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August 22, 2023

MEMORANDUM

To: Marin County Board of Education Members
From: John A. Carroll, Marin County Superintendent of Schools
RE: Deer Park/Fairfax San Anselmo Children's Center property

Dear Marin County Board of Education Members,

I want to thank you for your thoughtful consideration regarding the potential purchase of the Deer Park/Fairfax San Anselmo Children's Center property over the last several months. The attached culminating Due Diligence Report presents a comprehensive examination of the physical and financial conditions of the property and the area in which the property is located. Unfortunately, the results of the Due Diligence Report have led me to conclude that it would be imprudent for the Marin County Office of Education (MCOE) to pursue the purchase of this property; as you read this report, I am certain that you will agree.

The information we have gathered demonstrates that the site requires a significant number of improvements. The identified costs for rehabilitating the site would far exceed our capacity to fund even a modest modernization project. As highlighted at the August 8, 2023 meeting, such an undertaking would likely exhaust the MCOE's capital improvements reserve. Doing so would not permit the application of necessary upgrades to existing MCOE property or allow us in the future to pursue any more modest property purchases that may align with our mission of supporting all Marin County students. Additionally, the ongoing maintenance and operations costs associated with this potential purchase will also far exceed any revenue that can be generated as the owner of the property. These conditions do not support this purchase being feasible or appropriate.

As you know, the purchase of real property requires an affirmative decision from both the Marin County Board of Education and the County Superintendent of Schools. As I am no longer pursuing the purchase of the Deer Park property, there will be no need for the Marin County Board of Education to further consider this matter. Future meeting agendas may contain an item for further Marin County Board of Education consideration related to FSACC operations.

However, based on the information we now have, I am unable to agree that we should purchase this property. While this is not the outcome I had hoped for or expected, I believe it is the right decision.

From the start, my objective has been to maintain the Fairfax San Anselmo Children's Center (FSACC) program and its state funded Early Childhood Education (ECE) programming and that has not changed. Fortunately, I remain optimistic about finding a path to maintain this valuable ECE programming within Marin County. I understand that the FSACC is continuing their efforts to purchase the property from the Ross Valley School District. As FSACC engages in this process, our office will concurrently be supporting the FSACC seek a new permanent or temporary location with the goal of having little or no disruption. We remain hopeful that a path forward for a location for FSACC operations can be finalized soon.

Over the next few weeks, I expect to see an improved partnership between the FSACC and the Ross Valley School District. The MCOE's participation will remain robust as we work together to find a solution that allows the FSACC to continue its important work to serve our youngest students and families.



Date: August 29th, 2023

Marin County Superintendent of Schools &
Marin County Board of Education
1111 Las Gallinas Avenue
San Rafael, CA 94903
Re: Deer Park Due Diligence Study

In April 2023 the Marin County Office of Education directed Greystone West Company to coordinate a due diligence study centered around a facility evaluation at Deer Park School. The study was designed to explore data surrounding a potential acquisition of the Deer Park School site from Ross Valley School District.

A budget and recommended courses of exploration were presented and approved in May 2023. Over the four months in the interim, consultant firms have gathered and examined information concerning the site, its background, current concerns, and potential future construction. The items included in the due diligence study are as follows:

Axia Final Draft Report

Boundary Survey and Topographic Information

Facilities Needs Assessment – Deer Park Due Diligence Study

Geohazard Report

Hazardous Materials Assessment Report

Hydrant Flow Testing

Phase 1 Environmental Site Assessment

Roof Assessment

Title Report

The results of each of the areas of study for the Deer Park School property and our analysis of their respective findings are intended to inform the Marin County Office of Education in its decision making concerning a potential property acquisition.

A summary of information is presented in the attached:

Report on Due Diligence Study of the Deer Park School Property, August 2023

Greystone West Company will be in attendance during the upcoming August 29th board meeting to present the findings of this study and answer questions that may arise. As always, we remain available to assist the Marin County Office of Education on this and future construction related projects.

Sincerely,

-Damien Lee

**REPORT OF DUE DILIGENCE STUDY
DEER PARK SCHOOL**

**PRESENTED TO THE MARIN COUNTY BOARD OF EDUCATION
AND THE MARIN COUNTY SUPERINTENDENT OF SCHOOLS**

AUGUST 29th, 2023

BY

**GREYSTONE WEST COMPANY
CONSTRUCTION MANAGEMENT
SONOMA, CALIFORNIA**

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Link to Deer Park Supporting Documents:

https://drive.google.com/drive/folders/1rA9Z5mE86yv85f7XkVG3k_fRtxsplpNw?usp=sharing

- **Axia Final Draft Report**
- **Boundary Survey and Topographic Information**
- **Facilities Needs Assessment – Deer Park Due Diligence Study**
- **Geohazard Report**
- **Hazardous Materials Assessment Report**
- **Hydrant Flow Testing**
- **Phase 1 Environmental Site Assessment**
- **Roof Assessment**
- **Title Report**

EXECUTIVE SUMMARY

In April 2023 the Marin County Office of Education directed Greystone West Company to coordinate a due diligence study centered around a facility purchase assessment at Deer Park School. The study was designed to gather and evaluate data targeted specifically at major concerns that could impact a potential acquisition of the site. The metrics included were primarily focused on initial environmental review, current facility/building conditions, current site/grounds conditions, hazardous materials documentation, and potential remedial construction to improve facilities to warm, safe, and dry conditions.

Deer Park School was originally designed and constructed in the early 1950s in the Deer Park neighborhood of Fairfax, CA. Facilities at this site are now over 70 years old and showing significant signs of aging. The original building layout consists of two main classroom wings interconnected by covered walkways, a combination bathroom and mechanical utility building, and a multi-purpose building with an integrated kitchen. Total building envelope of the original construction reaches 14,240 square feet. Two portable classrooms are also present on the site, each nearing the end of their typical lifespans of 20 years.

During the process of site evaluation, it has been determined that the Deer Park campus requires either significant modernization and targeted replacement of specific building assemblies or the planned replacement of current facilities with new buildings. This finding has been validated by the numerous consultant firms contracted to study current site conditions and provide recommendations for potential future construction. Areas of non-compliance include (but are not limited to) failing roof assemblies, heating systems with limited functionality, non-compliant doors, thresholds and hardware, erosion and drainage concerns and site access concerns.

EXECUTIVE SUMMARY

Several additional factors for future remedial construction have been identified and should be carefully considered by the Marin County Office of Education. These include:

- Campus Topography & Americans with Disabilities Act (ADA) Accessibility Requirements
- Site Electrical Capacity & Restroom Requirements
- Structural Concerns in Classroom Wings 1 & 2
- Structural Concerns at the Multi-Purpose Building

Any modernization or new construction work at the site not specifically exempted by code will need to be reviewed and approved by the Division of State Architect (DSA). Further challenges are imposed by DSA's Interpretation of Regulations Existing Buildings #4 and clarified in additional detail in the following report. Options outlined for corrective work include a modernization pathway or a new construction pathway. Additional hybrid approaches could also be developed upon request. Total estimated costs are as follows:

EB4 Compliant Modernization- \$14M

1:1 New Construction Replacement- \$40M

The findings of this report are informational in nature and do not present recommendations for specific courses of action. The Marin County Board of Education and Marin County Superintendent of Schools are availed of numerous options for consideration.

SUMMARY OF ASSESSMENT DATA

The findings of each of the items included in the due diligence study are cataloged below and have been categorized by level of concern as either significant, moderate, insignificant, or primarily informational.

Due Diligence Item	Findings
Axia Final Draft Report	Significant
Boundary Survey & Preliminary Topographic Information	Moderate
Facilities Needs Assessment-Deer Park Due Diligence Study	Significant
Geohazard Report	Moderate
Hazardous Materials Assessment Report	Insignificant
Hydrant Flow Testing	Primarily Informational
Phase 1 Environmental Site Assessment	Insignificant
Roof Assessment	Primarily Informational
Title Report	Primarily Informational

The Axia Final Draft Report revealed significant structural concerns along the window walls of the two main classroom wings and potential differential settlement concerns at classroom wing 2 and the Multi-Purpose Building. Accessibility concerns are also noted.

The Boundary Survey and Preliminary Topographic Information confirmed significant grade changes across the site and differential settlement across classroom wing 2.

The Facilities Needs Assessment/Deer Park Due Diligence Study completed by Greystone West Company documents the need for significant improvements at the site.

The Geohazard Report included recommendations for grading, drainage, and site hazard mitigation if future projects are considered.

The Hazardous Materials Assessment Report confirmed the presence of lead and asbestos containing materials that will require remediation in future projects, but nothing beyond typical levels and assemblies of a 1950's school site.

Hydrant Flow Testing was primarily informational in nature.

The Phase 1 Environmental Site Assessment did not produce any significant findings or concerns, and recommended the completion of a hazardous materials survey that was already in progress for the site.

The Roof Assessment, and Title Report findings were primarily informational in nature.

Link to Deer Park Supporting Documents:

https://drive.google.com/drive/folders/1rA9Z5mE86yv85f7XkVG3k_fRtxsplpNw?usp=sharing

SITE SUMMARY

Deer Park School was originally designed and constructed in the early 1950s in the Deer Park neighborhood of Fairfax, CA. The architect responsible for the design of the site was John Lyon Reid Partners, a firm known for school construction across much of the bay area during the 1950s and 1960s. The land for the site was originally owned by Marin Municipal Water District (MMWD) and much of the surrounding area remains MMWD property. The assessor's parcel number for the property is 197-120-03 and its total area is approximately 5.6 acres. The campus is situated in a valley at the end of Porteous Avenue and has limited site ingress from this street and a nearby fire access road.

The original building layout consists of two main classroom wings interconnected by covered walkways, a combination bathroom and mechanical utility building, and a multipurpose building with an integrated kitchen. Total footage of classroom wings reaches approximately 9,770 square feet, with the mechanical utility building & multipurpose building adding 469 and 4001 square feet respectively. Total building envelope of the original construction reaches 14,240 square feet. Two portable classrooms are also present on the site, each nearing the end of their typical lifespans of 20 years.

Current facility conditions at the Deer Park site are poor. The campus requires either significant modernization and targeted replacement of specific building assemblies (roofing, lighting, flooring, paint- etc.) or the planned replacement of current facilities with new buildings. Weather tightness appears to be generally maintained with limited exceptions, but urgent action is required for roofing, gutters, siding & paint to protect against water intrusion and rapid deterioration resulting from it.

SITE SUMMARY

The campus topography consists of multiple levels connected with staircases. No accessible ramps are noted; a substantial elevation differential exists between the comparatively low parking area and entrance of the site, and the rear section of the campus where classroom wing two is located. The Americans with Disabilities Act (ADA) requires an accessible path of travel for school facilities with a maximum cross slope of 2%- meaning no more than two feet of elevation gain for one hundred feet of distance traveled- and no such accessible path of travel currently exists at Deer Park School. Areas surrounding the immediate footprint of the campus, access road and playgrounds are bare earth without landscaping or erosion control. Extensive community use of these areas as walking and bicycling trails is noted.

Evaluation of specific systems across the site revealed that the original central boiler heating system failed and was replaced with a home-built hydronic system with limited functionality. Electrical capacity for the campus is significantly undersized. The fire alarm system is rudimentary and outdated. Bathrooms are not ADA compliant and updates to current code (including 5' wheelchair turning radii) will likely reduce fixture counts below acceptable levels. Lead and asbestos containing materials are noted in many locations, though not uncommon or beyond typical levels for school construction of this era. Door thresholds, hardware and overall height are noted as non-compliant. Outdated lighting, moisture-stained ceiling tiles, aged flooring and a need for interior repainting are notable. Exterior repainting is urgently needed, and selective siding replacement should be implemented.

School or childcare facilities must deliver upon three imperatives; they must be safe, warm and dry. The Deer Park campus is not currently meeting these requirements and requires either modernization or planned replacement of its facilities. Investment in modernization of facilities is currently limited by the permitting authority for school construction.

FACILITY IMPROVEMENT PATHWAYS

At the request of Marin County Office of Education, three options for the Deer Park site were evaluated: 1.) New Construction to replace failing facilities, 2.) Modernization to correct deficiencies in the existing facilities, and 3.) The acquisition and transfer of the property for a nominal fee to the Fairfax San Anselmo Children's Center, the current tenant of Deer Park School. The latter of these options concerning acquisition and subsequent transfer of the property has been confirmed as a non-viable process by Marin County Office of Education legal counsel. New construction and modernization methodologies are explored below.

NEW CONSTRUCTION

Pursuing a new construction pathway for the Deer Park property would require demolition and replacement of existing buildings with new ones. For the purposes of this evaluation, square footage of existing buildings has been modeled as a 1:1 replacement; meaning that each square foot of existing classroom space would be replaced with one square foot of new classroom space, each square foot of multipurpose building space would be replaced with one square foot of new multipurpose building space- etc. A schematic estimate for this option has been developed and is included on the following page.

A new construction or planned replacement pathway for the Deer Park School site has significant benefits- chief among these is purpose-built design and construction. Modern classrooms can be designed to include specialty teaching spaces, significantly improved ventilation, lighting, technology integration and more. Site improvements can specifically include outdoor education areas, seat walls, improved grading for accessibility and drainage and tailored integration to the surrounding natural environment of the site.

The most significant disadvantages of a new construction pathway are cost and time. As stated above, a 1:1 replacement is modeled on the following page. The total reaches nearly \$40M based on construction in 2025 after a two-year environmental review, planning and permitting process.

Deer Park Site
New Construction Estimate

Total New Construction 1:1 Replacement

#	Description	Sq Feet	2023 Replace \$ PSF	7% Esc. 2 Years	Ext Cost
1	Classroom Buildings	9770	\$1,200	\$ 1,698,808.00	\$13,422,808.00
2	MPR/Kitchen Construction	4001	\$ 1,525.00	\$ 884,111.00	\$ 6,985,636.00
3	Bathroom Building Construction	469	\$ 1,600.00	\$ 108,733.00	\$ 859,133.00
4	Rough Sitework Ttl- 2.5 Acres	108900	\$ 55.00	\$ 871,200.00	\$ 6,860,700.00
5	Subtotal/Construction Cost	14240	N/A	N/A	\$28,128,277.00
6	Soft Costs at 42%				\$11,813,876.34
7	TOTAL ESTIMATED PROJECT COST 2025- 1:1 Replacement				\$39,942,153.34

MODERNIZATION

The option of modernizing the Deer Park Site would offer significant benefits in comparison to New Construction. A reduced planning burden could result in selected improvements occurring within one year (with the balance in a second year of construction), and the potential for a phased approach could theoretically allow for ongoing use of the site by the Fairfax San Anselmo Children's Center. Costs would be comparatively lower than new construction. The principal challenge with a modernization approach is DSA IR EB4. As stated in the following pages of this report, EB4 limits investment by LEAs to \$260.50 per square foot. A traditional modernization budget in the current construction market requires \$750 per square foot. In the event of an EB4 triggering project, the challenge for many older buildings is that a modernization that achieves compliance with current codes would result in costs that exceed the value of 1:1 replacement with new buildings.

In order to maximize the potential for implemented improvements, every available opportunity to pursue work through DSA exemption pathways should be considered. Exempt work can include replacement of existing roofs with lighter weight non-metal assemblies, select portions of HVAC improvements/replacement, voluntary structural upgrades and selected sitework beyond 5 feet outside the building footprint.

The biggest concerns and challenges with a modernization pathway include the implementation of effective improvements given cost limitations imposed by EB4, disruption to site activities, and ongoing maintenance needs that will remain where a new construction pathway would instead reduce maintenance by design.

A schematic estimate for modernization has been developed and is included on the following page. The estimate assumes the full value of \$260.50 per square foot based on the limitations of EB4. Also included is potential EB4 exempt work up to \$2.5M and a sitework improvement project in the range of \$4M. The total estimated cost for this improvement pathway reaches \$14M.

Deer Park Site
EB4 Limited Modernization Estimate

Total EB4 Limit With Complete Covered Walkway Footage

#	Description	Quantity	Unit	EB4 Limit	Ext Cost
1	Building 1 Lower Classrooms	4147	Square Feet	260.5	\$ 1,080,293.50
2	Building 1 Covered Walkway	1190	Square Feet	260.5	\$ 309,995.00
3	Building 1 Covered Alcoves	584	Square Feet	260.5	\$ 152,132.00
4	Building 2 Upper Classrooms	5623	Square Feet	260.5	\$ 1,464,791.50
5	Building 2 Covered Walkway	2362	Square Feet	260.5	\$ 615,301.00
6	Building 2 Covered Alcoves	930	Square Feet	260.5	\$ 242,265.00
7	Utility Room	167	Square Feet	260.5	\$ 43,503.50
8	MPR	4001	Square Feet	260.5	\$ 1,042,260.50
9	Toilet Rooms	302	Square Feet	469.5	\$ 141,789.00
EB4 Construction Cost Limit					\$ 5,092,331.00
Sitework (non EB4)					\$ 4,000,000.00
Typical Soft Costs					42% \$ 2,138,779.02
EB4 Exempt Work - Limited Soft Cost					\$ 1,350,000.00
Subtotal EB4 Project Cost					\$ 12,581,110.02
Non Exempt Escalation- 2 years @ 7%					\$ 1,317,479.00
TOTAL ESTIMATED PROJECT COST					\$ 13,898,589.02

DIVISION OF STATE ARCHITECT

INTERPRETATION OF REGULATIONS: EXISTING BUILDINGS #4 (DSA IR EB4)

Division of State Architect (DSA) is the permitting authority for public school construction in the state of California- and unless specifically exempted (reference: DSA IR-A22), all projects must be submitted to DSA for review and approval. In July 2021, DSA issued an interpretation of regulations concerning existing school buildings and rehabilitations required by cost known as EB4.

EB4 has a substantial impact on the traditional building modernization practices employed by California school districts and LEAs (local education agencies). At its core, the bulletin states that DSA values typical construction costs for new buildings at a value of \$521 per square foot, and toilet room construction at a value of \$939 per square foot. If planned improvements by a school district or LEA exceed 50% of the value of new construction costs above (\$260.50 for typical construction or \$469.50 for toilet room construction) a full rehabilitation of the buildings to comply with current building codes is required before any improvements will be permitted by DSA.

The impact of this change is significant. IR EB4 is apparently intended to limit ongoing investment into aging buildings in comparison to investment into replacement structures. This approach has sensibilities; buildings constructed over 50 years ago will rarely comply with current structural code requirements, energy code requirements, accessibility code requirements and numerous other areas where modern buildings will generally outperform in comparison. The implementation of EB4, however, has been fraught with challenges.

It is the experience of Greystone West Company that current bay area school construction costs (typical construction) are in the range of \$1200 per square foot and quickly climbing. DSA has valued typical construction costs at less than half of this amount- \$521 per square foot. With a triggering threshold set this low, the ability of school districts and LEAs to complete effective modernizations is severely limited. Based on our recent experience, typical school modernization costs are in the range of \$750 per square foot; EB4 would set a maximum investment threshold of \$260.50 per square foot before triggering full rehabilitation to current code.

CONCLUSION- POTENTIAL CHALLENGES

Any acquisition and subsequent improvement pathway considered by the Marin County Office of Education for the Deer Park School site will pose challenges. The process of purchasing and improving a 70-year-old school facility will naturally require significant planning and subsequent remediation efforts. In the event a new construction pathway is considered, the most significant challenges will be cost, facility design and likely environmental impact mitigation efforts. If a modernization pathway is considered, the most significant challenges will be limitations imposed by DSA IR EB4, especially relative to unforeseen or potentially significant structural issues.

On July 18th, 2023, representatives from Marin County Office of Education, AXIA Architects, Structural Design Group and Greystone West Company met at the Deer Park site to review conditions with an architect and structural engineer. Following this walk, a report from AXIA Architects and Structural Design Group was developed and identified insufficient lateral strength across the window walls of classroom wings 1 & 2. The seismic resistance of these areas across the long dimensions of the classroom wings is questionable and poses structural concerns.

An additional and potentially significant unknown applies to the Multi-Purpose Wing; a notable deflection is present near the center span of the roof of this building. Following this finding, Garland Engineering Company was engaged to core the roof of the multi-purpose wing to evaluate whether the mid-span settlement was a likely result of roof deck failure. Roof cores have indicated that the roof deck for this building is intact. This likely means that the deflection at the multi-purpose building transfers into the glulam beams and rules out comparatively superficial roof work, confirming that a structural and/or differential settlement issue is the cause of roof deflection.

The challenges with these specific issues are primarily related to DSA's EB4 limitations. While voluntary structural upgrades are generally exempt from EB4 calculations, a cascade effect of either non-exempt work or unforeseen conditions requiring significant capital investment can occur with structural remediation of 70-year-old facilities.

In the event that EB4 is triggered for the Multi-Purpose Building specifically, the potential improvement cost increases from an EB4 limited construction cost value of \$1.044M (\$1.48M Project Cost) up to a full replacement/new construction value of \$7M (\$9.9M Project Cost). The overall modernization pathway budget would shift from roughly \$14M up to just under \$24M.

The purpose of this report is to present data concerning the potential purchase and future construction options for remedial work at the Deer Park School site. The studies used to inform this report and included as reference documents are informational in nature. No recommendations for future action are being presented, and the Marin County Board of Education and Marin County Superintendent of Schools are availed of numerous options for consideration.

The estimates contained within this report are conceptual in nature and based on current market and escalation conditions. Construction drawings for improvements do not exist, and in lieu of specific building trade or assemblies, typical costs per square foot representative of conditions across Bay Area public schools have been utilized to develop estimated totals.