

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: June 26, 2018 **Approx. Start Time:** 10:30 AM **Approx. Length:** 60 min

Presentation Title: Courthouse Replacement Project Quarterly Report

Department: County Administration, Finance, and Public & Government Affairs

Presenters: Laurel Butman, County Administration; Gary Barth, Project Manager; Chris Lyons, Public & Government Affairs; Anne Buzzini, Davis Hibbitts & Midghall

Other Invitees: Judge Kathie Steele, DA John Foote, Sheriff Craig Roberts, Debbie Spradley, Trial Court Administrator and Marc Gonzales & Christa Wolfe, Finance

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

This is an informational policy session to update the Board on the status of the project for a new courthouse on the Red Soils Campus in Oregon City.

EXECUTIVE SUMMARY:

In this briefing, staff will provide an update on progress to date and the project schedule for courthouse replacement.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget?

- Costs are planned but not yet fully budgeted for this multi-year project. We do have some funding remaining in the 2017-18 Budget on the SERA Architects contract for work underway and are currently pursuing a contract amendment for some needed additional planning. We have also set aside a modest budget for public outreach this fiscal year. Some of these costs will provide match for the \$1.2 million in State General Fund funding awarded this current biennium; some costs will be reimbursed from State provided funds.

What is the cost?

- Total project cost: Approximately \$230 million (estimate)
 - Courthouse – \$189 million (estimate), 50% to be funded by the Oregon Courthouse Capital Construction and Improvement Fund (**OCCCIF**) by the State of Oregon
 - On-campus parking additions, roadway changes and re-routing, intersection signalization Red Soils Master Plan updates, District Attorney office portion of the new Courthouse building , and related soft costs associated with the new Courthouse - \$30-50 million (estimate)

What is the funding source? There are two: OCCCIF (50% match on Courthouse cost) and a planned General Obligation bond. A bank line of credit will be used to bridge the time between expenditures and reimbursement by the State of OCCCIF funds at the end of each biennium to provide cash flow

STRATEGIC PLAN ALIGNMENT:

These issues align with two of the Board's five Strategic Priorities:

- Ensure safe, healthy and secure communities – new courthouse will be large enough to accommodate the number of judges available and needed for this community and eliminate overcrowding that cause intermixing of jurors, the public, and offenders providing adequate circulation.
- Build a strong infrastructure – project will replace the outdated county courthouse in downtown Oregon City, which is too small to accommodate the number of judges needed for the community and is not seismically sound.

- Build public trust through good government – project will improve access to justice for all residents of Clackamas County.

LEGAL/POLICY REQUIREMENTS:

1. The State bonding program for courthouse replacements requires that the County spend at least an equal amount of matching funds for courthouse related costs to those provided by the State OCCIF.
2. The 1.5% for Green Energy Technology program applies to public entities in Oregon and requires that 1.5 percent of the total contract price of a public improvement contract for new construction of a public building must be spent on green energy technology, regardless of the funding source.
3. Oregon Revised Statutes require no less than 1% of funds for the acquisition of public-facing artwork in all state building construction plans with budgets over \$100,000 – *we are looking into whether this applies.*
4. This project will be subject to Oregon City planning and public works requirement for development.
5. It is County policy to build to LEED green building standards; LEED certification is being explored and a question on whether to pursue certification will be brought before the Board at a future quarterly update.

PUBLIC/GOVERNMENTAL PARTICIPATION:

In July, 2017, Clackamas County secured \$1.2 million from the Oregon Legislature for planning costs associated with the Clackamas County Courthouse replacement project. In addition to the State Legislature’s continued involvement in this process, the project also includes participation of the Courts, Clackamas County Sheriff’s Office, the Clackamas County District Attorney’s Office, the Oregon Department of Human Services, the Association of Oregon Counties’ Court Facilities Task Force, the City of Oregon City, the Downtown Oregon City Association, and additional key stakeholders throughout the community. Public & Government Affairs (PGA) will be working with all of the aforementioned entities on the implementation of a strategic communications plan as this project moves forward.

OPTIONS & RECOMMENDATIONS: N/A – informational only

ATTACHMENTS:

1. Attachment A: Overview Presentations

SUBMITTED BY:

Division Director/Head Approval _____
 Department Director/Head Approval MG
 County Administrator Approval LSB

For information on this issue or copies of attachments, please contact Laurel Butman @ 503-655-8893.
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Attachment A



Clackamas County Courthouse Replacement Project

Board Quarterly Update

June 26, 2018

Significant Investment Already In Site Preparation

- Clackamas Co. owns the land
- Master Plan approved
- Building will meet LEED Silver
- Pre-installed utilities:
 - Chillers & boilers
 - Fiber & copper for connectivity
 - Closed loop hot and cold water from Central Plant
 - Traffic circulation improvements in place to accommodate courthouse



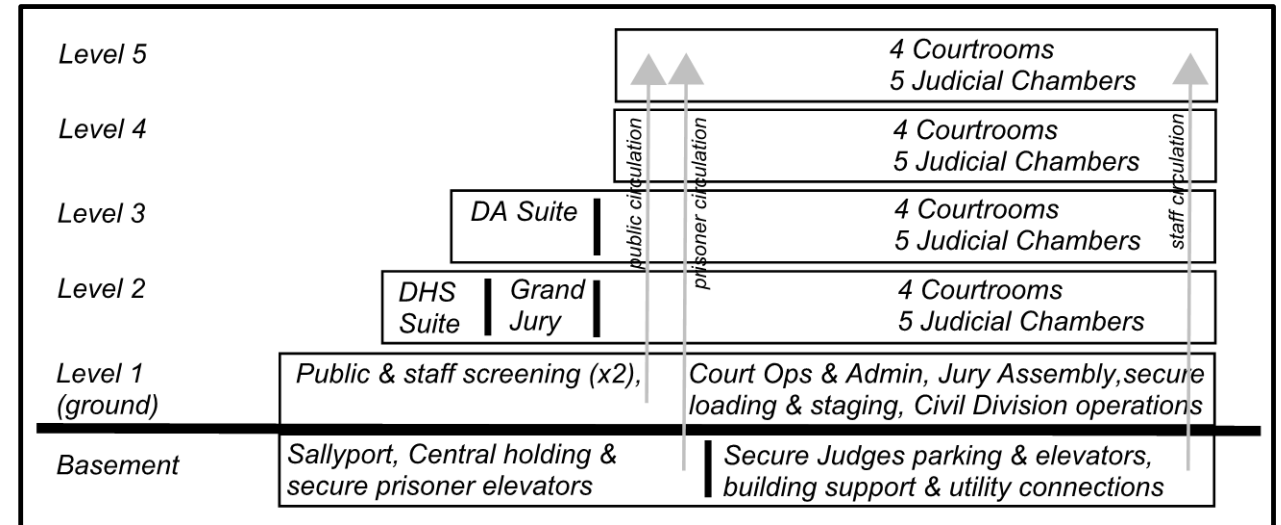
View east from new courthouse site
(photo prior to plaza build-out)

The New Courthouse

Program	Area (DGSF)
1.0 Public Facilities & Building Support Spaces	30,758
2.0 Courtrooms & Judicial Staff	84,717
3.0 Court Operations & Administration	34,333
4.0 Sheriff Civil Division & Sallyport/Central Holding	13,634
5.0 Law Library	4,439
6.0 State Agency - DHS	4,724
Total Department GSF	172,604
25% Grossing Factor	43,151
Total Courts Building GSF	215,755

Co-Located Services:

- Oregon Department of Human Services (DHS)
 - Secure 4,700 sq. ft. suite
 - Relief for nearby crowded office space
 - Family support services close to courtrooms
 - Daytime safe space for children involved in justice system to receive staff support



Stacking Diagram Jan 2017

Staging: Planning through Construction Financing

State Funding Request Timeline



Clackamas County Match Financing

Total Courts Portion of Design & Construct Cost (est.) = \$189 million

Clackamas County/State 50/50 split = \$94.5 million each

Total Project Cost (additional costs for DA office, some traffic improvements & parking) = \$230 million

Match Financing:

- Expenditures to date and ongoing from General Fund (includes additional \$1.2M for planning)
- General Obligation Bond + bank line of credit to aid cash flow

Project Structure

Several management & project teams have been established and are meeting, each with its own charter and work plan.

Sub-project Teams:

- Master Planning
- Communications Team
- Finance Team
- Relocations Team
- GO Bond Measure Team
- Old Courthouse/Downtown Oregon City Team
- Courthouse Users Group Team

Management Teams

Role	Responsibility	Meet
Elected Leadership Team	Approve, Direct and Advocate	Quarterly Project Status Updates
Staff Executive Leadership Team	Liaison between Elected and Staff	Monthly with staff, quarterly with Elected's
Staff Senior Management Team	Provide resources and support to Project Teams and Team Leaders	Monthly Project Status Updates to Leadership
Sub-Project Team Leaders	Lead Sub-Project Teams, achieve deliverables on time and on budget. Advise on issues, seek direction and resolution	Continuous. Provide weekly Project Status Updates to Top-Line Project Manager



Current Activity

- Red Soils Master Plan amendments > submitting to Oregon City in August
- Contracting > leaning toward a Construction Manager/General Contractor (CM/GC) model with an RFP prepared early in 2019
- Outreach > planning for two key approaches:
 - 1) General countywide outreach and education to increase awareness of the need for this project and GO bond ask
 - 2) Partnership outreach focused with the Downtown Oregon City Association on the future of the old courthouse and other holdings in downtown
- Move planning > expanded parking study; working with TS & H3S
- Surveying > 1st survey is complete—results today! 2nd survey Sept/Oct

Current Activity, *continued*

- Funding IGA with Oregon Judicial Department >
 - Currently negotiating with the State over the terms of the initial funding agreement for the \$1.2 million of state funds committed to this portion of the project.
 - This initial agreement will cover pre-planning and pre-design, as well as help cover our expenses for coordination of the new facility with the rest of the Red Soils Campus.
 - We are proposing a number of revisions to the funding agreement provided by the state, understanding that we will need to have separate agreements in place for future phases of the project. The more terms we can agree upon and memorialize in these initial stages the more we should reduce the time spent negotiating the higher value agreements related to design and construction.
 - Master and Phase I IGAs will come before the Board soon for approval.
 - The 2019-21 legislative funding request of \$31.5M has been approved by the AOC Court Facilities Task Force and forwarded to OJD for inclusion in the agency's budget request.

Survey Results

Anne Buzzini of Davis, Hibbitts & Midghall presenting

Clackamas County Courthouse Phase 1

May 2018



Research Purpose

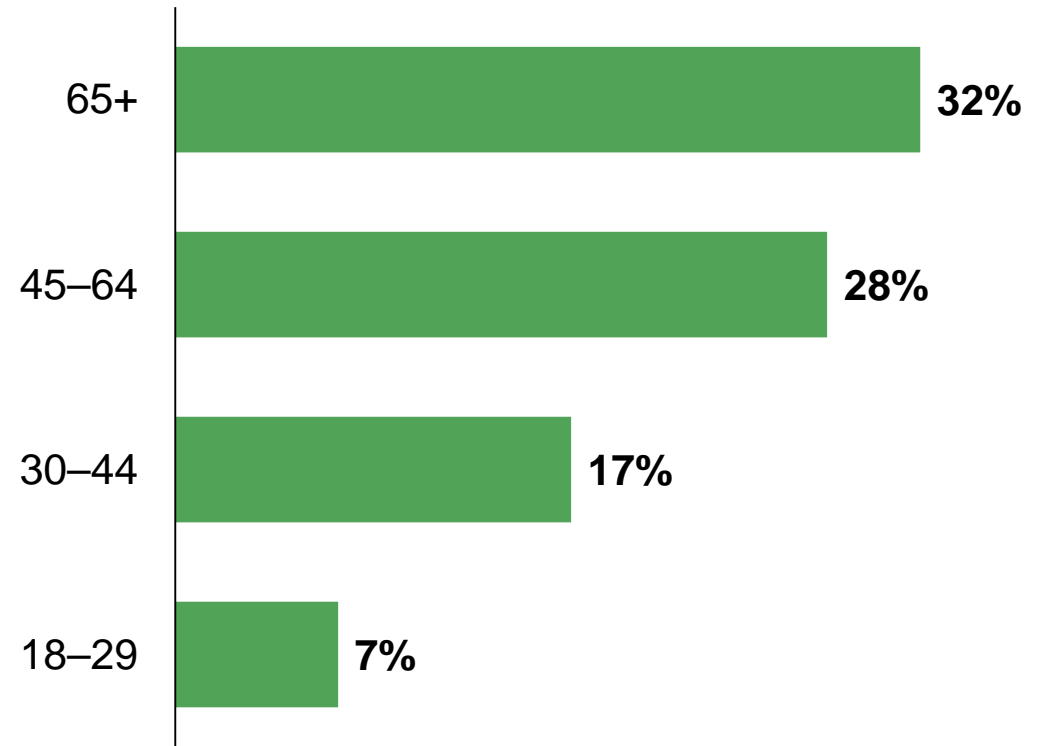
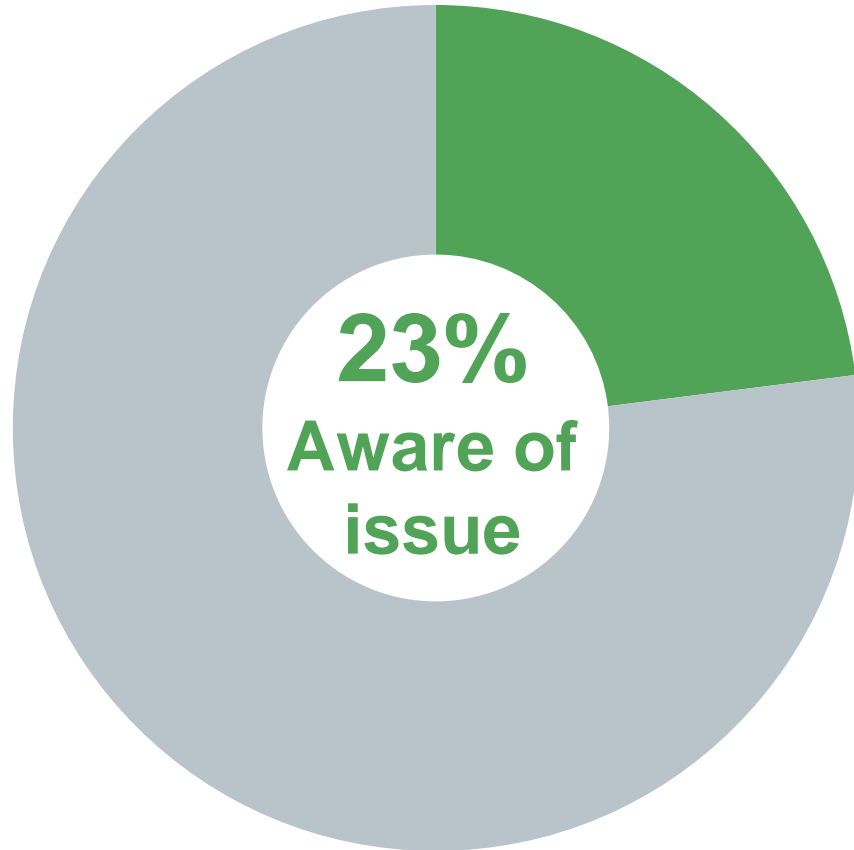
- Measure support for a bond to fund the construction of a new courthouse on the Red Soils campus
- Determine most effective messages in support of and in opposition to the potential bond measure

Methodology

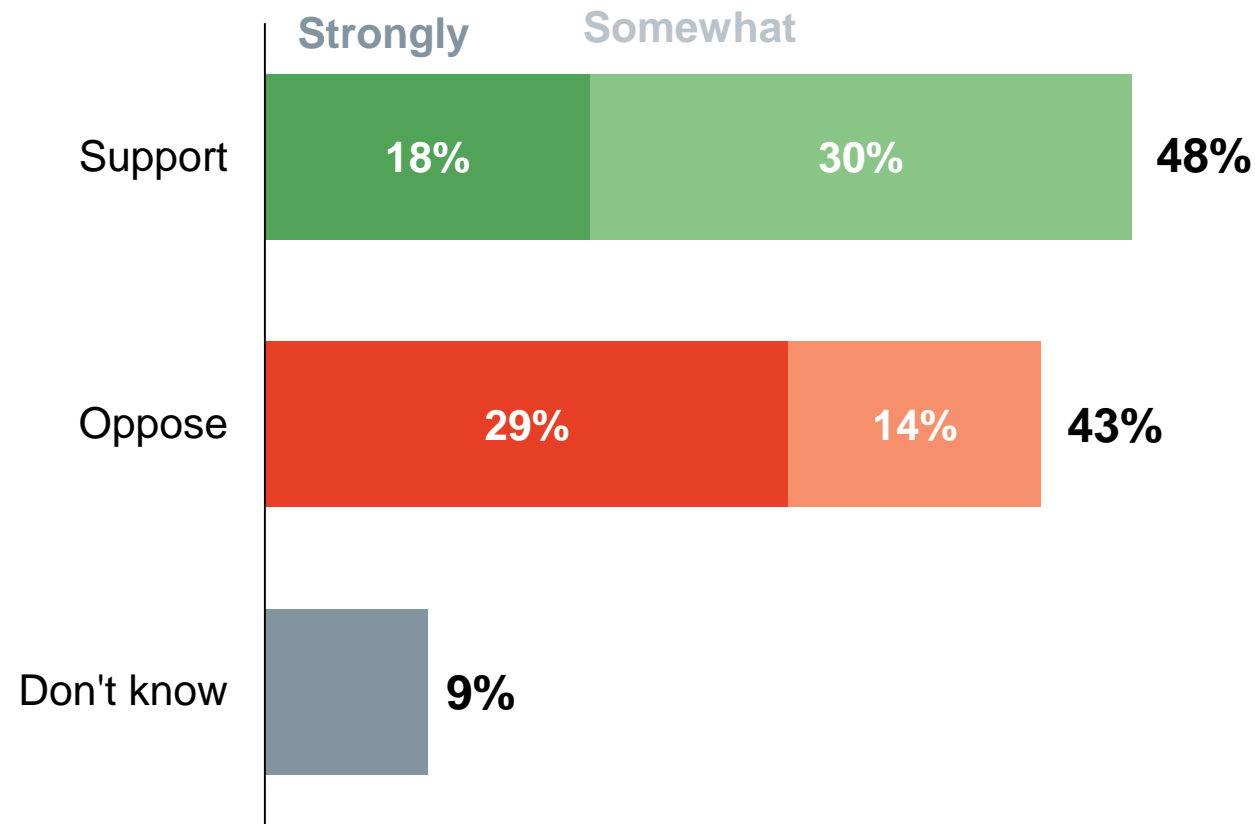
- Telephone survey of 400 registered voters in Clackamas County
- Conducted May 15–22, 2018; 15 minutes to complete
 - Respondents contacted on both landlines and cellphones
- Quotas set by age, gender, political party, and area of the county (incorporated and unincorporated) to match demographic makeup of voters
- Margin of error $\pm 4.9\%$

Initial awareness and support

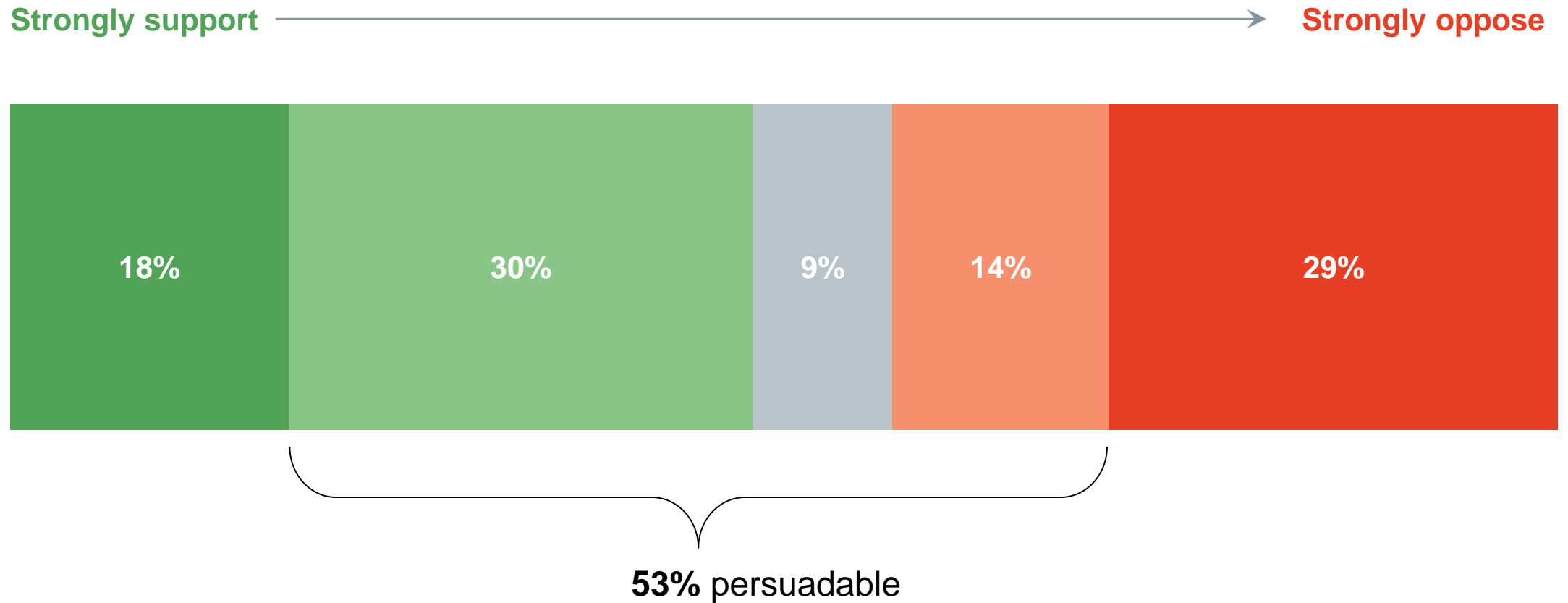
One in four voters—especially seniors—are aware the County is considering a new courthouse.



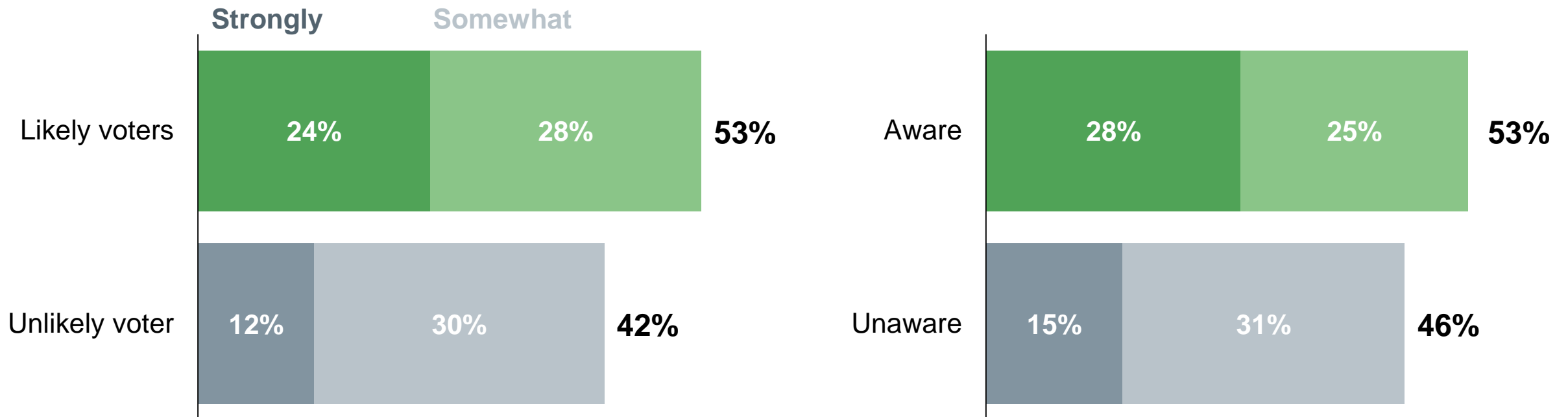
There is initially more support than opposition for a bond to fund construction of a new courthouse.



About half of voters are persuadable on this issue.

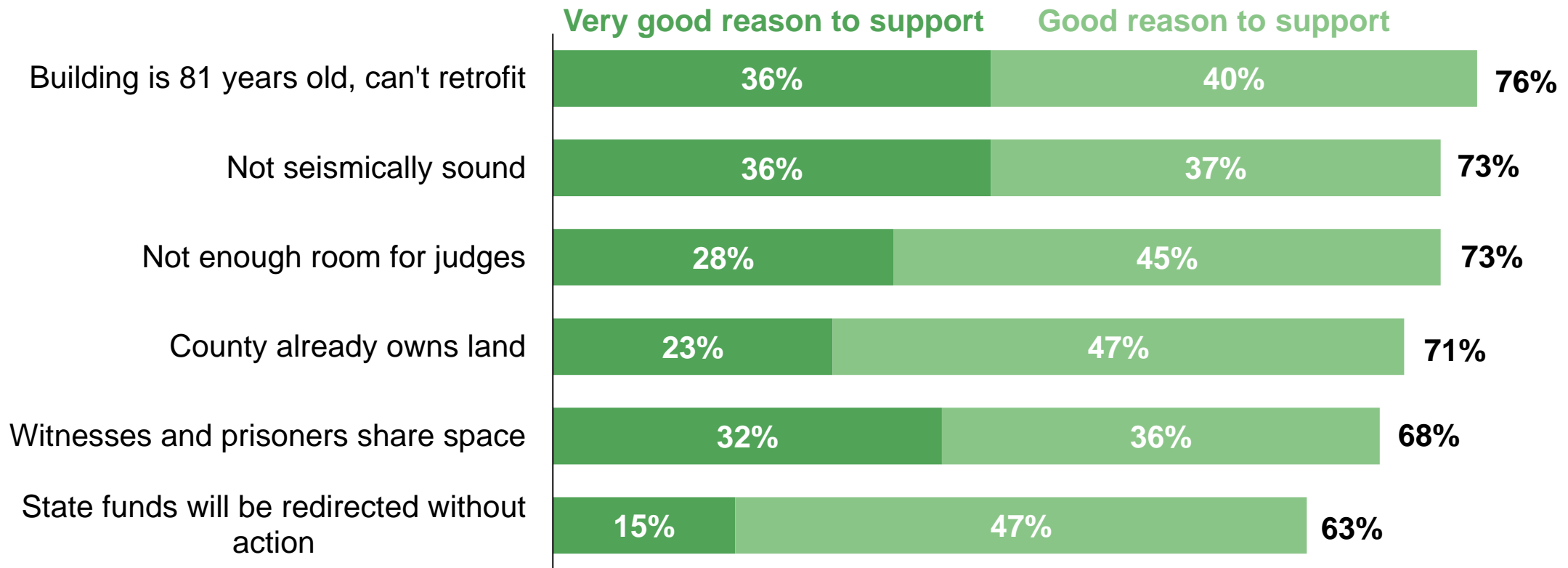


Likely voters and those who are aware of the courthouse issue are more likely to support a bond initially.

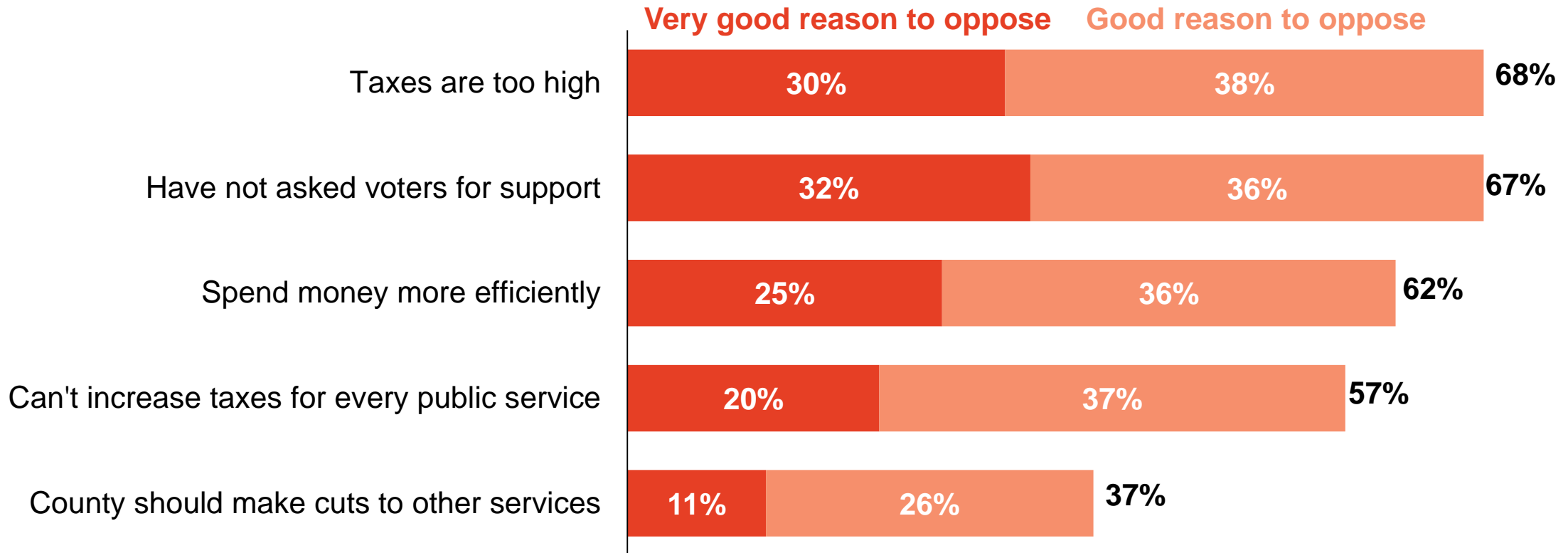


Messaging

The most persuasive reasons to support a bond focus on the age and physical safety of the courthouse.

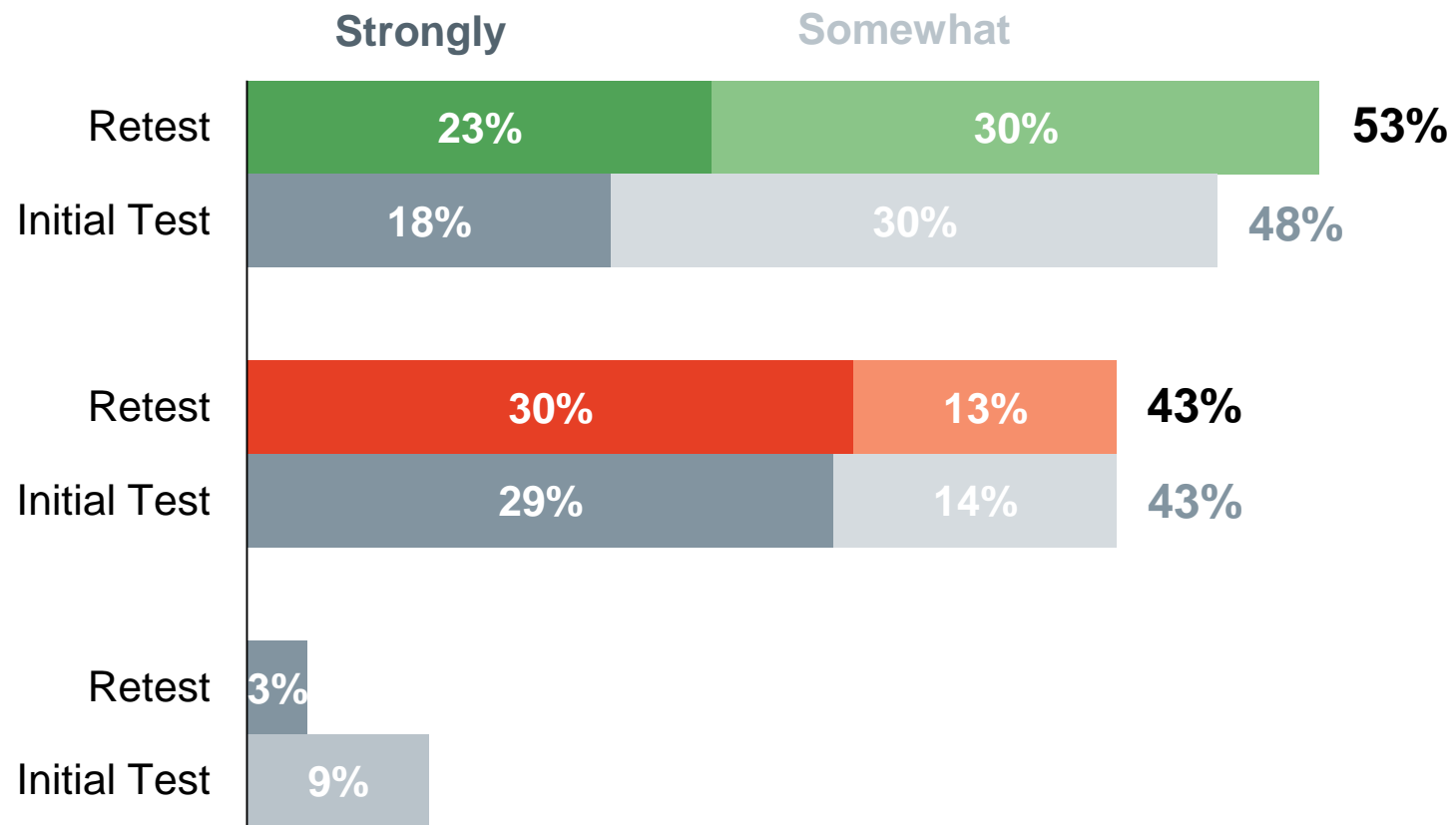


The best reasons to oppose a bond focus on high taxes and government waste.

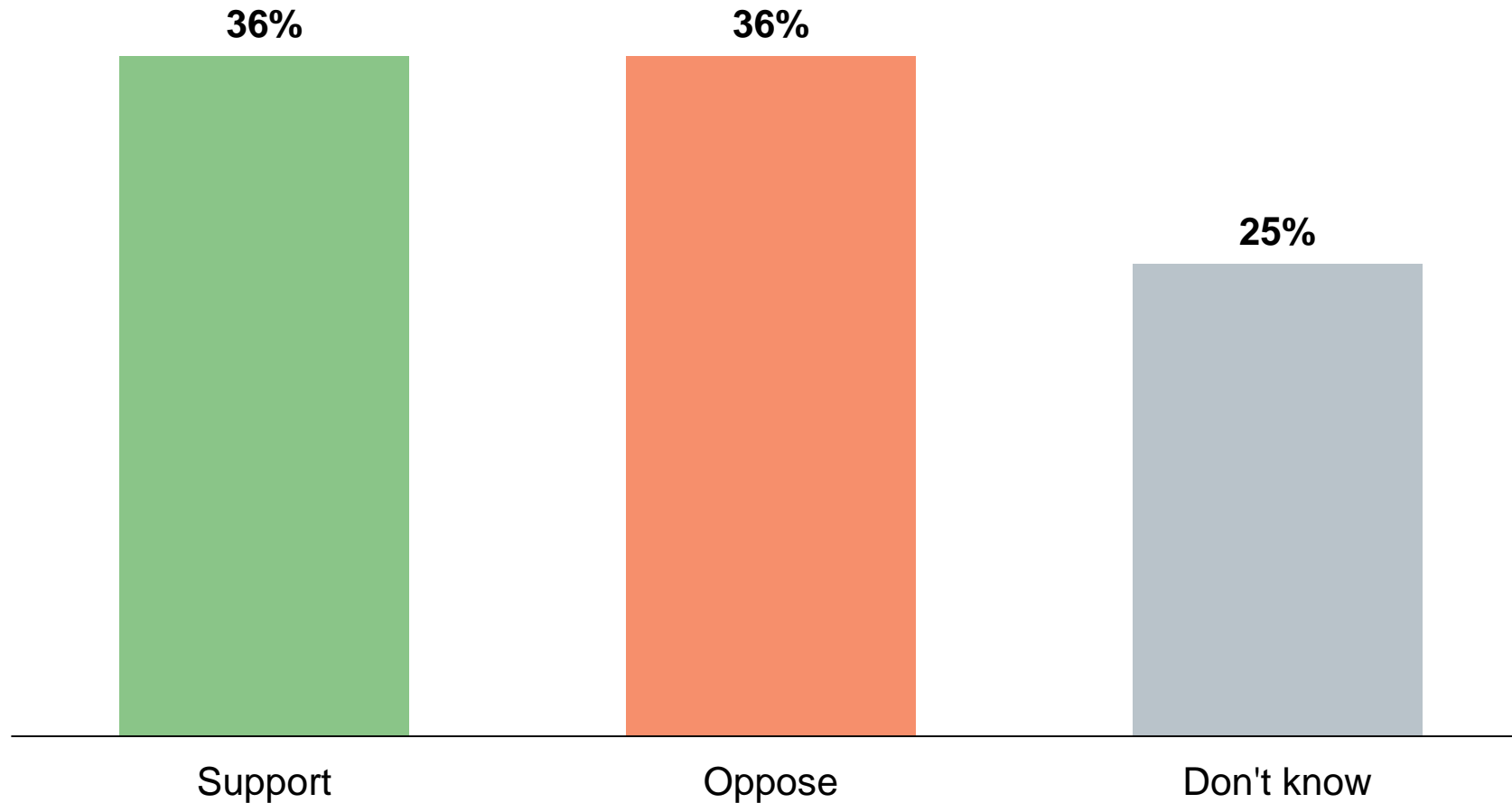


Retest of support

With more information, voters are more likely to support a bond to fund a new courthouse.

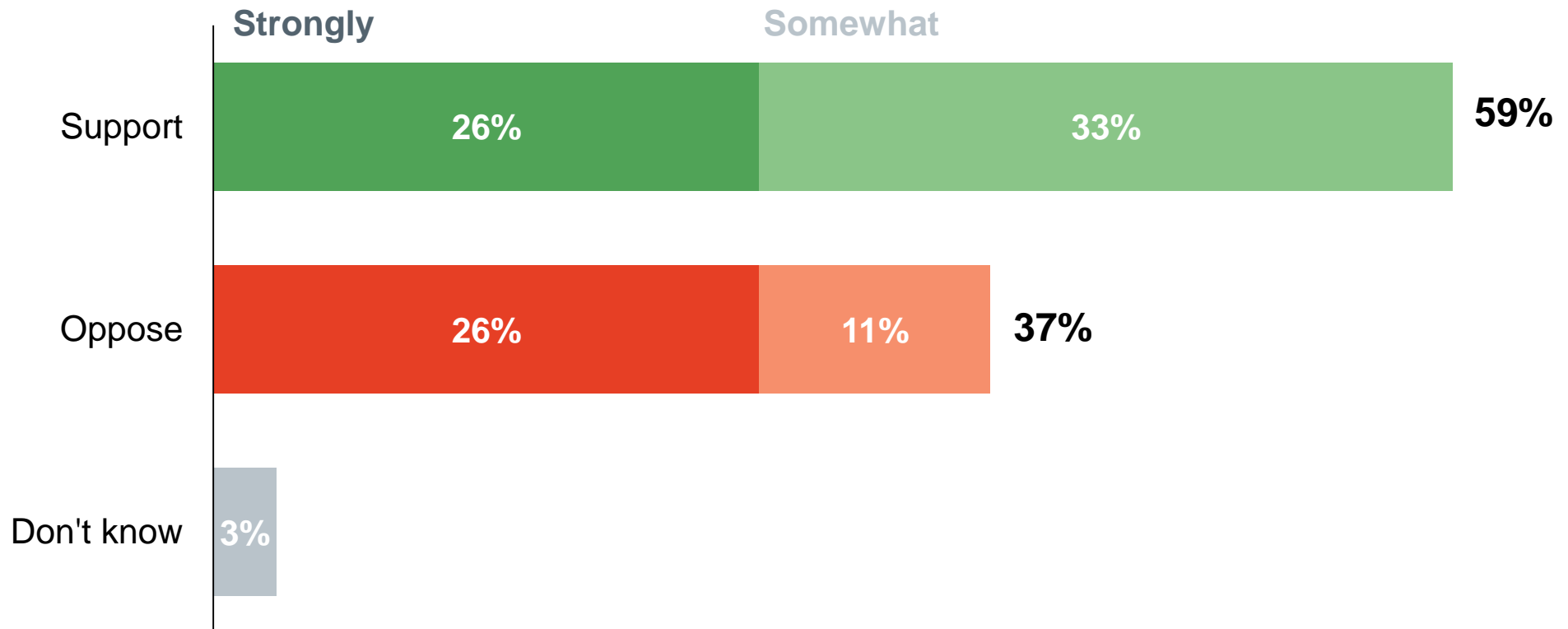


Those who initially weren't sure about the courthouse are split as to where they land in the retest.



Considering only likely voters, the bond enjoys good support in the retest.

Voters who participated in 3 or more of last 4 elections



Next steps

- Continue to educate voters about the need for a new courthouse leading with safety issues, the age of the existing courthouse, and capacity issues.
- Identify key messengers to test in future surveys. Consider split sampling cost tolerance if there are multiple options.
- Once the election date is certain, employ a likely voter model in future surveys.



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