



**Agenda Item No. 14.**

**Staff Report**

**Date:** June 14, 2016  
**To:** Mayor Hoertkorn and Councilmembers  
**From:** Joe Chinn, Town Manager  
**Subject:** Discussion of Town-Owned Property at 6 Redwood Drive

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**Recommendation**

Discuss and provide direction regarding preferred future use for the Town-owned building at 6 Redwood that was severely damaged by a fire in 2015.

**Background and discussion**

The building known as 6 Redwood is located on southwest portion of the Ross Commons (APN 073-242-25). Ross Commons was deeded from Annie S.E. Worn on July 1, 1911. There are Town records showing that the building at 6 Redwood has been located on the Ross Commons parcel since at least 1914. The Town has historically rented the building for many years. On February 28, 2015, the house was severely damaged by a fire. Staff is seeking direction from Council on what use makes the most sense for 6 Redwood. Attachment 1 shows an aerial of the Ross Commons and buildings at 6 Redwood.

The house is currently part of the 4.36 acre (189,923 square feet) parcel that is described as "Ross Common Town Park" on the zoning map. The building is approximately 925 square feet and is separated from the rest of the Ross Common with a fence and heavy vegetation. The fenced in area related to the building is approximately 7,200 square feet. The parcel is zoned as Civic District (C-D) zoning district. Uses permitted in the C-D district are considered to be for public purposes, including but not limited to town hall, library, museum, fire and police station, emergency shelters, multifamily housing, transitional housing, auditorium, school, park and recreational uses, off-street parking lots, and public utility lines and structures for local distribution and local service. Conditionally permitted uses would allow for single family residences and antennas used for transmission purposes.

Staff believes it is not viable to do nothing with the property and is therefore exploring four different options related to the property. The options are:

1. Repair the house and continue renting it as a single family residence
2. Build a Ross Recreation community center
3. Expand the Ross Commons park area with this area
4. Tear down the house and determine use later

Another option that was initially discussed was building a preschool at this location – for a variety of reasons that option was not seen as viable.

The Town has property insurance through ABAG PLAN. Under the insurance coverage, the Town has a \$5,000 deductible. Insurance would fully pay for the replacement of the house (Option 1) as it was including any documented code upgrade requirements, such as the installation of fire sprinklers and increasing the house elevation by 3 to 4 feet to meet the FEMA Base Flood Elevation (BFE) requirements. In addition, the Town would receive a loss of rents income (estimated at approximately \$13,800).

If the Town wants to build an alternative building on the site (e.g., Option 2), the Town would be paid replacement cash value from insurance which is currently estimated by insurance at approximately \$175,000 (a value the Town will negotiate if we proceed with any option other than Option 1) less the \$5,000 deductible. If the Town does not build a replacement building at all (Options 3 and 4) then insurance would pay an actual cash value (which is the estimated replacement cash value less depreciation) which is currently estimated by insurance at approximately \$140,000. Under Options 2 through 4 the Town would also receive the \$13,800 for the loss of rent income.

Each option is discussed below.

### **Option 1 – Repair the House and Continue Renting**

Under this option, the house would be repaired and include changes for any code requirements, including flood regulations. As discussed above, insurance would fund most of this cost unless the Town wanted to upgrade the house from its prior level (that being said there would be some upgrades funded by insurance, such as it will be all new cabinets, fixtures, flooring, etc. since that was all destroyed in the fire so it will all be newly purchased and installed). However, it should be noted that the real damage to the house will not be known until the drywall is removed and work occurs in the attic area. Once the drywall is removed, then it can be determined if there is more serious damage from the fire, water damage, mold, etc. Additionally, there would be some cost to the Town related to landscaping around the house.

Returning the use of the building to a single family residence rental can provide more affordable workforce housing in a very expensive rental market. Also, if the house was rented to a Town employee it would provide an in-Town employee which could be beneficial in cases of emergency and to have another set of eyes in Town. The rental unit could assist in providing some net revenue to the Town of say \$20,000 to \$25,000 annually after expenses.

One of the drawbacks to this plan is being a landlord for a house is not part of the mission of the Town in providing services to the residents so the goal is to divert as little employee time and resources as possible from providing more normal Town services.

### **Option 2 - Build a Ross Recreation Community Center**

The addition of a small recreation community center on the 6 redwood site would provide the Recreation Department with program space for after school and summer activities. Popular programs, such as carpentry, could be conducted on a regular basis at the center with access to both interior and exterior space. The Ross Rec carpentry classes at Bacich and Ross schools cannot be conducted inside the classrooms due to restrictions on the type of activities that can be held inside these spaces. The

summer camps that are based primarily on the fields would access the center for morning and afternoon drop off and pick up. Staff working the field camps would use the center as an operational base. These camps would also be able to utilize the center for indoor activities. Currently, the Town has three sports camps and several classroom programs during the summer at Ross school. The lack of indoor common space other than the gym creates some logistical challenges for lunch and registration. By providing a venue that would be more proximate to the camps based on Ross Commons, the congestion that currently impacts the Rec office and gym can be mitigated.

Building a community center would create the only indoor recreational space owned by the city. All other indoor space utilized by Ross Rec programs is provided through an hourly rental or lease basis. The ability to provide consistent space, that is overseen and owned by the Town of Ross, would be a welcome addition to the rec program. The additional space would allow the Department to provide consistent programming, which is not subject to interruption due to other priorities. Under the existing Ross School District and Ross Park and Recreation MOU, the Recreation Department is granted the permanent designation of the Ross Recreation Office and Community Room space for Department use. Ross Recreation is also granted access to additional classrooms subject to availability. The school has priority for use of these additional rooms, which has preempted use of these spaces by Ross Recreation at various times during the school year. This also occurs at Bacich School where the school has priority use of the classrooms and some of the Ross Recreations programs have had to be cancelled due to school events such as open house. In addition, the proposed community center could also provide program space for Town of Ross meetings such as Council retreats and interview panels.

The current facility rental program would be expanded to provide space for groups requesting access to Ross Commons for their activities. For example, community groups such as Ross Valley Little League, Ross Valley Grizzlies Lacrosse and Ross Valley Youth Soccer would be able to access the center for game day operations and meetings.

A rough draft floor plan of a 1,500 square foot proposed Recreation Community Center is attached. The recreation center would include approximately 700 sf of flexible interior program space, a small staff office, restrooms, storage, and a deck. The exterior beyond the center would be used for passive recreational programming.

This rough concept would expand the approximate 925 square foot house to 1,500 square foot. The building could also be moved on the site to be further away from the large redwoods. The fence and landscaping that separates the rest of the Common and the 6 Redwood site would be removed to have the building be part of the park space. Parking would be the same parking as currently utilized by the school. It would make this end of the park busier at parts of the day compared to being a house. Similar to the house, the recreation center would be built above the Base Flood Elevation. The recreation center would be built as ADA accessible.

A ballpark cost estimate for the recreation center is \$450,000 (roughly \$300 per square foot) plus demolition of the house (\$30,000 to \$50,000), some additional site costs associated with removing the fence and landscaping separating the house site from the rest of the Commons, re-landscaping the parcel, and likely installation of a couple of parking spaces near the building. Staff still needs to obtain costs associated with the raised building and ADA ramp required to serve the raised building. Insurance would fund approximately \$170,000 of the cost and the Town Facilities and Equipment Fund would fund the balance. There would be some annual cost of maintenance of the space which would be partially offset by rental income.

### **3. Park Expansion of Ross Commons**

The demolition of the house and fence adjoining Ross Commons would expand the park area to include the current 6 Redwood site. Removing the fence and ivy that borders the property would open up the southeast portion of the Commons. The view towards that area of the park would be improved as the existing redwood trees on the 6 Redwood site would be integrated into the park area. The addition of benches on the property, together with connecting paths, would create a passive quiet area within the Commons. Turf could be installed near the street side of the property. However, the current combination of undergrowth and redwood leaves surrounding the redwood trees should be retained.

By creating a passive, open area, the park would gain a quiet area for rest and contemplation. In the future, the more active part of the park could be extended more toward this site given the existing fence/ivy border would be moved back.

The cost associated with this option is not known but could be kept less than the amount of insurance proceeds.

### **4. Tear Down the House and Determine Use Later**

This option is a holding option. Under this option the building would be torn down and the area should be landscaped to some degree to improve the current level of attractiveness. This land is well-sited near the activity center of Ross with the nearby school, recreation area, post office, and commercial district. In the future, a master plan could be developed to identify future uses of the area that can be beneficial to the Town residents.

The annual cost associated with this option is limited to vegetation and landscaping maintenance of the site.

### **Staff Recommendation**

Staff does not have a strong recommendation of any one of the options over the others given the mix of pros and cons associated with each. Staff is leaning to Option 1 – Repairing and renting the house for the following reasons: the insurance should cover most all of the costs; the house creates a more affordable workforce housing unit in Ross which would be even more beneficial if it was rented to a Town employee who would then be in and around Town more; the Town would receive a small amount of annual revenue; and in the future, the Town could decide to convert the building into another use at not much one-time cost loss of repairing the house (i.e. a low cost hold that has some level of benefit to the community).

The second best alternative would be for Option 2 – Build a Ross Recreation community center. The key to this alternative would be getting enough activities at the space that either could not occur at or would be improved by being hosted at the recreation center compared to being at Ross or Bacich Schools. This option has more up-front and annual costs than the house, however, if well utilized could be justified.

### **Fiscal, resource and timeline impacts**

Some discussion of costs to the Town are discussed above. Some of the options will need to be better defined in order to provide a better cost estimate. Once Council selects one or two options, staff can do more refined analysis to be able to provide better cost estimates. For now, the rough draft net cost to the Town if we do not run into unforeseen costs expenses are as follows:

Option 1 Repair the house - rough estimate to Town range from \$25,000 to \$75,000 including site work.

Option 2 Build the recreation center – rough estimate net cost from \$350,000 to \$500,000 including demolition and site work after accounting for insurance proceeds of approximately \$175,000. Costs would need to be adjusted with further refinement of the plan.

Option 3 Park expansion of Commons with this site – costs are not known given we would have to define project. Insurance proceeds of approximately \$140,000 would be used to offset cost of demolition is \$30,000 to \$50,000 and landscaping and site work.

Option 4 Tear down the house - net cost to Town would depend on amount of landscaping and site work. Insurance proceeds of approximately \$140,000 would be used to offset cost of demolition is \$30,000 to \$50,000 and landscaping and site work.

The net capital costs shown above would be funded from the Town Facilities and Equipment fund balance.

The annual maintenance costs under each option would vary. In the case of Option 1, rental income should generate approximately \$20,000 to \$25,000 a year of net revenue to the Town. Option 2 would have some maintenance costs associated with the building and landscaping with some additional revenue being generated by additional recreation programming and rentals. Option 3 and 4 would have annual landscape maintenance costs associated with each which would be dependent on the landscaping plan under either option.

#### **Alternative actions**

Council could request staff explore other options from those discussed in this report.

#### **Public Comment**

An email from Catherine Babcock dated June 8, 2016 was submitted to the Council for consideration.

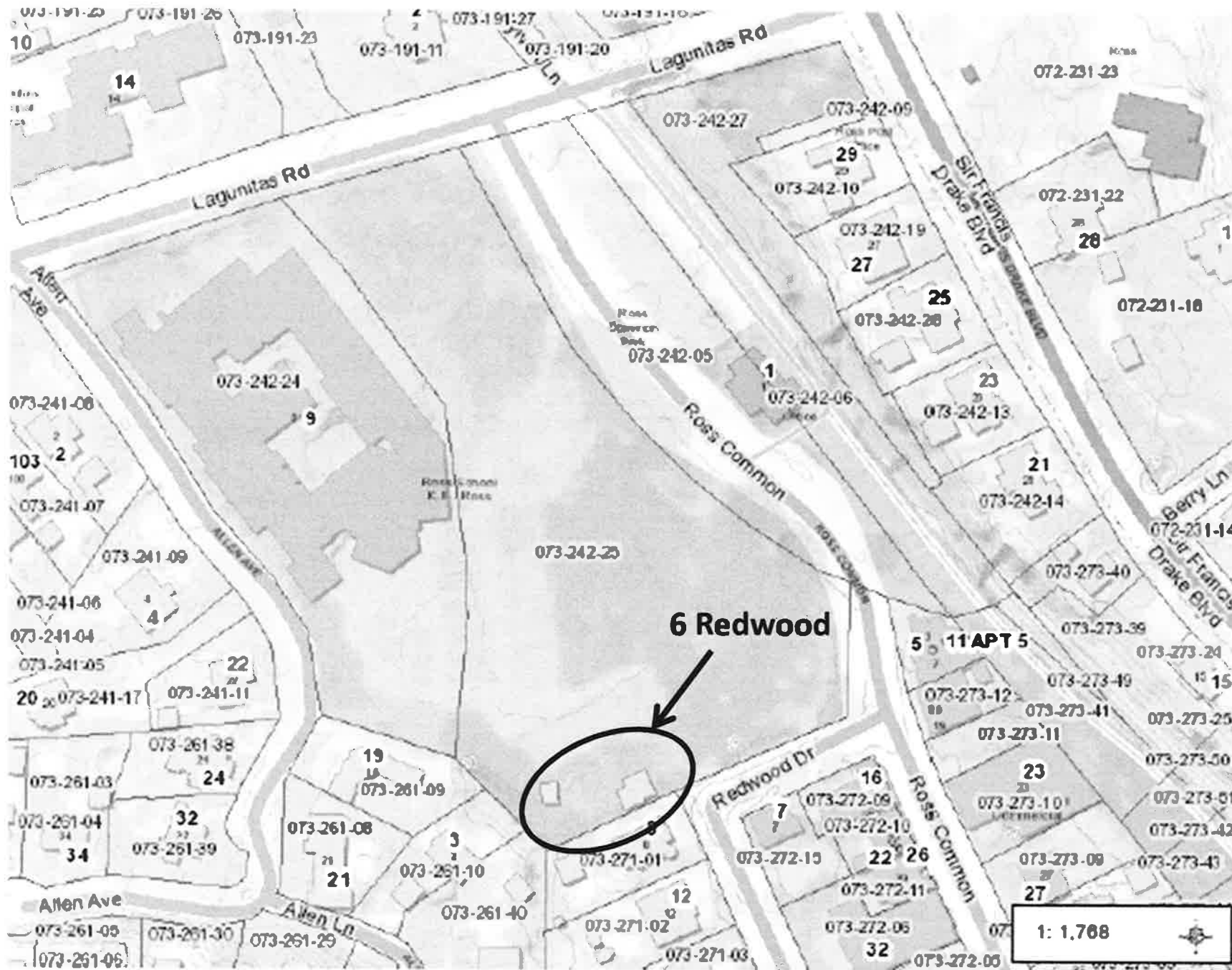
#### **Environmental review (if applicable)**

Not applicable

#### **Attachments**

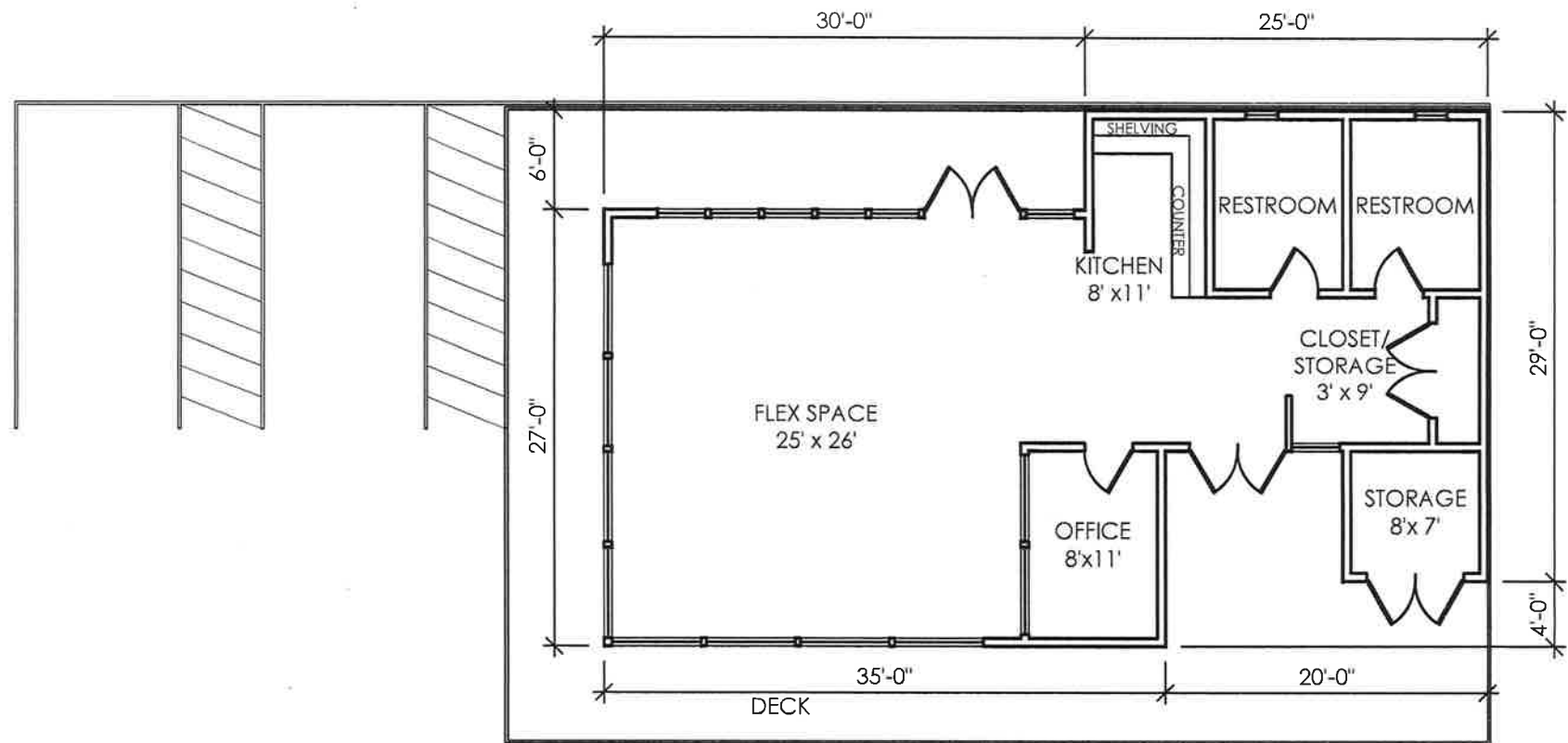
1. Aerial Exhibit of "Ross Commons"
2. Recreation Community Center Rough Design Idea
3. Email from Catherine Babcock dated June 8, 2016

# ATTACHMENT 1



## ATTACHMENT 2





# Parks & Rec Community Center



3/32"

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**ARCHILOGIX**

DESIGN • DEVELOPMENT STRATEGIES  
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Project Name

Town of Ross

Date

05.26.2016

Job Number

160-1601

Sheet

Option #1

## ATTACHMENT 3

## Heidi Scoble

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**From:** Joe Chinn - Town Manager  
**Sent:** Thursday, June 09, 2016 12:23 PM  
**To:** Heidi Scoble  
**Subject:** FW: 6 Redwood Drive

**From:** Cate Babcock [<mailto:catebabcock@gmail.com>]  
**Sent:** Wednesday, June 08, 2016 8:33 PM  
**To:** CouncilAll  
**Subject:** 6 Redwood Drive

Dear Council member,

Repairing 6 Redwood Drive and subsequently renting it to a town, school or church employee would serve our neighborhood and town best. With extraordinary housing costs in Marin and Sonoma, our town could thoughtfully serve this need of an employee who is generously serving us. Significantly, the size of the house only accommodates one or two people. And, of equal importance, is parking: our block is already burdened by the athletic events on the Common when our driveways are blocked.

Please consider our neighborhood's needs in making your decision.

Gratefully,  
Catherine Babcock