



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 3/1/2022

To: Sonoma County Board of Supervisors

Department or Agency Name(s): CAO

Staff Name and Phone Number: Peter Bruland, County Administrator's Office, Keith Lew,
General Services: 707-565-8058

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

New County Government Center Proposed Financing Plan

Recommended Action:

- A) Accept report on Financing Plan for proposed New County Government Center
- B) Direct staff to adopt financing plan and prepare all necessary updates to financial policies in FY 22-23 Recommended Budget
- C) Authorize staff to budget an additional \$2 million of ongoing General Fund annually for six years for the County Center Project
- D) Authorize staff to budget \$1 million of ongoing Transient Occupancy Tax (TOT) for the County Center Project
- E) Direct staff to prepare Request for Qualifications and Request for Proposal for subsequent issuance
- F) Authorize staff to submit application for U.S. Department of Transportation low interest loan program: Transportation Infrastructure Finance and Innovation Act (TIFIA) / Railroad Rehabilitation & Improvement Financing (RRIF)

Executive Summary:

Purpose.

Financing Plan

Replacement of the existing County administration buildings has been a Board priority reaffirmed over the past several years. The existing County administrative offices are well past the end of their useful life and need to be replaced. The current County administrative campus consists of 470,456 square feet of office space, not including the detention facility and the Sheriff's buildings. Up to 30 acres could be available for future development under various scenarios considered within this plan. The cost of operating the entire property portfolio has increased as facilities have aged, increasing deferred maintenance obligations. As County government has grown over the sixty years since the County campus was designed, the lack of expansion options on the County campus has driven the need to lease commercial office space – a growing expense. Buildings designed and constructed over 80 years ago do not meet current seismic, building code, and accessibility standards. Nor do the existing facilities meet

the Board of Supervisor's climate sustainability goals, including for building efficiency and reducing reliance on single occupancy automobile.

Recognizing the need to replace aging campus facilities and the growing financial cost of corrective maintenance, the Board in 2018 directed staff to develop goals and objectives for new facilities, develop evaluation criteria, launch an effort to identify a preferred site, and begin programming work to help determine the costs associated with design, construction, operations and maintenance. In January and July 2021, staff presented preliminary models describing the primary factors influencing the cost of new facilities including; the total number of employees moving, space allocation per person, the percentage of remote work, and parking.

This Board item presents updated information for the Board of Supervisors consideration describing the anticipated costs and potential sources of funds for the new, proposed County Government Center. As a component of the anticipated costs, information is also provided on several sustainability targets for the Board's consideration. The item recommends setting aside additional ongoing General Fund and Transient Occupancy Tax beginning in fiscal year 2022-23 in order to allow for sufficient funding capacity at the time of occupancy. Furthermore, this Board report provides an update on staff work regarding neighborhood services, Project Labor Agreement negotiations, and the next phase of work including the solicitation for a public-private partner to deliver the program under the Design-Build-Finance-Operate-Maintain approach.

Discussion:

Replacing the aging County campus administration buildings will enable the County to address the \$367 million of deferred maintenance associated with the buildings that are beyond their useful life. As described in the companion agenda item #2022-0183 today, replacement of the buildings is the superior solution to addressing the problem. The County's independent consultant, Project Finance Advisory Limited (PFAL), has examined the methodology, assumptions and conclusions from the 2014 Facilities Condition Assessment Report prepared by VFA and the County's 2018 "Report on Solutions for Addressing the Growing County Government Center Administration Building Maintenance Costs". PFAL concludes that the costs presented in the prior studies underestimated the total deferred maintenance liability facing the County, and that the alternative of "catching-up on deferred maintenance" is not achievable. Replacement will also allow many services to be consolidated making them more accessible to the public. Prior Board direction established goals and objectives, selected the Sears property based upon site evaluation criteria, and identified the preferred project delivery and financing through a public-private partnership using the Design-Build-Finance-Operate-Maintain (DBFOM) methodology. Under this project delivery structure, the County will pay a performance-linked annual availability payment annually for 30 years starting when the new facilities are occupied and increases subject to an inflationary factor for operations and maintenance.

Cost Model and Availability Payment

Presentations to the Board in January and July 2021 identified the key factors that influence the annual availability payment cost. These factors include: the number of staff moving to new facilities, the space plan or total square feet per person, the percentage of employees working remotely, parking costs, and growth assumptions. Staff and the County's team of consultants have subsequently refined the cost model based upon updated programming (headcount, space allocation and remote work assumptions), design-build costs, sustainability targets, and parking considerations given the Sears site. Ongoing and one-time costs outside of the annual availability payment have also been identified and considered in the financing plan. Attachment A provides information on the anticipated number of staff from each department that would move to the new facilities. Attachment B describes the updated cost model. Staff also developed cost assumptions associated with sustainability targets consistent with the Board's strategic plan objectives. Information on the sustainability targets and the cost impacts of each, and comparative analysis describing similar targets accomplished in other jurisdictions is provided in Attachment C.

From July 2021 through February 2022, County General Services and County Administrator staff along with the consulting teams from PFAL and Nossaman reconsidered the cost model with adjustments for affordability and legally permissible available funding sources. The County's team established an affordability range based upon the cost model, sustainability targets, and the potential sources of funding available. The range of costs is summarized in the table in Attachment B.

The financing scenario recommended by staff assumes approximately 1,800 employees relocating to new facilities (Full-time employees or FTEs), 50% remote work, and LEED Platinum sustainability target results in an initial Availability Payment (AP) of \$42.0 million per year. The lowest cost scenario with approximately 1,300 employees, 50% remote work results in an initial Availability Payment of \$33.3 million per year assuming a LEED Gold sustainability target. The higher cost scenario assumes approximately 2,100 employees, 30% remote work, and LEED Gold sustainability target results in an initial Availability Payment of \$53 million per year. The Board previously approved a Design-Build-Finance-Operate-Maintain (DBFOM) procurement approach which confirmed significant savings over Design Build (DB) with traditional bond financing. The (DBFOM) delivery method reduces risks to the County over the life of a building. Design-Build construction delivery of the project is fixed-schedule and price-certain, after which building performance is guaranteed in return for an annual availability payment to the public-private partner. The payment also includes amortization of upfront project costs. Under this procurement, cost and performance are predictable and guaranteed (over 30 years).

#	Scenarios	Est. FTE Count (Base Year)	Remote Work Assumption	Building Gross Area Requirement (SF)	Initial Annual AP (\$ millions)	Average Annual AP (\$ millions)	Annual Parking Lease Cost* (\$ millions)	Total Avg. Annual AP + Lease Cost (\$ millions)
R1	Lowest Cost, Good Sustainable Design (Owned spaces move, lease spaces remain, generally): 50% Remote, ~1,300 FTE	1,300	50%	251,267	\$33.3	\$35.8	\$1.4	\$37.2
R2	Low-Cost, Better Sustainable Design 50% Remote, ~1,800 FTE	1,800	50%	318,696	\$42.0	\$45.0	\$1.6	\$46.6
R3	Good Sustainable Design, Higher FTE: 30% Remote, ~2,100 FTE	2,100	30%	422,986	\$53.0	\$56.7	\$1.6	\$58.3

* Est. after initial introductory 3-year period; leased parking yet to be fully negotiated.

The tables above, and in Attachment B, display selected Availability Payment ranges considered.

The above scenarios assume the following regarding parking.

#	Scenarios	Employee Count	68% Parking for Employees	Fleet Vehicles	Client Parking	Total Need	Sears on-site Garage	Santa Rosa Mall	City of Santa Rosa	Total Available	Parking Gap
R1	Lowest Cost, Good Sustainable Design (Owned spaces move, lease spaces remain, generally): 50% Remote, ~1,300 FTE	1,300	884	411	177	1,472	638	550	500	1,472	0
R2	Low-Cost, Better Sustainable Design 50% Remote, ~1,800 FTE	1,800	1,224	411	245	1,880	638	550	500	1,688	(192)
R3	Good Sustainable Design, Higher FTE: 30% Remote, ~2,100 FTE	2,100	1,428	411	286	2,125	638	550	500	1,688	(437)

Downtown Sears Site Parking Assumptions include that no new parking is assumed to be constructed. The existing parking garage on the Sears site, in addition to leased spaces from the Santa Rosa Plaza Mall, and leased spaces from the City of Santa Rosa would be used, as follows:

- Total Available Parking: 1,688
- Existing Sears Garage: 638
- Existing Santa Rosa Mall: 550
- City of Santa Rosa Leased: 500

Scenario R1, 1,300 FTE assumes prorated lease costs for the reduced number of parking spots (1,472 spaces). A parking gap of 192 spots, as shown in the table above, does exist for the 1,800 FTE and a gap of 437 spots for the 2,100 FTE scenarios, which could be partially addressed through limited surface parking onsite.

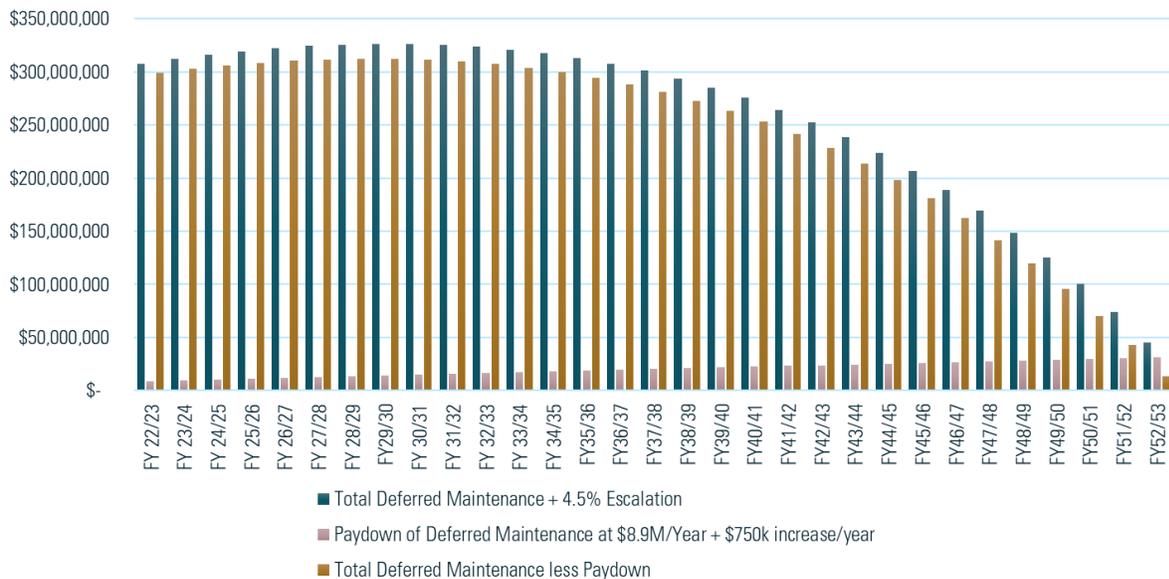
Additional Financial Considerations

Certain one-time and ongoing expenses are not components of the availability payment. These include: site acquisition, due diligence, parking leases with both the Santa Rosa Mall and the City of Santa Rosa, Santa Rosa Mall common area maintenance, existing lease expenses, on-

going costs of operations of existing owned facilities, and stipends for the unsuccessful short-listed proposers. Annual parking costs are estimated to start at \$542,978 reflecting the first three years of free City of Santa Rosa garage parking, then increasing to \$1.14 million in year 4, or an average of \$1.6 million annually for parking over 30 years accounting for assumed escalation of 3.0% annually. Staff considered these expenses as well as the Availability Payment expense when developing the Financing Plan.

As part of the financial analysis, staff also considered the alternative of not replacing the existing County government center campus and instead catching up on deferred maintenance over 30 years. This effort involved updating the cost assumptions in the 2018 Maintenance Cost Report. Additional information can be found in the separate board item on this topic, with summary information provided below. Staff recommend replacing the existing aging administrative buildings and simply provide this information to illustrate the alternative.

Paydown of 2014 Deferred Maintenance Using All Available DM Funds



The table above shows the amounts required to pay down the 2014 deferred maintenance liability over 30 years. It requires the use of all available deferred maintenance funds of \$8.9 million annually with \$750,000 increase per year, as is anticipated under current Board policy. It does not include the cost of any additional staff that would be required to execute this level of expenditure. PFAL has assessed, with County input, that 15 additional building mechanics would be required at a current salary and benefits cost of \$210,663 per employee. This totals \$3.16 million per year of additional staffing costs. These staffing costs would also be subject to

annual salary and benefits escalation. Deferred maintenance costs, as defined here, also excludes routine preventative maintenance.

Neighborhood Services update

The Strategic Plan's Resilient Infrastructure implementation objective 1.4 described models to improve access to services via neighborhood/regional and satellite service centers. Historically, areas of western, northern, and eastern Sonoma County have been underserved. The County leases approximately 22,000 sq. ft. of office space in Petaluma for the Health and Human Services Departments. Clients seeking services must travel to Santa Rosa to access safety net services (excluding those who access the Petaluma offices), obtain building permits, or engage with other County functions such as the Tax Collector, Registrar of Voters, or Assessor's office. While some safety net services are provided through community-based organizations, or offered on a limited basis at other locations, they do not provide equivalent access compared to services received by residents in the Santa Rosa area. Staff previously reported on several models with costs ranging from \$600,000 for mobile services to \$5 million for brick-and-mortar service centers. The Strategic Plan initiative funding request recommended the mobile based service delivery as the most expeditious and cost effective means of providing services to meet clients where they are. Staff have also pursued opportunities to acquire properties in western and northern Sonoma County which if progressed satisfactorily will be presented to the Board in future agenda items.

The Financial Plan also includes \$1 million in annual expenses for Neighborhood Service Centers. Staff developed cost estimates for both purchasing options as well as lease options. While developing a full neighborhood services program is a significant undertaking, staff estimate that the \$1 million annual expense planned within the Financing Plan will allow the County to establish three satellite facilities of approximately 10,000 square feet each, capable of supporting 47 staff at each site, assuming 170 square feet per person. Considering a build option for these Neighborhood Service Centers, staff estimate the cost range for building on an improved office/retail property to be \$260 - \$425/sq. ft. for office/retail properties in the 5,000 to 12,000 sq. ft. range. Development costs may be higher on unimproved properties (including potential County owned properties) depending on site conditions such as existing utility infrastructure, flood potential and liquefaction.

The above estimates for satellite services do not include any costs associated with service delivery (e.g., staffing, receptionist, manager) or in the case of an owned building, janitorial and maintenance workers.

Financing Plan for Construction of 318,696 square foot New Administration Center (1,800 FTEs) (\$42 million availability payment)

As discussed above, there is significant variation in potential availability payment amounts based on decisions about the final project scope and design, as well as the degree that savings may be realized through the competitive bidding process or through availability of low-interest federal loans. Under any circumstance, however, costs will be significant and so staff have begun developing a funding plan to meet an eventual target. Based on available funding and using reasonable expectations of growth, staff believe that an Availability Payment of approximately \$42 million, with a buffer of \$2.4 million for additional costs that may be outside that payment, such as leasing of additional parking from the City of Santa Rosa and the neighborhood service hubs, could be achieved by occupancy with limited impact on existing County operations. Increasing that availability payment above that amount will either increase strain on existing programs or rely on significant one-time fund balances during the initial years of occupancy allowing for a more gradual accumulation of resources.

In order to reach this total of \$44.4 million (\$42 million plus \$2.4 million for additional costs), staff are relying on five primary components:

- \$13.4 million of General Fund available under current board policy.
- \$7.5 million of General Fund available due to anticipated savings realized by FY 2027-28.
- \$1 million in available Transient Occupancy Tax from the Community Investment Fund.
- \$12 million in additional General Fund to be accrued gradually over the next 6 years.
- \$10.5 million in funding from other funds, available to support a portion of the space allocated to non-General Fund departments.

These components are discussed in more detail below.

\$13.4 Million Fiscal Policy:

The bulk of this availability payment is expected to come from discretionary sources, primarily the General Fund. The Board had the foresight to adopt a policy during the 2017-18 budget to set aside 40% of all property tax growth above what is assumed in the Adopted Budget toward maintenance of county facilities. Based on this policy, \$8.9 million in ongoing contribution has been set aside into this fund (an amount that includes contributions based on retirement of debt as well as growth under this policy). Based on historical trends, an additional \$4.5 million is expected to accrue in this fund by FY 2027-28. Thus \$13.4 million is expected to be available which could be purposed toward the County Government Center under existing policies. While the 40% threshold could be increased, staff do not recommend increasing reliance on this mechanism because it relies on growth above projections, and is therefore uncertain. The current projections are conservative and should be easily achievable. A funding model that relies excessively on this source would be risky and might require significant true-ups in later

years. In addition, because this component of the funding is variable, it may create uncertainty with potential bidders that the County will have sufficient funds for the project. Should this policy increase fiscal capacity faster than anticipated, it may be possible to reduce reliance on other sources listed below.

\$7.5 Million Anticipated Savings:

In addition to the growth noted above, the County anticipates future savings that could be directed toward the County Center project. Areas of savings include \$2.5 million in debt service payments that are set to retire by FY 2027-28, minor savings from leases that will no longer be needed when the new facility is occupied, and about \$5 million in savings related to county contributions to retiree medical costs. While there are currently unfunded retiree medical liabilities of \$164.5 million, the County is making good progress at reducing the unfunded liability each year. Even without significant growth in the investments of the fund, by FY 2027-28 the County should be able to reduce payments given a significantly reduced unfunded liability and limited increases to total liability due to the nature of the benefits being received.

These should create additional capacity of \$7.5 million in annual payments to be available, bringing the total to around \$20.9 million. Because the Model is designed to reach full funding by FY 2027-28, it does not utilize savings that will begin in FY 2030-31 when the 2011 Pension Obligation Bonds are repaid. The financial sketch produced in July of 2021 relied on \$12 million of annual savings from the 2011 Pension Obligation Bonds.

\$1 Million from Transient Occupancy Tax:

In order to find additional funding, it is recommended that the Board make two policy changes to increase discretionary revenues available. First, the recovery of Transient Occupancy Tax revenues following the COVID epidemic has created unused ongoing capacity in the Community Investment Fund. Staff recommend that \$1 million of this ongoing funding be devoted to the County Center Project, beginning in FY 2021-22. This funding can be aligned to the project without impacting current allocations under policy.

\$12 Million from General Fund Growth (FY 21-22 – FY 27-28):

Second, beginning in the FY 2022-23 Budget, staff recommend that an additional \$2 million in ongoing capacity be set aside annually through FY 2027-28 in order to gradually increase capacity for the eventual Availability Payments, leading to a total of \$12 million in additional ongoing General Fund capacity by FY 2027-28. For comparison, the FY 2021-22 Budget allocated \$294 million of General Fund to departments for ongoing needs, not including one-time commitments. Capturing \$2 million per year for 6 years should not impact future allocations to

departments to cover expected increased costs for existing services (assuming costs increase 3% per year).

The strategy of gradually increasing capacity over time, in advance of occupancy, has several advantages. First, it makes it much easier to arrive at the required amount without a single shock. In combination with the existing policy to capture 40% of property tax growth above what is included in the Adopted Budget (estimated at \$750,000 annually), the total expected annual increase of \$2.75 million would account for about 20% of the annual discretionary General Fund growth seen historically. While this will require allocation of resources that might otherwise be used to increase County services, this level should be absorbed within the County's annual budget without requiring significant reductions. Finding the same total amount in the final year would be much more painful and require significant reductions. Second, the County Deferred Maintenance fund will provide funding for project costs prior to the availability payment, such as staff and consultant time, and costs associated with furnishing and moving to the new space. Third, it allows for continued funding of both urgent maintenance needs at facilities that will be decommissioned as well as ongoing maintenance at County facilities that will be used following the opening of the new County Center.

If this component of the fiscal policy is adopted, total discretionary capacity for the project will be \$33.9 million by the time of occupancy.

\$10.5 Million from Lease Savings and Reimbursements:

Depending on the final list of departments included in the building, a majority of the space may be occupied by departments that are primarily funded outside the general fund, and some participation is expected from these additional sources. The total share, however, will be limited by three factors. First, restrictions around the use of sources may prohibit full costs from being recouped. Some federal sources, for example, do not allow for the use of funds to pay for County debt payments on buildings, although costs such as maintenance and reasonable depreciation of facilities would be acceptable.

Second, while sources would be more broadly available, County allocations are either driven by factors that do not include costs or include administrative caps that will prevent additional funding from being drawn down based on facilities costs. This means that there is limited ability to include these funds without directly impacting relevant programs.

Third, raising additional revenues via some sources would require increases to fees that would be passed on to members of the public receiving County services. For example, proportional costs for Permit Sonoma space in a new facility could be recouped via fees, but this would require increasing the costs of permits. For the purpose of this plan no fee increases are assumed.

Based on these limitations, staff are currently estimating that \$10.5 million annually will be available from non-General Fund sources for use on the Availability Payment. This funding would be largely offset by decreases to departmental operating costs such as lease costs, as discussed above.

Additional Considerations

Federal Funding Opportunity

The County's project at the former-Sears site, due to its proximity to transit, may be eligible for Federal Department of Transportation funding that significantly reduces the County's cost obligation¹ by up to \$10 million per year, as shown in the accompanying Attachment B. Potential savings have not been included in the estimates above. Staff have conducted preliminary conversations with federal authorities confirming project eligibility. As part of this item staff request authorization to apply for available federal funding.

Project Labor Agreement

Staff are working with Building Trades representatives to draft the proposed Project Labor Agreement. The Project Labor Agreement is a legally binding agreement between the County, the P3 entity, and the Building Trades that helps to ensure smooth delivery of the project. The Board of Supervisors adopted a policy in 2014 requiring all projects over \$10 million construction cost to negotiate a PLA based upon an adopted template agreement. Staff have previously negotiated a PLA for the Adult Detention Behavioral Health Housing unit. The PLA for the new County Government Center is updated to reflect current government code requirements and recognizes the DBFOM delivery methodology. Staff are scheduled to bring the County Government Center Project Labor Agreement item to the Board of Supervisors in May.

Alternative Options

Staff have previously presented information on the option of catching up on the existing administration buildings \$367M in deferred maintenance. Even if the funding necessary was allocated, the existing buildings are still beyond useful life structurally, do not provide the space necessary to consolidate services, and would continue to require ongoing operational expenses for routine maintenance.

¹ PFAL explored eligibility criteria with federal Department of Transportation officials for both the Transportation Infrastructure Finance and Innovation Act (TIFIA) and the Railroad, Rehabilitation, and Improvement Financing (RRIF) programs. Of the two programs, RRIFF offers the greatest opportunities for cost savings given favorable financing terms for the Sears property. The existing County Government Center would be eligible for the TIFIA funding. Staff continue to explore both opportunities.

Staff extensively studied the alternative of constructing new buildings on the existing campus. While the cost of design and construction of the office space would be less expensive than the downtown Sears site, the additional cost of swing space for two years and the cost of constructing a parking garage add significantly to the overall expense on the existing campus. Staff have worked with PFAL to update the studies previously presented in January and July 2021. See Attachment B.

In addition, staff considered a “No New Parking” existing campus scenario, which assumes that no new parking spaces are constructed and existing surface lots are maintained. This option forgoes significant opportunity for future development of housing on the site, as significantly more surface area is required for parking. However, the “No New Parking” alternative is approximately \$3.9 million per year less expensive than the Sears site location for the initial Availability Payment, for a single-phase project.

Staff and advisors also considered the option of pursuing a phased approach to project delivery. There are drawbacks to this approach, and it is not recommended for the following reasons:

- *Higher overall cost:* The facilities condition assessment from 2014 indicated a higher total replacement cost for current facilities than would be required for a single-phase delivery, which provides opportunity for portfolio rationalization.
- *Mitigation costs during construction:* Leased swing space could be required during the construction period, although that might be minimized based on the selected location and size of new buildings.
- *Escalation and loss of efficiencies:* Costing of a phased approach has not been completed given prior direction from the Board and would require additional modeling and analysis to identify a prudent phasing strategy. It would introduce additional risk of increased escalation of construction costs due to an extended building time horizon and loss of cost efficiencies in the construction program. For example, the County would need to pay multiple mobilization costs in a phased scenario.
- *Limited options:* a phased project likely could not be delivered through a fixed-price P3 approach, which could leave the County susceptible to higher long-term costs associated with (1) lack of coordination between the design, construction and operations functions and (2) potential underspend on operations and maintenance.

#	Scenarios	Est. FTE Count (Base Year)	Building Gross Area Requirement (SF)	New Parking	Office Building Only Initial Annual AP (\$ millions)	Parking Build Initial Annual AP (\$ millions)	Total Average Annual AP (\$ millions)	Avg. Annual Parking Lease Cost*	Total Avg. Annual AP + Lease Cost	Parking Gap (spaces)
R2	Downtown Sears Site Low-Cost, Better Sustainable Design 50% Remote, ~1,800 FTE	1,800	318,696	1,688	\$42.0	\$0	\$45.0	\$1.6	\$46.6	(192)
C2	County Campus Site, No New Parking Low-Cost, Better Sustainable Design 50% Remote, ~1,800 FTE	1,800	318,696	0	\$38.1	\$0	\$41.1	\$0	\$41.1	(1,688)

* Est. after initial introductory 3-year period; leased parking yet to be fully negotiated

Special Legislation:

Staff are pursuing special legislative authority for the P3 similar to that obtained by other jurisdictions in California. Assuming Board approval of the financing plan, the timeline for issuing the Public-Private Partnership (P3) Design Build Finance Operate Maintain (DBFOM) Request For Qualifications (RFQ) and subsequent Request For Proposals (RFP) depend upon whether the special legislation is passed, as well as whether an urgency clause is approved. Considerable staff and consultant resources will be necessary to draft RFQ and RFP. If the County initiates the procurement under the anticipated new special legislation, with an urgency clause, summer 2022 is the earliest RFQ issuance and early 2023 the earliest possible RFP issuance. Without an urgency clause in this legislation, the RFQ would likely be issued in January 2023 and the RFP issued in summer 2023. If the legislation is not passed, staff will consider options and potential alternatives to moving forward with a procurement under similar timeframes.

Strategic Plan:

Racial Equity Analysis

Pursuant to the Board's direction in November of 2020, departments are requested to apply the equity toolkit to assess significant policy items before bringing them to the Board for consideration. The toolkit was applied to this agenda item and the results are summarized in this section. Staff have previously considered the Board's Strategic objectives of inclusion and equity in the site selection criteria and access to neighborhood based and centralized services. New County administration facilities located at the former-Sears site will improve access to services given proximity to public transit and freeway access. Many of the County's lower income clients rely upon public transportation to access services. Southwest Santa Rosa remains a priority area in the 2021 Portrait of Sonoma County. Relocating the Administration Center to downtown could improve geographical access to County services. Previous experience with County services located downtown has demonstrated the importance of access to free parking. Significant opportunities to address equity issues exist in the solicitation phase, via the P3 selection criteria and project labor agreement. Future Board items describing the solicitation will identify how best to develop community benefit provisions that take into consideration federal funding requirements.

This item directly supports the County’s Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Resilient Infrastructure

Goal: Goal 1: Invest in County buildings and technology to enhance service delivery and improve employee mobility

Objective: Objective 1: Design the new County Center to be carbon neutral and zero waste; and pursue carbon reduction and zero waste plans for remaining County facilities.

Prior Board Actions:

- February 8, 2022: Sears Property Acquisition
- July 2021: County Center Preliminary Site Selection
- January 5, 2021: County Center Technical Advisor Findings
- December 10, 2019: County Center Board Goals and Objectives and Site Selection Criteria
- June 23, 2019: County Center Technical Advisor Recommendation
- May 19, 2019: County Center Planning Phase 1 Update
- March 19, 2019: Deferred Maintenance Cost Report
- January 29, 2019: County Center Phase 1 - Technical Advisor RFP
- May 8, 2018: County Center Planning - Request for Information Survey
- June 24, 2014: Comprehensive Facilities Condition Assessment Plan Update
- January 15, 2013: Comprehensive County Facilities Plan
- April 7, 2009: County Administration Campus Site Evaluation and Opportunities Analysis

FISCAL SUMMARY

	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Expenditures			
Budgeted Expenses	\$75,000	\$3,000,000	\$5,000,000
Additional Appropriation Requested			
Total Expenditures	\$75,000	\$3,000,000	\$5,000,000
Funding Sources			
General Fund/WA GF	\$75,000	\$2,000,000	\$4,000,000
State/Federal			
Other		\$1,000,000	\$1,000,000
Use of Fund Balance			
Contingencies			

Total Sources	\$75,000	\$3,000,000	\$5,000,000
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Narrative Explanation of Fiscal Impacts:

Staff estimate it will cost \$75,000 in additional consulting (PFAL) staff time to prepare and submit the RRIF application to the federal Department of Transportation. This additional scope has been added to the PFAL contract and requires authorization to expend encumbered contract contingency funds within the contract allowance previously authorized by the Board.

Budget allocations and financial policy changes associated with the Financing Plan will be presented to the Board of Supervisors during the FY 22-23 budget process. If staff recommendations are approved, an estimated \$3 million, including \$2 million in General Fund and \$1 million in Transient Occupancy Tax will be budgeted in the 2022-23 Budget for the County Center Project. This amount will grow by \$2 million annually each year for the following five years.

To date from FY 19-20, a total of \$3.1 million has been spent on outside consultants and staff time on the County Government Center project.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

- A. Updated Program – Headcount by Department
- B. Updated Financial Model Scenarios
- C. Sustainability Targets, Projected Costs, and Comparative Research
- D. Construction Cost Report, Downtown Site
- E. Construction Cost Report, Existing County Campus
- F. Presentation

Related Items “On File” with the Clerk of the Board:

None