

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: June 16, 2020 **Approx. Start Time:** 2:30pm **Approx. Length:** 45 minutes

Presentation Title: Clackamas Extension Education Center Building Project—going forward

Department: Clackamas Extension and 4-H Service District

Presenters: Mike Bondi, Angela Sandino, Leah Sundquist, Jeff Jorgensen, Chris Storey, Dick Caldwell

Other Invitees:

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Informational only. No action at this time.

The Clackamas Extension and 4-H Service District will review the recent developments over the past two months leading up to the decision to halt the Extension Education Center project before requesting Board authorization of the construction contract and bond sale financing process with Clackamas County.

The goal of this policy session is to begin developing a new vision for a path forward that, ultimately, leads to the development of a new Clackamas Extension Education Center.

EXECUTIVE SUMMARY:

The Clackamas Extension and 4-H Service District has been working closely with Clackamas County government since 2014 to develop plans for the construction of a new Extension Education Center on the Red Soils campus. Over these years, this project included County Commission Board approval of a preferred building location (southeast corner of Warner Milne and Beaver Creek Road), working with two architectural firms in planning and design, close collaboration with County Facilities Management staff for planning and all logistical support for the project, and guidance from County Finance staff to facilitate public bond financing for the project's debt service.

Despite delays in the project planning, city land use approvals, and permitting, all was in order to launch the public bidding process for construction on February 13. Over the ensuing weeks and leading up to the planned bid closing on March 26, the COVID-19 global pandemic became the most prominent issue facing all of us. The bid closing was delayed until April 9 to accommodate contractor schedules and the uncertainty of the day.

Contractor bid prices did come in for the project higher than hoped (by about \$750,000 for the apparent low bidder), but none-the-less, were considered a fair bid and from a reputable local contractor. Once the cost parameters for the Extension Education Center project were set, the financial arrangements for the sale of bonds through the County for financing the debt service, became the next step—prior to coming back to the Board for final approval to authorize the construction contract and financing plan.

Unfortunately, based on the bond markets in late April, the realities of bond financing requirements on our Service District budget, along with the inability to work within of planned Extension District budget for financing and supporting the new building, plus a less than favorable climate for private fundraising at this time, the decision was made to halt the Extension Education Center building project at this time.

The Extension and 4-H Service District's first priorities have to be maintaining the financial integrity of the District and prudent fiscal management that can sustain—for decades to come—our informal education programs and services that make a difference in the lives of Clackamas County citizens. The budgetary realities of the Extension Education Center, at this time, would have put undue stress on the District's budget and, especially, a concern over the next 30 years of financing.

Where we go from here, is the next question. Points for consideration and discussion would be these:

- The need for a new and more adequate Extension Education Center remains. Extension has occupied our current location at 200 Warner Milne Road for nearly 40 years. Although we could remain at this location—with the County's permission as our landlord—the building is not adequate to meet our current or future needs. And, depending on the County Courthouse plans and timeline, should we be preparing to re-locate sooner than later? What is this timeline? What should Extension know, now, to assist with our planning? Are you still committed to providing a location (building for lease or land for construction) for Extension on Red Soils (note: we were never part of the County's Red Soils Master Plan)? Should we be looking elsewhere? Would the parcel at the southeast corner of the Warner Milne/Beavercreek Road site still be available for Extension's planning?
- Although the Extension Education Center was a grand design and would have been an unique addition to the County facilities and campus, it may have been too grand. It is time to review, reconsider and rethink what needs for office space and staffing accommodations will be in the future years. Will staff be working more remotely? Will facility needs and technical support be different? Going forward may require a different/smaller footprint, other partners or another strategy for funding. What are your thoughts, ideas, and advice on any of these topics as Extension goes forward? Do you see other priorities or opportunities Extension should consider, at this time?
- Future planning for whatever comes next with a Clackamas Extension Education Center will now be the responsibility of Angela Sandino, Regional Extension Director for Clackamas, Washington and Multnomah Counties, and Leah Sundquist, Clackamas Extension County Liaison.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? None at this time. The Extension Education Center project is "on hold", indefinitely. Our capital construction budget line at year-end close (June 30, 2020) will be approximately \$6.1 million. These funds would have been spent on construction costs and is now available for whatever comes next. Our FY2020-2021 budget includes a continuation of the \$500,000/year line that was, formerly, for the construction fund but this years was planned to the new facility's debt service and the increased operational costs that would have been associated with a new building. These funds will now be re-directed to a future building construction fund.

STRATEGIC PLAN ALIGNMENT:

- **How does this item align with your Department's Strategic Business Plan goals?** Since the creation of the Clackamas Extension and 4-H Service District in 2008, Extension's strategic plan has included moving to a facility designed for the unique needs of OSU's education and applied research programs in the county. The vision to better serve the community with a new and improved facility, plus strengthen connections to Clackamas County programs, services or agencies (examples—Family

Justice Center and Clackamas Health and Human Services) and broader community priorities would be key outcomes resulting from continuing the dream of a new Extension Education Center.

- **How does this item align with the County's Performance Clackamas goals?**
 - *Grow a Vibrant Economy*
 - A new OSU Extension facility, with a larger floorplan, expanded teaching and meeting spaces, and a demonstration/ teaching kitchen, will bring opportunities to provide education programs to a wider base of County citizens and build expanded partnerships with agencies, non-profits, and businesses.
 - The vision to create a new OSU Extension facility as a state-of-the-art all wood, advanced technology, and Net Zero public building—still seems like a laudable idea. Such a facility could be a showcase for the forest products industry and the future of sustainable designs in public construction projects while bringing attention to the local forest resource base in the County and the history of the stewardship by local landowners.
 - *Build a Strong Infrastructure*
 - A new OSU Extension facility could be designed to meet the needs of the Clackamas Extension and 4-H Service District for the next 75-100 years or more. Such a building would be a valuable asset to existing County's facilities including the potential availability of meeting rooms and teaching kitchen for County and/or community use.

LEGAL/POLICY REQUIREMENTS:

None, at this time.

PUBLIC/GOVERNMENTAL PARTICIPATION:

The Clackamas Extension Advisory Council is Extension's stakeholder group that meets monthly to review education and outreach programs, provide guidance and input, support our programs. The Council has been instrumental in helping create the vision for the Clackamas Extension Education Center. The Council will continue to assist Extension in future planning.

OPTIONS:

N/A

RECOMMENDATION:

N/A

ATTACHMENTS:

None

SUBMITTED BY:

Division Director/Head Approval: Mike Bondi

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Mike Bondi @ 503-705-2434.