



CITY OF POMONA COUNCIL REPORT

June 3, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Rene Guerrero, Interim Public Works Director

SUBJECT: CONSIDERATION OF THE DISPOSITION OF THE CITY STABLE FACILITY LOCATED AT 636 WEST MONTEREY AVENUE

RECOMMENDATION: It is recommended that the City Council discuss and consider options for the disposition of the City Stable Facility and provide final direction.

FISCAL IMPACT: The City has incurred costs for stabilization of the City Stable Facility. Those stabilization costs included engineering studies, the labor to implement the stabilization plan and on-going monthly costs for the braces currently used to maintain the stability of the building. The costs for the bracing are \$3,776 per month. The City is currently in the process of purchasing the bracing outright. The City's property coverage through Alliant Property Insurance Program (APIP) has a deductible of \$100,000. While the City is entitled to reimbursement for any costs exceeding the \$100,000 deductible, such as the on-going monthly bracing rental, at some point, the carrier may indicate that it will no longer cover these costs as the City has a duty to mitigate its damages. This mitigation would be in the form of demolishing the building or, moving forward with efforts to rebuild the stable to its pre-collapse condition.

After an investigation by the engineers engaged by the property coverage pool, an offer of \$1,049,380 was extended to the City for the damage to the stable which the City received in settlement proceeds. The City reimbursed the \$100,000 for the deductible leaving a remaining balance of \$949,380 for the Capital Improvement Program (CIP) project entitled "City Stable Facility," Project No. 428-2590-XXXXX-71054. To date, the City has incurred \$63,916 for stabilization of the City Stable Facility.

PREVIOUS RELATED ACTION: On March 5, 2018, the City Council adopted Resolution No. 2018-16 creating a new Capital Improvement Program (CIP) project entitled "City Stable Facility," Project No. 428-2590-XXXXX-71054 and receiving and appropriating \$949,380 from Property Coverage Proceeds. City Council also directed staff to review the project options with Historic Preservation Commission and Parks and Recreation Commission, and return to City Council with recommendations. On June 19, 2017, the City Council received an update on this item in Closed Session.

EXECUTIVE SUMMARY: On February 8, 2017, the City Stable Facility ("Stable"), a structure condemned in the 1970's located in the City Yard (Attachment No. 1), suffered a

partial collapse of the roof and the north, east and southern walls. The collapse appears to have been due to a combination of an excessive accumulation of rain water on the roof of the Stable, vibrations from the nearby train tracks, and a general deterioration of the building. With City Council's creation of a new CIP project and appropriation of \$949,380 on March 5, 2018, City Council also directed staff to review the project options with Historic Preservation Commission and Parks and Recreation Commission, and return to City Council with recommendations for consideration and final direction.

BACKGROUND: The Stable was originally designed by Ferdinand Davis and construction of the building was completed in 1909. The building is described as a 2.5 story, unreinforced brick structure on concrete footings. The building measures 98 feet long x 44 feet wide, built of approximately 180,000 bricks laid in three (3) courses. The walls are eighteen inches thick and the roof consists of asphalt shingles. The Stable was originally used to house the City's horses and mules and until 1937, also stored the City's fire, police and mail buggies. After 1937, the building was apparently used for storage purposes and sometime thereafter, to house the City's Public Works Department. The building was condemned in the 1970's and has remained unused since that time.

In 2003, members of the Pomona Historical Society began an effort to have the building placed on the National Register of Historic Places. Ultimately, these efforts proved successful as the Stable was listed on the Register on October 6, 2004. According to documents prepared by the United States Department of the Interior: National Park Service in 2004, it was indicated that the stairs to the second story of the building "are in such a condition that they could be very dangerous to travel." Further, that at least 70% of the roof is missing to the degree that the sky is clearly visible. It was also indicated that the floor of the second story and ceiling of the first floor are "highly deteriorated and in considerable danger of caving in." The documents go on to state that in the 1970's the building was declared unsafe for occupancy and was condemned.

As noted previously, on February 8, 2017, the Stable suffered a partial collapse of the roof and walls due to a combination of factors including excessive rain, clogged roof drains, vibrations from the nearby railroad tracks and the general state of decay of the building (Attachment No. 2). The collapse was immediately reported by Staff to the City's property coverage pool, Alliant Property Insurance program (APIP) and efforts began to stabilize the building. A stabilization plan was developed by Degenkolb Engineering and the stabilization efforts were completed by the end of February 2017. These efforts were complicated because of a second collapse during this time frame which required a new set of stabilization plans to be developed. Once the building was stabilized, this then allowed representatives from J.S. Held, the restoration experts hired by APIP to assess the damage and develop a cost estimate to restore the Stable to its pre-collapse state. This proposal was received by Staff on May 25, 2017.

Shortly thereafter, Degenkolb Engineering indicated that the estimate for repair developed by J.S. Held was low and that Degenkolb would prepare a separate rehabilitation estimate based upon their expertise in historic building preservation. If the Degenkolb estimate resulted in a higher rehabilitation estimate, this would translate to the City receiving a larger amount of settlement monies that could be used to rehabilitate the stable. Despite numerous requests from staff and APIP personnel, this revised estimate was never received. Thus, the City was presented with a "proof of loss" form from APIP in the amount of \$1,049,380. This proof of loss form is

in essence a release of the pending claim. However, Staff had concerns regarding the wording of the proof of loss. Staff's concern was that by executing this proof of loss, it would preclude the City from presenting a further claim if the cost to return the building to its pre-collapse state was higher than the settlement offer of \$1,049,380. Thereafter, the City was presented with a new "partial proof of loss" form which meant that if the cost to rehabilitate the building to its pre-collapse condition was in excess of \$1,049,380, the City could present a claim for the additional, higher amount. This partial proof of loss was executed and returned to APIP on October 25, 2017. As noted previously, the City then received the settlement check on January 16, 2018. After the expenses were reimbursed, the remaining funding available for the project was \$949,380.

DISCUSSION:

Parks & Recreation Commission

This issue was taken to the Parks and Recreation Commission for advisory review on April 19, 2018. This Commission was provided with a preliminary list of options to be considered when making a determination as to project approach. The list was as follows:

- 1) Demolish the Stable and use remaining proceeds to assist in rehabilitation efforts of the City's other historic structures
- 2) Demolish the Stable and use the settlement proceeds for unnamed purposes
- 3) Rebuild the Stable to its pre-collapse condition (unusable structure)
- 4) Rebuild to usable condition
- 5) Leave Stable as is – Not long-term solution

Their direction was to salvage building materials, cost permitting, and spend remaining project funds, if any, on other historical site improvements in the City, as recommended by the Historic Preservation Commission. Staff compiled an estimate for renovations of various historic City buildings and the approximate costs for each site are indicated in the table below. A detailed breakdown of the rehabilitation costs for each building is listed in Attachment No. 3.

Site	Estimated Rehabilitation Cost
Adobe de Palomares	\$ 312,000
Casa Primera	\$ 282,000
Barbara Greenwood Kindergarten	\$ 80,000
Phillips Mansion	\$1,463,000
Currier House	\$2,330,000

The costs to rehabilitate the City's public historic properties are considerable with no funding source identified to provide for these maintenance needs. After stable demolition costs are accounted for, this option would direct at least a portion of the remaining insurance proceeds be utilized for historic site renovations.

Historic Designation and Environmental Review Requirements

The recommendation of the Parks and Recreation Commission was removal of the structure with some level of salvage, cost permitting. Even with salvage possibilities, the removal of the structure triggers Environmental Review due to its historic designation as a landmark. The cost

for the required environmental process ranges from \$80,000 to \$100,000, and will take approximately 6 months to a year to complete. After the recommendation of the Parks and Recreation Commission, City Staff worked with the State requesting the historic designation be removed. This request, if granted, would have enabled the City to utilize more of the insurance proceeds for the City's public historic buildings that have significant maintenance needs. Unfortunately, after review of the documents and photos, and several conversations, the request was denied. As a result, an Environmental Review must be completed. In order to process the appropriate environmental report, Staff needs to provide the consultant with the project details to ensure the impacts are discussed and addressed.

Rough Cost Estimates

To provide the Historic Preservation Commission and the City Council with more robust information to evaluate, a more detailed list of 12 different options has been prepared for consideration. Options range from preservation and reconstruction to removal and preservation of salvageable materials. Further, the City consulted with Cumming Construction Management, Inc. to provide approximate costs for each of the 12 options (Attachment No. 4). For a standard demolition, with no preservation of materials (Option 3.0), the estimated cost is \$309,927 (not including the additional \$80k-\$100k for the environmental process). The estimated salvage costs range from \$5,679 for the removal and preservation of each exterior window (Option 9.1) to \$5,112,440 for the preservation and reconstruction of the building in place, including improvements to make the space usable for office/storage (Option 2.0). These estimated costs include costs for environmental remediation for the applicable options.

Historic Preservation Commission

Staff brought this item to the Historic Preservation Commission on January 16, February 6, March 6, April 3, and May 15, 2019, each time asking that the Commission provide a recommendation for the disposition of the Stable. At the April 3 meeting, the Commission approved the creation of an ad-hoc committee, consisting of three Commissioners, to further evaluate the options, visit the site with Staff, and seek advice from the Historical Society of Pomona Valley and Pomona Heritage.

For the record, Pomona Heritage recommends the Stable "be re-built and put to beneficial use." The Historical Society of the Pomona Valley believes the Stable "should be restored to its original condition." However, if such restoration is cost prohibitive, they are requesting that historical pieces (i.e. bricks, windows, doors, and wrought iron) be salvaged for reuse by residents in the City.

Ultimately, at their May 15 meeting, after hearing a presentation made by the ad-hoc committee, the Commission recommended that City Council save the Stable and encourage Council to consider utilization of the Stable for the Water Resource Department's (WRD) new office building. It was also recommended to alter the current layout of the City Yard and WRD parcels, including consideration of any operational changes to Public Works functions that would come about from the change and explore any walkways necessary to access the Stable safely. Further, it was recommended that the City work diligently to get the most out of the insurance funds.

CONCLUSION: The City Stable Facility has long been identified as a dangerous building. Financial constraints prevented the City from adequately maintaining it over time. The location

of the building limits its visibility, access, and thus, value to the public. Additionally, the City has spent in excess of \$500,000 in the completion of necessary studies and the preliminary design of the proposed office building for the WRD. It is anticipated that the design-build process will commence in the next 4-6 weeks. Said building has previously been approved by the Historic Preservation Commission and City Council. Consideration of the swapping of Public Works and WRD operations is logistically inefficient and impractical. Moreover, past experience has shown that soil contamination is a probability in sections of the Public Works Yard. This condition would require that a full Environmental Impact Report (EIR) be prepared prior to approval of an alternative stable project. A full EIR would add up to one year to the project timeline and at least an additional \$100,000 to the cost.

Staff concurs with the recommendation made by the Parks and Recreation Commission to demolish the City Stable Facility and preserve salvageable building materials. Further, cost permitting, remaining project funds, if any, shall be expended on other historical site improvements in the City.

Prepared by:

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ATTACHMENT(S)

Attachment No. 1 – Aerial Photo

Attachment No. 2 – Site Photos

Attachment No. 3 – Cost Breakdown for Rehabilitation of Other Historic Sites

Attachment No. 4 – List of Options and Estimated Costs