



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legislation Details (With Board Report)

File #: 15-0414 **Name:** Proposed Capital Projects w/Schilling Facility & others FY 2015-16

Type: General Agenda Item **Status:** Agenda Ready

File created: 4/22/2015 **In control:** Budget Committee

On agenda: 4/29/2015 **Final action:**

Title:

- Receive and support a capital projects proposal, covering 1441 Schilling Place, 240 Church (East & West Wings), 168 W. Alisal (Administration Building), and Government Center Modular Removal, Attachment A;
- Support a County of Monterey 1441 Schilling Place Buildings Tenant Improvement Project and Draft Schedule, Attachment B;
- Support a County of Monterey Administration Building Tenant Improvement Project and Draft Schedule, Attachment C;
- Support a County of Monterey East & West Wing Tenant Improvement Project and Draft Schedule, Attachment D;
- Support a County of Monterey Government Center Modular Removal Project and Draft Schedule, Attachment E;
- Direct staff to take to the Board of Supervisors the question on issuance of Certificate of Participation not to exceed \$52,000,000, Attachment F; and
- Direct staff to take to the Board of Supervisors the option of funding through the annual budget process the estimated costs for the Administration Building Tenant Improvement Project.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment A - Capital Projects Proposal - 4-10-15, 2. Attachments B to F - Capital Projects and Schedules - 4-10-15, 3. Attachment G - 1441 M O Budget FY16 OCCUPIED w-Reserve Budget

Date	Ver.	Action By	Action	Result
4/29/2015	1	Budget Committee		

- Receive and support a capital projects proposal, covering 1441 Schilling Place, 240 Church (East & West Wings), 168 W. Alisal (Administration Building), and Government Center Modular Removal, Attachment A;
- Support a County of Monterey 1441 Schilling Place Buildings Tenant Improvement Project and Draft Schedule, Attachment B;
- Support a County of Monterey Administration Building Tenant Improvement Project and Draft Schedule, Attachment C;
- Support a County of Monterey East & West Wing Tenant Improvement Project and Draft Schedule, Attachment D;
- Support a County of Monterey Government Center Modular Removal Project and Draft Schedule, Attachment E;
- Direct staff to take to the Board of Supervisors the question on issuance of Certificate of Participation not to exceed \$52,000,000, Attachment F; and
- Direct staff to take to the Board of Supervisors the option of funding through the annual budget process the estimated costs for the Administration Building Tenant Improvement Project.

RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Receive and support a capital projects proposal, covering 1441 Schilling Place, 240 Church (East & West Wings), 168 W. Alisal (Administration Building), and Government Center Modular Removal, Attachment A;
- b. Support a County of Monterey 1441 Schilling Place Buildings Tenant Improvement Project and Draft Schedule, Attachment B;
- c. Support a County of Monterey Administration Building Tenant Improvement Project and Draft Schedule, Attachment C;
- d. Support a County of Monterey East & West Wing Tenant Improvement Project and Draft Schedule, Attachment D;
- e. Support a County of Monterey Government Center Modular Removal Project and Draft Schedule, Attachment E;
- f. Direct staff to take to the Board of Supervisors the question on issuance of Certificate of Participation not to exceed \$52,000,000, Attachment F; and
- g. Direct staff to take to the Board of Supervisors the option of funding through the annual budget process the estimated costs for the Administration Building Tenant Improvement Project.

SUMMARY/DISCUSSION:

On September 26, 2014, the Schilling Property acquisition closed. On February 3, 2015, the Board of Supervisors approved funding for Walde, Ruhnke & Dost Architects to provide architectural and engineering design services for the North and South buildings at 1441 Schilling Place. With the acquisition of the Schilling Property, the County is poised to begin the process to optimize usage of County facilities while incorporating plans to reuse unoccupied County facilities.

Combining the 1441 Schilling Place Tenant Improvement Project with the Administration Building Tenant Improvement Project, the East & West Wing Tenant Improvement Project, and the Government Center Modular Removal Project as one master project package plan, budget and schedule under the Monterey County Facilities Utilization Project will facilitate these projects being successfully completed within the next 2 to 4 years. The Monterey County Facilities Utilization Project can then provide oversight to enhance long term infrastructure and centralization efficiencies, while balancing facility space needs at 1441 Schilling Place, the Administration Building, the East & West Wings, and eliminating the need for modular buildings.

In particular, a primary goal for 1441 Schilling Place is to create a “One-Stop Permit Center” for all land use related functions including Resource Management Agency (RMA) (Planning, Building, Public Works and Environmental Services) and the Monterey County Water Resources Agency. Environmental Health Bureau and Fire would have dedicated hours at this facility. The Parks Department and Economic Development Department will also be located at this facility (see Attachment A for complete list).

OTHER AGENCY INVOLVEMENT:

The County Administrative Office (CAO) will be working with RMA on refining estimates for tenant improvement costs and to bring updated project specific estimates to both the Capital Improvement Committee and Budget Committee. The CAO and RMA will be coordinating with all stakeholders in the completion of these projects.

FINANCING:

The estimated financing of \$16,000,000 for 1441 Schilling Place Tenant Improvement Project and \$36,000,000 for East & West Wing Tenant Improvement Project will require the issuance of Certificates of Participation (COPs). Attachment F, “County of Monterey Series 2015 Lease Financing Annual Debt Service” provides estimated borrowing costs. Depending on the amount of debt issuance, the annual debt service in one scenario is \$1.3 million in FY 2016 then rising to \$3.0 million in future years. Once the facility is fully occupied departments and agencies can begin paying an annual building use allowance which is currently estimated to be

sufficient to cover debt service beginning in FY 2020. This would require the General Fund to support the annual debt service until FY 2020. Full Operation and Maintenance costs are an additional cost as outlined in Attachment G.

Approved by:

Dewayne Woods
Assistant County Administrative Officer

Attachments:

Attachment A - Proposed Capital Projects/Tenants

Attachment B - 1441 Schilling Place Buildings Utilization Project and Draft Schedule

Attachment C - County of Monterey Administration Building Utilization Project and Draft Schedule

Attachment D - County of Monterey East & West Wing Utilization Project and Draft Schedule

Attachment E - County of Monterey Government Center Modular Removal Project and Draft Schedule

Attachment F - County of Monterey Series 2015 Lease Financing Annual Debt Service

Attachment G - Maintenance & Operation Projections for 1441 Schilling - FY2016