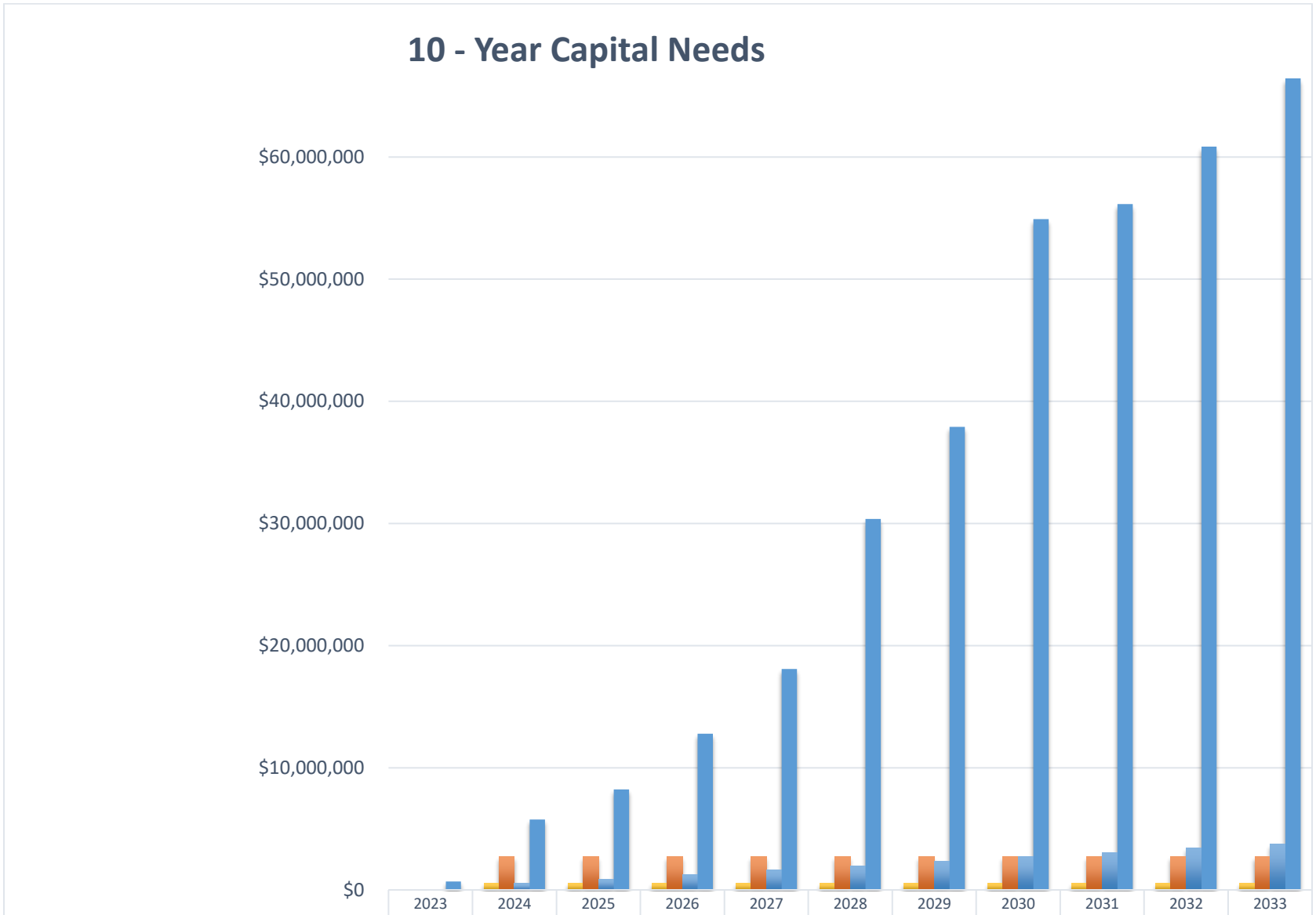


6. 30-Year Forecast of Capital Maintenance and Renewal Costs



7. Cumulative Unfunded Liability

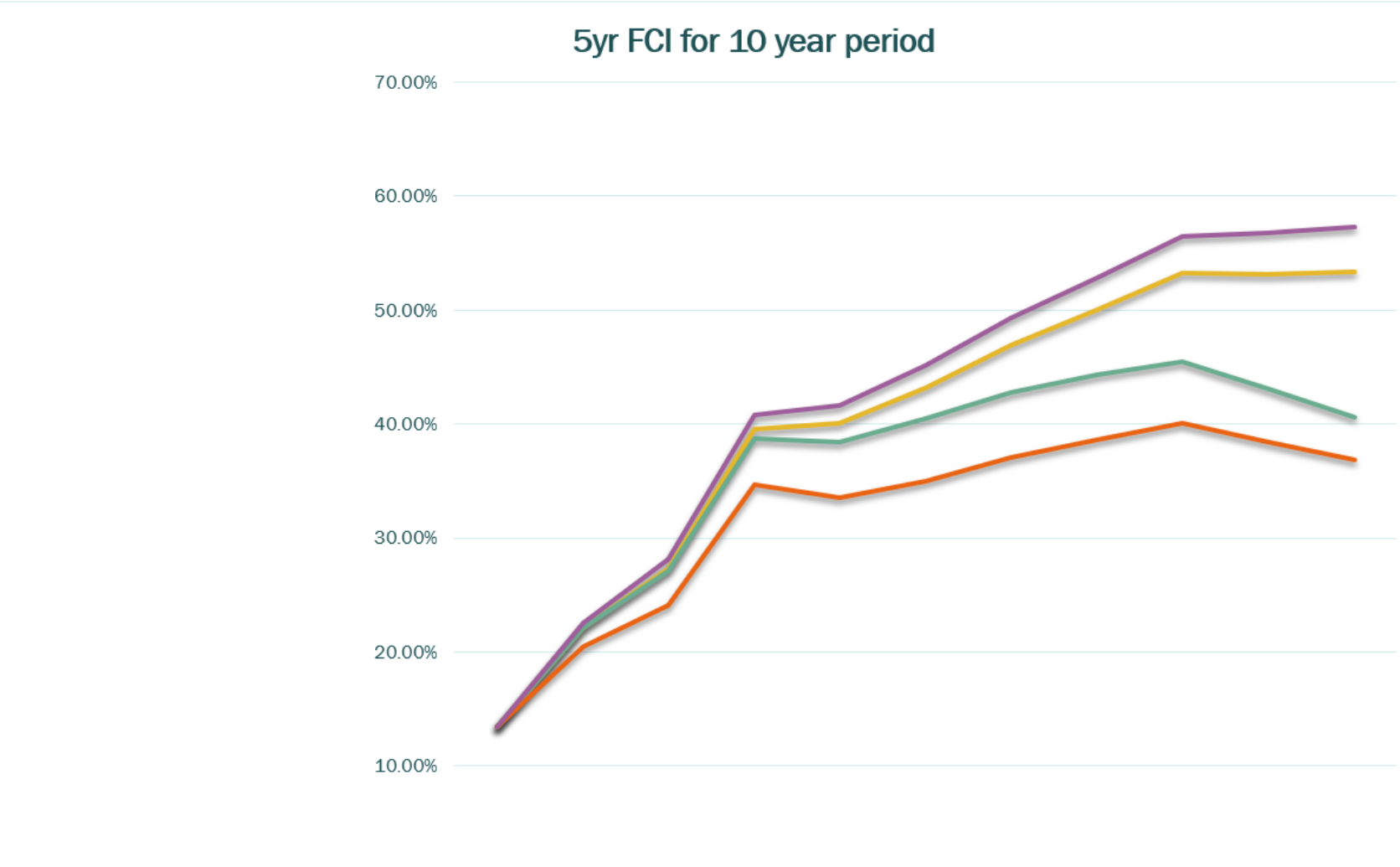
The figure below shows the 10 Year Cumulative Unfunded Liability Cost and the amount addressed by each of the 3 funding scenarios.



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
5 Year Avg Annual Funding ($537,650)	$0	$537,650.00	$537,650	$537,650	$537,650	$537,650	$537,650	$537,650	$537,650	$537,650	$537,650
1.5% of Current Replacement Value (CRV)	$0	$2,752,749	$2,752,749	$2,752,749	$2,752,749	$2,752,749	$2,752,749	$2,752,749	$2,752,749	$2,752,749	$2,752,749
5 Year Avg Annual Funding + 1% Annual Tax Levy	$0.00	$537,650.00	$897,650.00	$1,257,650.0	$1,617,650.0	$1,977,650.0	$2,337,650.0	$2,697,650.0	$3,057,650.0	$3,417,650.0	$3,777,650.0
Total Culmative Renewal Need	$685,200	$5,756,343	$8,223,894	$12,779,773	$18,093,475	$30,371,065	$37,901,674	$54,923,502	$56,147,530	$60,861,734	$66,446,861

8. Overall FCI Graph

The figure below shows the 5 Year FCI, for a 10 year period, and the effect of each of the 3 funding scenarios



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
5 Year Average Annual Funding ($537,650)	13.42%	22.13%	27.32%	39.55%	40.06%	43.16%	46.90%	50.08%	53.26%	53.16%	53.32%
5 Year Average Annual Funding + 1% Annual Tax Levy Increase	13.42%	22.13%	27.05%	38.74%	38.44%	40.43%	42.79%	44.28%	45.47%	43.08%	40.63%
1.5% of Current Replacement Value (CRV)	13.42%	20.49%	24.04%	34.62%	33.49%	34.94%	37.04%	38.58%	40.11%	38.37%	36.88%
No Funding	13.42%	22.53%	28.12%	40.75%	41.66%	45.15%	49.30%	52.87%	56.45%	56.75%	57.31%

Scenario 1- 5 Year Average Annual Funding of $537,650

If Owen Sound was to spend a 5 year average annual amount of $537,650.00 to address the DCRM, the FCI would increase from 22.13% in 2024 to 53.32% in 2033.

Scenario 2 – 5 Year Average Annual Funding of $537,650 + 1% Annual Tax Levy annually

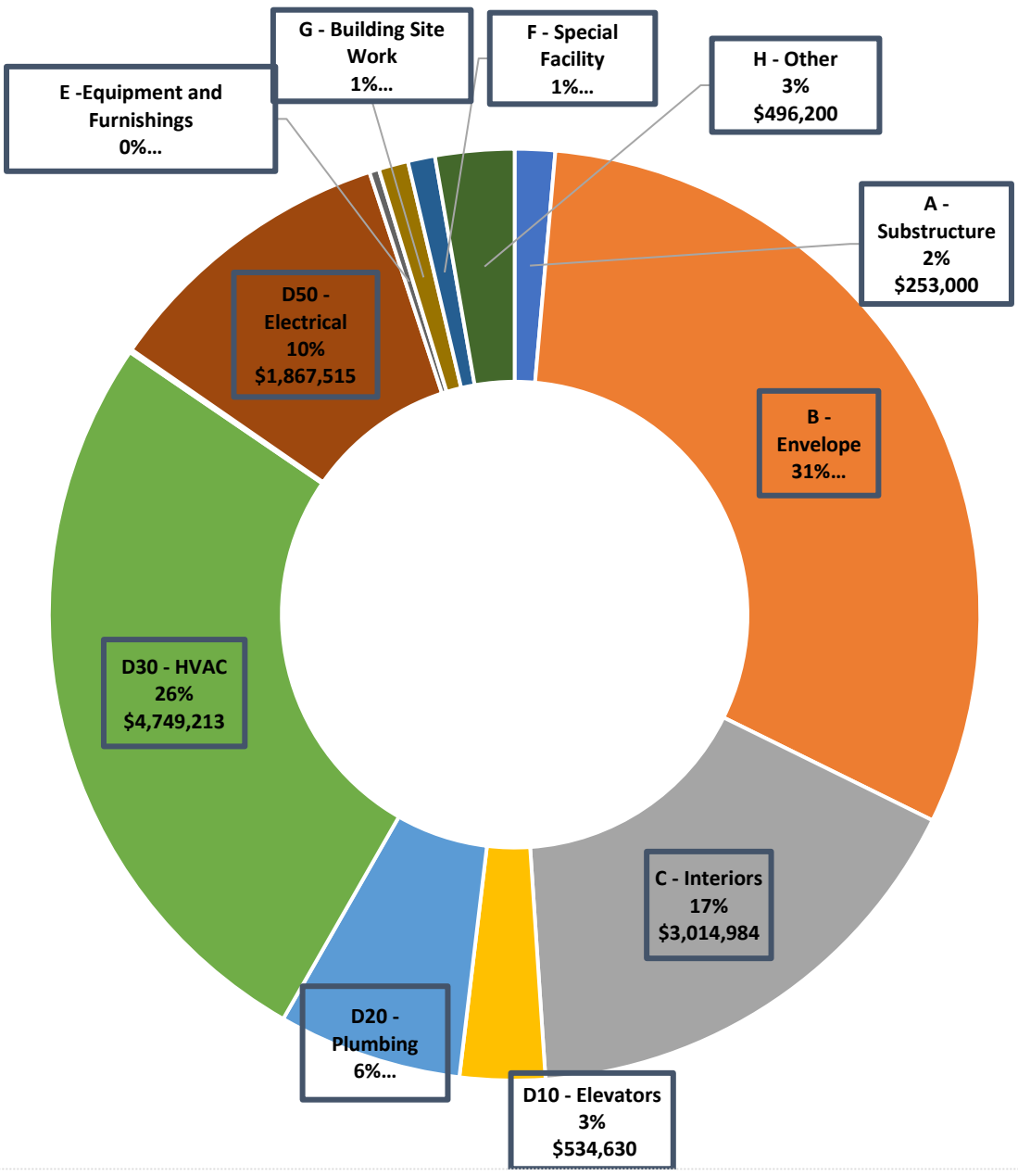
If Owen Sound was to spend $537,650.00 in 2024, plus 1% Annual Tax Levy annually in spending per year to address the DCRM, the FCI would increase from 22.13% in 2024 to 40.63% in 2033.

Scenario 3 - 1.5% of the Current Replacement Value (CRV)

If Owen Sound was to spend 1.5% of the total CRV, or $ 2,752,749,000 per year to address the DCRM, the FCI would maintain the current FCI of 20.49% in 2024 to 36.88% in 2033.

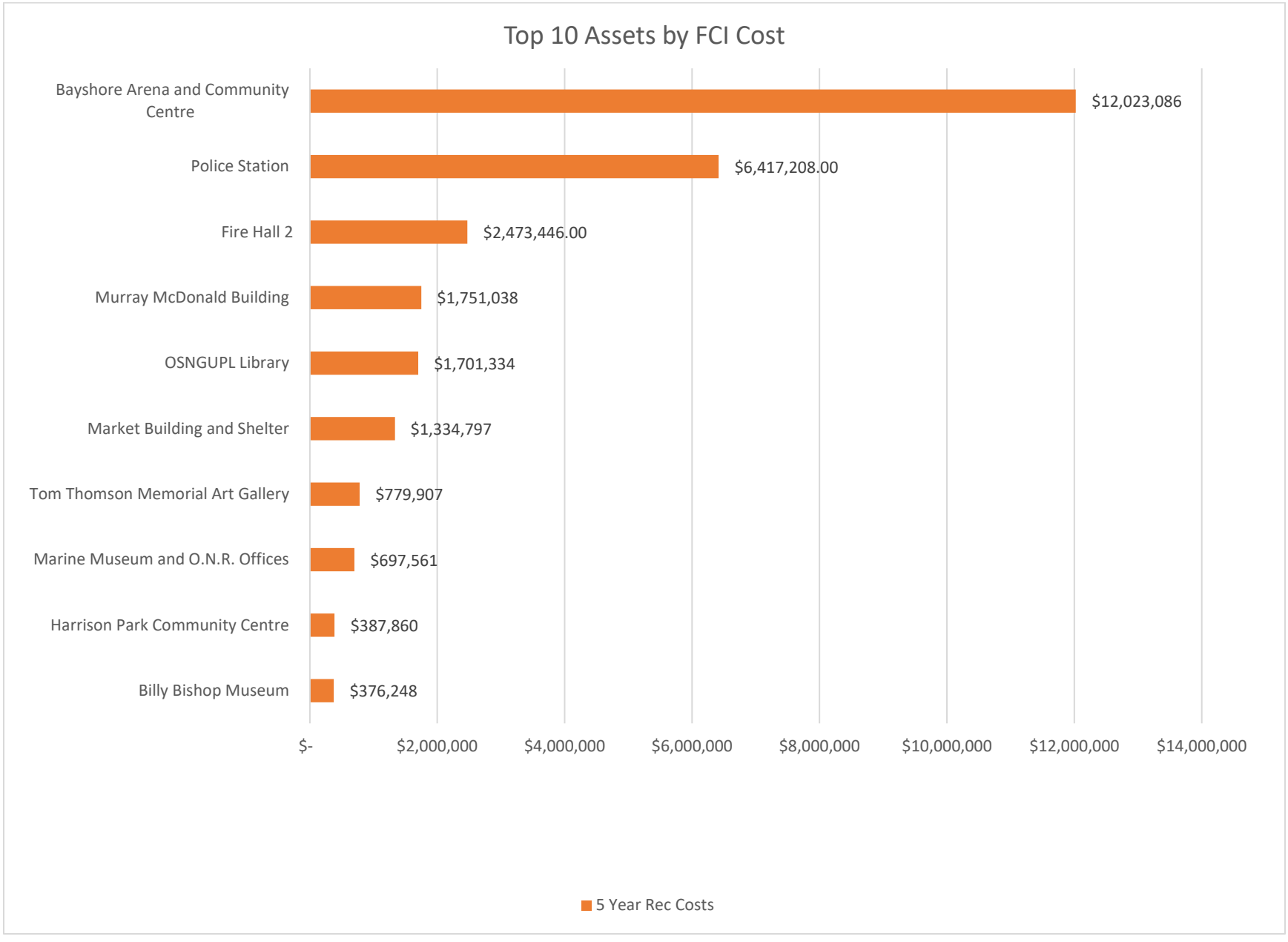
9. 5 Years DCRM Cost by Uniformat Classification

The figures below shows the FCI Costs by Uniformat Classification by Asset Type.



10. Top FCI and FCI Cost

This figure shows the Top 10 Assets by FCI Cost (highest 5 years DCRM costs in $).



This figure shows the Top 10 Assets by FCI Value (highest FCI value [ratio of 5 Years deferred maintenance divided by current replacement value]).