



**COUNCIL PRESIDENT PRO TEM BARBARA BRY
CITY OF SAN DIEGO
DISTRICT 1**

MEMORANDUM

DATE: January 21, 2020
TO: Interim City Auditor Kyle Elser
FROM: Council President Pro Tem Barbara Bry
SUBJECT: Request for Audit of 101 Ash Street

Barbara Bry

Last Friday, Chief Operating Officer (COO) Kris Michell issued a memorandum (memo), “Proactive Steps for 101 Ash.” This memo states, “effective 5 p.m. Saturday, the building will be closed to employees and the public. . .”

The decision by the City Council on October 17, 2016, to purchase this building has been followed by a continuous series of missteps. I ask that the City Auditor investigate the process by which the building was purchased, the due diligence that was conducted on both the value and the physical condition, and the subsequent handling of the management of this project.

I questioned why 101 Ash Street was vacant in a memo to the COO dated March 19, 2018.

On June 7, 2019, I issued another memo requesting a status update. The COO replied on June 17, 2019 that the “project remains on schedule and within budget.” In August 2019, County regulators closed 101 Ash Street construction due to asbestos violations. I learned this by walking to the building and finding it shuttered with a sign warning of the asbestos. It continues to be frustrating to hear about issues with 101 Ash Street through the Union Tribune or by simply investigating on my own.

Staff immediately provided a briefing that all appropriate testing resulted in a safe workplace for city employees. I was surprised and greatly disheartened to then receive the memo announcing employee relocation for “the next few weeks.”

It is apparent that 101 Ash Street is neither on-time nor on-budget. It is increasingly more apparent that it never will be. Therefore, I respectfully request answers to the following questions:

- What was the process that the city used to buy the building including the due diligence on the valuation and the physical condition of 101 Ash Street?
- What is the total cost to-date to relocate staff to 101 Ash Street?
- What is the total cost to relocate staff from 101 Ash Street following the asbestos violations?
- What is the total cost of temporary work locations?
- Can you provide details on all unforeseen or undisclosed budget increases?
- What is the subcontractor performance goals and status?
- Are subcontractor performance goals being met?
- Has there been any consideration for permanent work space alternatives and their costs?
- What is the economic impact of the suspension of Development Services Department services for the duration of the move and from this date until services are fully restored?

I look forward to receiving your timely and complete response to the questions above.

cc:

Honorable Mayor Faulconer

Honorable Scott Sherman, Audit Committee Chair

Aimee Faucett, Chief of Staff

Kris Michell, Chief Operating Officer

Jessica Lawrence, Director of Policy and Council Affairs