[MS-0398.039.008.010] 2 A

COUNTY OF SAN DIEGO

CHIEF ADMINISTRATIVE OFFICE

AGENDA ITEM

BOARD OF SUPERVISORS
BRIAN P. BILBRAY FIRST DISTRICT
GEORGE F. BAILEY SECOND DISTRICT
SUSAN GOLDING THIRD DISTRICT
LEON L. WILLIAMS FOURTH DISTRICT
JOHN MACDONALD FIFTH DISTRICT

SUBJECT: NORTH COUNTY COURT PROPOSALS

SUPV DIST: Five

SUMMARY OF REQUEST:

This is a request to proceed with plans for the eventual expansion of courts at the North County Regional Center in Vista. Two actions are being recommended immediately: 1) sell Deer Park to provide immediate funding for pre-development expenses, and 2) negotiate an agreement with the City of Vista. While complete funding for construction of the Courthouse expansion may be contingent upon successful resolution of the 1/2¢ sales tax litigation, every effort must be undertaken to immediately begin the Courthouse Expansion Project. The Evaluation Committee's report, recommended for acceptance by the Board, concludes that the City of Vista submitted the only responsive proposal in conformance with the terms and conditions outlined in the Request For Proposals (RFP).

CHIEF ADMINISTRATIVE OFFICER'S RECOMMENDATION:

1. Accept the report of the Evaluation Committee for North County Court proposals.

2. Direct the Chief Administrative Officer to enter into negotiations with the City of Vista for the expansion of the North County Regional Center with the direction to seek tax increment and Joint Powers Bond funding in order to immediately begin the Court Expansion Project.

(CONTINUED)

FISCAL IMPACT: The funding source is N/A. If approved, this request will result in $0 current year cost, $0 annual cost and will require the addition of no staff years.

BOARD POLICY(IES) APPLICABLE: N/A

PREVIOUS RELEVANT BOARD ACTION: June 13, 1989 (80) - Approved the issuance of a Request For Proposals for North County Court Facilities.

ORIGINATING DEPARTMENT: Chief Administrative Office

DEC 5 1989

BOARD OF SUPERVISORS INFORMATION DEVELOPMENT FORM

SUBJECT: NORTH COUNTY COURT PROPOSALS

CHIEF ADMINISTRATIVE OFFICER'S RECOMMENDATION (Continued)

3. Direct that the Department of General Services advertise for public auction and sale the Deer Park property and direct that the proceeds from the sale of Deer Park be dedicated to fund pre-development expenses for the expansion of the North County Regional Center at Vista.

4. Direct the Chief Administrative Officer to return in 60 days with an agreement with the City of Vista for the expansion and funding of the North County Courts.

BACKGROUND INFORMATION:

INTRODUCTION

The issue of where to locate future North County Court facilities surfaced 2 and 1/2 years ago when the Escondido Community Development Commission/Lusardi Corporation submitted an unsolicited proposal for a courtroom expansion (May 1987). After several Board meetings (October 1987, November 1987, December 1987, March 1988) and an update of the North County Regional Center Master Plan by the Omni Group, the Board directed on June 13, 1989 that a Request For Proposals (RFP) be issued for North County Court Facilities. The RFP contained very specific criteria with respect to the building requirements and expansion potential desired by the County. The Board also determined that the County would accept alternative proposals (e.g., downsized projects) for court facilities in the event that the sales tax or other revenue sources did not materialize but not until the sales tax litigation is resolved.

RFP RESPONSES

The Cities of Vista and Escondido responded to the RFP. A brief synopsis of their proposals is discussed below. The section on Committee findings will compare and analyze what has been offered in the context of such factors as additional costs associated with a particular site (e.g., the need to acquire land in the City of Escondido).

o Vista

Vista has offered:

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SUBJECT: NORTH COUNTY COURT PROPOSALS

BACKGROUND INFORMATION: (Continued)

1. Six acres of land (appraised value $1.0 million).

2. Waiver of building fees ($751,100).

3. The assurance that significant transportation improvements will be completed near the existing Regional Center.

The Vista site and proposed land donation can accommodate the building requirements identified in the RFP (51 courtrooms/support space).

o Escondido

Escondido has proposed a scaled down project (22 courtrooms). Under the terms of the existing redevelopment agreement Escondido will turn over their Police Building (estimated value $1.8 million) to the County. In lieu of this, Escondido offers:

1. A $2.0 million pre-construction/design grant.

2. A $4.0 million cash grant for development expenses.

3. Purchase of Deer Park (appraised value $2.4 million).

4. Donation of land-street vacations (appraised value $1.1 million; Escondido's estimated value $975,000).

5. Waiver of building fees (estimated value $475,000).

6. Environmental Impact Report ($50,000).

Escondido proposes that the difference between the total estimated Courthouse construction cost -- $32.5 million for 22 courtrooms and support space -- and the financial assistance outlined above, be financed by Certificates of Participation. The debt service would be paid from County property tax revenues generated within the Escondido Redevelopment area. These General Fund revenues would be diverted to the Escondido Community Development Commission and would thereby exempt the revenue from the County's Gann Limit.

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SUBJECT: NORTH COUNTY COURT PROPOSALS

BACKGROUND INFORMATION: (Continued)

As identified in the Omni Group report, and incorporated into the space requirements in the RFP, with bifurcation of courts nine courts would remain in Vista and 44 courts would be located at the alternative site. Thus, Escondido's proposed 22 courtroom facility represents half the number of courtrooms required for North County as requested in the RFP.

EVALUATION CRITERIA

The proposals were evaluated based upon the following criteria:

1. The net financial impact of proposed assistance.

2. Experience, qualifications and financial capability of the redevelopment agency/city to provide the proposed financial assistance.

3. Capability of the site to accommodate the long term space requirements.

4. Mitigation of possible environmental and traffic problems.

5. Financial resources during pending Proposition A litigation.

6. Commitment of resources to adequately complete proposed financial assistance.

The RFP indicated that: "The County has an estimated need to construct between 410,000 and 460,000 gross square feet of new space for new courtrooms/support space, and 3,000 parking spaces, to support development to the year 2005. The site must be able to accommodate these requirements. While the County plans to initially build space as identified above, the County requires additional land to accommodate an additional 300,000 gross square feet of development."

The RFP also indicated that if the Courts were bifurcated it would be as follows:

- Vista: Domestic, Probate, Mental Health, Traffic, Small Claims.

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BACKGROUND INFORMATION: (Continued)

- Other Site: All other Superior/Municipal Civil and Criminal Courts.

COMMITTEE FINDINGS

The specific findings of the Committee are also found on pages 5-8 of the attached committee evaluation.

In summary, the Vista proposal has the significant advantage in that:

1. The County owns the land and no land acquisition is required.

2. The site avoids potential operational inefficiencies/costs associated with bifurcation.

3. The site can meet the long term building requirements of the County.

The Committee has found that while the City of Escondido has initially offered more total financial assistance, there are significant additional costs associated with the Escondido location. The County would be receiving a Courthouse which meets only half of the projected need. Escondido's suggestion that all civil courts could be located at their site is inconsistent with the Courts' previous position regarding bifurcation (i.e., per the RFP, criminal and civil courts should generally be co-located). With the Escondido proposal the County would also be giving up revenue to which it is already entitled (e.g., property tax revenue) or could receive on the open market (e.g., sale of Deer Park).

Select key findings of the Committee are as follows:

o Vista

1. The Vista proposal is responsive to the requirements of the RFP as it provides sufficient land to accommodate 51 judicial positions and an additional 300,000 gross square feet of construction beyond the year 2005.

BOARD OF SUPERVISORS INFORMATION DEVELOPMENT FORM

SUBJECT: NORTH COUNTY COURT PROPOSALS

BACKGROUND INFORMATION: (Continued)

2. Major positive aspects to the Vista proposal are that:

   A. It provides 6.0 acres of land which could be used for surface parking and thus avoid significant structured parking costs.

   B. There could be annual operational cost savings ($.7-.8 million) associated with having all courts co-located at Vista and adjacent to the jail, as opposed to having bifurcated courts.

   C. The site's location is relatively conveniently located within the North County Judicial District.

   D. The County already owns the land at the Regional Center.

3. The Vista proposal does not provide any upfront "seed" money to start programming/design of the Courthouse expansion during the sales tax litigation period. However, Deer Park could be sold on the open market to fund some pre-development expenses.

o <u>Escondido</u>

1. While offering about $10.0 million in proposed benefits, there are the following observations regarding Escondido's financial proposal:

   A. The County would be foregoing the receipt of the Police Building (estimated value: $1.8 million).

   B. The land for the Courthouse site (estimated value $4.0 million) and possible expansion parcel (estimated value $1.1 million) would have to be acquired by the County.

   C. Deer Park presumably could be sold on the open market for an equivalent amount of revenue (estimated value: $2.4 million).

BOARD OF SUPERVISORS INFORMATION DEVELOPMENT FORM

SUBJECT: NORTH COUNTY COURT PROPOSALS

BACKGROUND INFORMATION: (Continued)

D. The County could incur additional estimated annual operational costs of $.7-.8 million as a result of bifurcating the courts. This amount of revenue could fund about $7-8 million in capital improvements.

E. The Escondido site/project requires the construction of 550 structured parking spaces (estimated value: $4.5 million). The parking structure is estimated to generate about $200,000 in annual revenue.

F. The amount of property tax (general fund) revenue generated by the Escondido redevelopment project could be committed to debt finance any capital improvement project including a Vista courthouse expansion.

G. The EIR for the proposed Courthouse expansion was already required as part of other redevelopment activity in the vicinity of the Courthouse site.

2. It appears that the $32.5 million estimated by Escondido for the Courthouse project is too low. There are two reasons for this:

A. The amount of support space programmed for the facility is underestimated.

B. The estimated construction cost per square foot was too low.

FURTHER ACTIONS

The recommendations before the Board set forth the process to expand the North County Regional Center in Vista. The proceeds from the sale of Deer Park would provide the "seed" money to start design/programming of the Courthouse expansion. However the funds for the construction of the Courthouse may be contingent on the successful resolution of the 1/2¢ sales tax lawsuit.

BOARD OF SUPERVISORS INFORMATION DEVELOPMENT FORM

SUBJECT: NORTH COUNTY COURT PROPOSALS

BACKGROUND INFORMATION: (Continued)

SUPERIOR COURT POSITION

On November 30, 1989 the Superior Court Judges will meet and discuss this report. The results will be reported verbally to the Board.

FISCAL IMPACT STATEMENT

There is no immediate fiscal impact associated with the recommended actions. Costs and revenues for the expansion of the North County Courts would be identified in the process of developing an agreement with the City of Vista, and presented for Board consideration in conjunction with the agreement.

CITIZENS COMMITTEE STATEMENT ( )YES (X)NO
COUNTY COUNSEL APPROVAL - AS TO LEGALITY ( )YES (X)N/A
( )STANDARD FORM ( )ORDINANCE ( )RESOLUTION
AUDITOR APPROVAL NEEDED ( )YES (X)NO
4 VOTES REQUIRED ( )YES (X)NO
FINANCIAL MANAGEMENT APPROVAL NEEDED (X)YES ( )NO
CONTRACT REVIEW PANEL ( )APPROVED (X) NOT APPLICABLE
CONTRACT NUMBER: N/A

CONCURRENCES

Jane Huston 750-694-2527 (0360)

CONTACT PERSON LC/PHONE AND MAIL STOP

Bob Griego, Deputy Chief Administrative Officer
DEPARTMENT AUTHORIZED REPRESENTATIVE

CHIEF ADMINISTRATIVE OFFICER

December 5, 1989
MEETING DATE

REPORT OF THE EVALUATION COMMITTEE FOR NORTH COUNTY COURT PROPOSALS

MEMBERS:

Jane Huston, Director, Department of General Services
Ken Martone, Superior Court Executive Officer
Pat Johns, Court Administrator, North County Judicial District
William J. Kelly, Assistant Auditor and Controller
Ron Papania, Analyst, Chief Administrative Office
Nick Marinovich, Analyst, Chief Administrative Office

TECHNICAL ASSISTANCE: Williams-Kuebelbeck and Associates
Department of Planning and Land Use
Department of Public Works
Department of Information Services

NOVEMBER 27, 1989

INTRODUCTION

On June 13, 1989 the Board of Supervisors issued a Request For Proposals (RFP) for North County Court Facilities. The RFP contained very specific criteria with respect to the building requirements and expansion potential desired by the County. The Board also determined that the County would accept alternative proposals (e.g., downsized projects) for court facilities in the event that the sales tax or other revenue sources do not materialize but not until the sales tax litigation is resolved.

Since the RFP was issued there have been the following milestones:

1. August 14, 1989. Proposals were received from the Escondido Community Development Commission and the City of Vista.

2. August 30, 1989. The Evaluation Committee met to discuss the proposed approach to evaluating the proposals.

3. September 20, 1989. A letter was sent to the cities of Escondido and Vista advising both jurisdictions that Vista had responded to the RFP by submitting a full proposal, and Escondido had chosen to offer an alternative proposal for a downsized project. Both cities were notified that if the Board is interested in a scaled down project, the City of Vista and other interested cities would be provided the opportunity to propose smaller projects.

4. September 29, 1989. Letters requesting clarification were sent to the proposers.

5. October 16, 1989. Letters of Clarification were received by the Department of General Services.

6. October 30, 1989. The Evaluation Committee heard presentations and questioned each proposer in a two hour session.

7. November 8, 1989. The Evaluation Committee met and reached consensus on their findings and recommendations. It should be noted that the Superior Court representative may be submitting a "minority opinion" on behalf of the Superior court judges.

The following report presents the analysis of the proposals and findings of the Evaluation Committee. There will be an executive summary followed by a summary and evaluation of each proposal.

EXECUTIVE SUMMARY

o Introduction

The Executive Summary will contain a discussion of the following:

1. A synopsis of the evaluation criteria as outlined in the Request For Proposal (RFP).

2. A summary of the two proposals from Escondido and Vista.

3. Committee findings.

These three sections are found below.

o Evaluation Criteria

A synopsis of the Request For Proposal's evaluation criteria is summarized below:

1. The net financial impact of proposed assistance.

It was indicated that such factors as land donation, cash subsidies and contributions of property tax increment revenue would be considered to defray estimated additional operating and capital costs at having all courts all at the North County Regional Center as opposed to being at two locations (eg., Vista, Escondido). The courts had previously determined that bifurcation of courts along criminal/civil or Superior/Municipal divisions was programmatically unacceptable.

2. Experience qualifications and financial capability of the redevelopment agency/city in satisfying proposed financial assistance.

This considers the amount of intrajurisdictional experience the proposer has at coordinating and completing major public sector projects. It was indicated that "the County will consider favorably financial proposals which do not require ongoing collaboration and coordination".

3. Ability of the site to accommodate the long term space requirements.

Based upon the OMNI Group study which assumed that a total of 51 (all at Vista) or 53 (bifurcation) judicial positions would be accommodated by the Courthouse expansion site(s), it was indicated that:

"The County has an estimated need to construct between 410,000 and 460,000 gross square feet of new space for new courtrooms/support space and, 3,000 parking spaces, and to support development to the year 2005. The site must be able to accommodate these requirements. While the County plans to initially build space as identified in above, the County requires additional land to accommodate an additional 300,000 gross square feet of development."

The RFP indicated that <u>if</u> the Courts were bifurcated it would be as follows:

- Vista: Domestic, Probate, Mental Health Traffic, Small Claims

- Other Site: All other Superior/Municipal Civil and Criminal Courts

It should be noted that because of the inefficiencies associated having courts in three locations (Escondido Branch Office, Escondido site, North County Regional Center) the North County Municipal Court estimated that an additional two positions would be required with bifurcation.

It was also indicated that the bifurcation specified above would occur even if the size of the North County Court Facility was scaled back for financial considerations.

4. <u>Mitigation of possible environmental and traffic problems.</u>

It was suggested that environmental/traffic problems would be considered and that access to public/ private transit would be evaluated.

5. <u>Funding capability during pending litigation.</u>

Financing of pre-construction expenses (e.g., architects) would be favorably considered.

6. <u>Commitment of resources to adequately complete proposed financial assistance.</u>

Proposers were asked to demonstrate that consultants, etc. were committed to fulfilling proposed assistance.

o <u>Summary of Proposals</u>

The following is a summary of each proposal:

- Vista. The City has offered the donation of 6.0 acres of land ($ estimated value $1.0 million), fee waivers ($ estimated value $751,000), and the assurance that major transportation improvements would be completed to alleviate the significant traffic problems associated with the North County Regional Center vicinity. The City's offer coupled with the existing site provides sufficient land to accommodate 51 courtrooms and an additional 300,000 gross square feet of construction.

- Escondido. The Escondido Community Development Commission (Redevelopment Agency) has offered the following: Pre-construction grant ($2.0 million), Fee Waivers ($475,000), Development Expenses Grant ($4.0 million), purchase of Deer Park (appraised value $2.4 million), land donations - street vacations (appraised value $1.7 million and Escondido's estimated value $975,000) and an indication that a $50,000 environmental impact report has been completed for the courthouse expansion and surrounding redevelopment projects. The Agency proposes to accommodate a 22 courtroom facility. Also while the proposal does not preclude bifurcation along RFP criteria guidelines, Escondido has suggested in their proposal that the County/Courts consider the location of civil courts only in Escondido.

  It is proposed that the difference between the total courtroom project cost ($32.5 million) and financial assistance from Escondido ($10.0 million) would come from the issuance of debt by the Redevelopment Agency. Payment of the debt would come from existing County Property Tax Revenue, now accruing within the Redevelopment area and going to the County General Fund under the terms of the current tax sharing agreement. This revenue would be diverted to the Escondido Community Development Commission. Because redevelopment agencies are not subject to the Gann spending limit, this would reduce County property tax revenue subject to the Gann Limit.

  Under the existing redevelopment agreement between the County and the Escondido Community Development Commission, the County receives at Escondido option's either: A. $6.0 million cash payment, B. A 60,000 square foot office building, C. The existing Escondido Police Building (estimated value $1.8 million). Under their proposal the County would be foregoing receipt of the Police Building.

The evaluation of each proposal considers the amount of each proposed assistance in relation to the estimated amount of operational and capital cost differential between the

Escondido and Vista sites and the amount of revenue due to the County under existing tax sharing obligations.

o Committee Findings

The following is a summary of the Committee's findings:

o Vista Proposal

1. The Vista proposal is responsive to the requirements of the RFP as it provides sufficient land to accommodate 51 judicial positions and an additional 300,000 gross square feet of construction beyond the year 2005.

2. Major, positive aspects of the Vista proposal are that:

   A. It provides 6.0 acres of land which could be used for surface parking and thus avoid significant structured parking costs;

   B. There could be annual operational cost savings ($.7-.8 million) associated with having all courts co-located at Vista and adjacent to the jail;

   C. The site is relatively conveniently located within the North County Judicial District.

   D. The County already owns the land at the Regional Center.

3. The Vista proposal does not provide any upfront "seed" money to start programming/design of the Courthouse expansion during the sales tax litigation period. However Deer Park could be sold on the open market to provide the funding of some pre-development expenses.

o Escondido Proposal

1. The City of Escondido proposes an alternative downsized 22 courtroom facility and thus is non-responsive to the RFP.

2. There are several major positive attributes to the Escondido proposal: A. the Escondido CDC would provide up to $6.5 million in "seed money" to start a North County Court facility; B. The City of Escondido and Escondido Community Development Commission have a proven track record with respect

to coordinating and completing complex public and private sector development projects.

3. Some concerns regarding the Escondido proposal are:

   A. The inability of the site to accommodate the long term growth requirements of the County and courts;

   B. The lack of support space (eg. areas for District Attorney, County Clerk) programmed for the facility.

4. While offering about $10.0 million in proposed benefits, there are the following observations regarding Escondido's financial proposal:

   A. The County would be foregoing the receipt of the Police Building (estimated value: $ 1.8 million);

   B. The land for the Courthouse site (estimated value $ 4.0 million) and possible expansion parcel (estimated value $ 1.1 million) would have to be acquired by the County;

   C. Deer Park presumably could be sold on the open market for an equivalent amount of revenue (estimated value: $2.4 million);

   D. The County could incur additional estimated annual operational costs of $.7-.8 million. This amount of revenue could fund about $7-8 million in capital improvements;

   E. The Escondido site/project requires the construction of 550 structured parking spaces (estimated value: $4.5 million). The parking structure is estimated to generate $200,000 in annual revenue;

   F. The amount of property tax (general fund) revenue generated by the Escondido redevelopment could be committed to debt finance any capital improvement project including a Vista courthouse expansion;

   G. The EIR for the proposed Courthouse expansion was already required as part of other redevelopment activity in the vicinity of the Courthouse site.

5. It appears that the $32.5 million estimated by Escondido for the Courthouse project is too low. There are two reasons for this:

   A. The amount of support space programmed for the facility is underestimated.

   B. The estimated construction cost per square foot is low.

   The Department of General Services estimates the cost of the courthouse expansion to be at least $54.0 million. The estimated cost of $54.0 million was based upon:

   1. An adjustment upward of estimated actual parking and support space requirements based upon ratios in the Omni Group study and for a 22 courtroom facility.

   2. Construction costs per square foot assumed in the Escondido proposal.

   As discussed below the estimated construction costs identified by Lusardi appear too low. Thus, the $54.0 million dollar figure should be considered a conservative estimate of costs.

   The Department of General Services reviewed building construction costs for Courts. Contacts were made with various representatives of the Courts, County agencies, court planning consultants, and architects in the counties of San Diego, Los Angeles, Orange, Riverside, Santa Clara, Alameda, Contra Costa, and Sacramento. Discussion included Superior Courts, Municipal Courts, State and Federal as well as specialty facilities, (eg., Juvenile, Family, Traffic, Jury, non-Jury).

   The cost of a Courts building can be as low as $90.00 a gross square foot (GSF) to a cost well in excess of $300.00 a GSF. The range of costs for the Southern California Area was $120.00 to $195.00. Courtrooms with lower costs from ($100.00 to $140.00 a GSF) had some very explicit characteristics:

   1. Maximum 3 stories.
   2. Tilt up concrete construction with some frame and stucco.
   3. Approximately 10,000 to 11,000 assignable sq. ft. of Court and Court associated space per courtroom. (As square footage per courtroom

decreased the cost per square foot increased.)

4. Minimum finishes, no natural wood substitute plastic laminate and vinyl.
5. Minimum elevators - no security elevators.
6. Minimum security separation - and holding.

The Vista proposal indicates a 6 to 8 story building at $190.00 to $195.00 per GSF +/-$409,000 GSF of court related space of 7,865 GSF per courtroom. This proposal is consistent with the RFP projected building requirements and current construction costs.

The Escondido proposal indicates a 3 story building at $133.00 per GSF for 104,760 GSF of court related space of 4,762 GSF per courtroom. The amount of space per courtroom and the construction cost per square foot appear low.

COMMITTEE ANALYSIS

The following is a summary and analysis of how each proposal met the evaluation criteria as outlined by the RFP. As the Escondido Community Development Commission has chosen to submit a non-responsive and alternative development proposal, it is not possible to make an "apple to apple" comparison and evaluation of each proposal.

I. **ESCONDIDO**

EVALUATION CRITERIA: NET FINANCIAL IMPACT OF PROPOSED ASSISTANCE

Escondido has agreed to contribute $4.0 million for development expenses, $2.0 million for pre-construction expenses, and purchase Deer Park for $2.5 million (appraised value), for a total outlay of $8.5 million. In addition the street vacations "donated" to the County have an estimated value of $1.7 million. However, these contributions must consider that the County would be foregoing the Transfer of title to the Police Station (estimated value: $1.8 million) and the sale of Deer Park to some other buyer than Escondido (estimated value $2.5 million). In addition, the Courthouse project requires that the site be acquired by the County (estimated value: $4.0 million). Also, the Escondido CDC is in the process of acquiring an .87 acre parcel directly north of the proposed Courthouse site. This parcel could possibly be acquired by the County and used for a future courthouse expansion (estimated value $1.1 million).

It was estimated that there would be a $1.2 - $1.4 million in additional annual operating costs associated with bifurcated courts (9 Vista, 44 Escondido). Assuming a pro-rata 50% reduction in operating costs, this translates into

$.7-$.8 million in additional annual operating costs associated with the downscaled courthouse project. This could fund about $7-8 million in capital improvements. The operational cost differential could be less if only civil courts were located at Escondido. However, the courts have previously opposed bifurcation along criminal/civil or superior/municipal divisions.

Escondido proposes that the Courthouse be paid for from the cash contributions provided by Escondido CDC and the proceeds from the sale of Certificates of Participation. The debt service on the Certificates of Participation would be paid from County tax increment revenue associated with the existing Redevelopment area and which now accrues to the County General Fund. Therefore it is concluded that:

1. The $4.0 million dollar cash grant will be needed to pay for the estimated value of the Courthouse expansion parcel.

2. The General Fund, over the life of the projected debt service, would be foregoing an estimated $74.7 million in revenue.

The Escondido proposal does offer the County the option of diverting property tax (increment) revenue to the Redevelopment Agency to pay debt service on bonds used to finance the Courthouse Project. This is an advantage in that this revenue would have counted against the County's Gann limit.

Escondido has stated that they will waive an estimated $475,000 in building fees. In the response to the Letter of Clarification Escondido states that "any fees in excess of this amount will be waived by the City in so far as they are legally able to do so."

The $50,000 EIR prepared for the courthouse expansion already needed to be completed as a part of other redevelopment activity in the vicinity of the courthouse. Also, the parking structure is estimated to generate $.2 million in annual revenue ($360 annually per space, 550 spaces).

EVALUATION CRITERIA: EXPERIENCE, QUALIFICATIONS, AND FINANCIAL CAPABILITY OF THE REDEVELOPMENT AGENCY/CITY IN SATISFYING PROPOSED ASSISTANCE.

Escondido does have a demonstrated "track record" at completing a major public project (eg., Civic Center). In addition, their redevelopment agency generates a significant amount of revenue. While none of their projects have been nearly as complex as one involving the design and construction of a Courthouse, they should be rated responsive to the

experience requirements of the RFP. However, it should be noted that their proposal indicates that the Lusardi Corporation has over thirty years of experience in major projects including courts and jails. The list of representative projects provided in the Letter of Clarification indicates that Lusardi has only one very limited Courthouse project (Vista Annex-1962). The proposed establishment of a subcommittee of Council and Board members to deal with the operational cost issue was a good policy idea.

EVALUATION CRITERIA: ABILITY OF THE SITE TO ACCOMMODATE LONG TERM SPACE REQUIREMENTS.

The proposal is non-responsive in several areas. There is no attempt to meet the gross square footage requirements specified in the RFP and it would appear that the .87 acre expansion parcel that is in the process of being acquired is inadequate for meeting the projected space requirements beyond the year 2005. The County would probably have to pay for the expansion parcel (estimated value $1.1 million). The projected schedule for completion of the project (one year design/land assembly and two year construction period) is very optimistic. In addition, the proposed downsized 22 courtroom facility appears to contain primarily courtrooms/-direct support space with just a minimal amount of space to accommodate support departments. Only one sixth of the Courthouse contains space for support departments. By contrast, the North County Regional Center Master Plan had the following distribution of space between courtrooms/direct support space (40%); support agencies (60%). As stated previously, Escondido's suggested and preferred bifurcation of courts (Criminal-Vista, Civil-Escondido) was specifically rejected by the Courts/County as being operationally inefficient and costly as a part of the update of the North County Regional Center Master Plan.

EVALUATION CRITERIA: MITIGATION OF POSSIBLE TRAFFIC AND ENVIRONMENTAL PROBLEMS.

Escondido is well served by public transit. With respect to the convenience by auto, there is a considerable amount of information present in the proposal regarding the convenience of the Escondido site. An independent review of driving time/convenience data generated by SANDAG indicates that while both sites are convenient to a significant number of people the Vista site is more convenient site in terms of driving time. The two tables below present existing and forecast population which is under a 20 minute driving time to either Vista or Escondido. The SANDAG model used for this study allocates the population under a specified driving time to the most convenient site. Thus, some households may be under a 20 minute drive

time to more than one site. The area not included in this study encompasses such far eastern San Diego County areas as Borrego Springs and Japatul. This area is less than 5% of total regional population.

TABLE I

NUMBER AND PERCENTAGE OF POPULATION WITHIN A 20 MINUTE DRIVING TIME OF NORTH COUNTY JUDICIAL DISTRICT COURTHOUSE LOCATION - JUDICIAL DISTRICT RESIDENTS ONLY*

	1986	%	2010	%	Population Increase 1986-2010
Escondido	119,354	33.4	239,121	35.6	119,767
Vista	237,861	66.6	432,544	64.4	194,683
	357,215	100.0	671,665	100.0	314,450

* This includes only population within the existing North County Judicial District. For example this Table states that of the 357,215 residents within a 20-minute drive time to either/or Escondido, and Vista, 66.5% are more convenient to Vista.

TABLE II

NNMBER AND PERCENTAGE OF POPULATION WITHIN A 20 MINUTE DRIVING TIME OF NORTH COUNTY JUDICIAL DISTRICT COURTHOUSE LOCATIONS - POTENTIAL ASSIGNMENT OF ADDED SUPERIOR COURT CASES**

	1986	%	2010	%	Population Increase 1986-2010
Escondido	165,269	41.0	308,550	41.6	143,281
Vista	237,861	59.0	432,544	58.4	194,683
	403,130	100.0	741,094	100.0	337,964

** This also includes Mira Mesa, Scripps Ranch, Poway and Rancho Bernardo communities of San Diego County.

The Escondido proposal suggests that the redistricting of the North County Judicial District would enhance the viability of the proposed courthouse site. Specifically the proposal suggests that cases from the Scripps Ranch, Poway, Rancho Bernardo and Mira Mesa areas be assigned to the Escondido courthouse. There are several issues relative to this idea:

1. Under California law cities can not be split into two or more judicial districts unless there exists unusual geographical circumstances (eg., San Ysidro is assigned to the South Bay Judicial District though the rest of the City of San Diego is in the San Diego Judicial District).

2. The redistricting law applies only to the Municipal Courts. The Superior Court can assign cases to any courthouse, regardless of the venue of the case (eg., a civil cases defendant who now resides in Scripps Ranch-San Diego Judicial District could be calendared for trial at the North County Regional Center).

3. It is generally thought of by most court management consultants that the calendaring of cases to particular courthouses should be coterminous with judicial district boundaries/venue (e.g. a criminal case associated with a San Diego Judicial District trial would be heard in the Downtown Courthouse).

4. The Board of Supervisors must approve any change in judicial district boundaries.

The projected needs identified in the Omni Group Study were based upon retaining the existing judicial district boundaries. The potential redistricting plan could add to judicial position/space requirements.

EVALUATION CRITERIA: COMMITMENT OF RESOURCES TO ADEQUATELY COMPLETE PROPOSED FINANCIAL ASSISTANCE.

Escondido is responsive with respect to this criteria. The projections of tax increment revenue indicate a substantial revenue stream. Two council members have been assigned to a subcommittee whose charge would be to identify ways to potentially reduce operational costs.

EVALUATION CRITERIA: FUNDING CAPABILITY DURING LITIGATION.

The proposal is responsive in this area. The Escondido CDC has agreed to commit $2.0 million during the litigation period.

II. VISTA

EVALUATION CRITERIA: NET FINANCIAL IMPACT OF PROPOSED ASSISTANCE.

Vista has agreed to donate 6.0 acres of land to the County. The estimated value of the land is $1.0 million. It is projected that 792 parking spaces could be located on this 6.0 acre site. At an estimated cost of $6,862 a space (MTS Tower experience) for structured parking, this results in an estimated construction cost avoidance of $5.4 million. Eventually, this site may be required for structured parking/ growth beyond the year 2005. It should also be noted that these proposed traffic/ circulation improvements are part of existing improvement projects and would be completed whether or not there is a Courthouse expansion. Therefore, the value of the improvements is not counted as a financial contribution.

EVALUATION CRITERIA: EXPERIENCE, QUALIFICATIONS, AND FINANCIAL CAPABILITY OF THE REDEVELOPMENT AGENCY IN SATISFYING PROPOSED FINANCIAL ASSISTANCE.

The City of Vista has a limited project experience with respect to major capital projects/coordination with other public agencies other than the existing Joint Powers Authority with the County. However, their proposal allows the County to proceed independently on most aspects of the project.

EVALUATION CRITERIA: ABILITY OF THE SITE TO ACCOMMODATE THE LONG TERM SPACE REQUIREMENTS

The proposal appears to meet the expansion requirement criteria identified in the RFP. The schedule for design and construction is much more realistic than Escondido's proposal.

EVALUATION CRITERIA: MITIGATION OF POSSIBLE TRAFFIC AND ENVIRONMENTAL PROBLEMS.

When the proposed improvements are completed the site should be able to accommodate the projected growth in employees/ traffic. In addition, supplemental information presented at the proposers presentations indicates that there is not likely to be a problem with respect to the 6.0 acre site.

EVALUATION CRITERIA: COMMITMENT OF RESOURCES TO ADEQUATELY COMPLETE PROPOSED FINANCIAL ASSISTANCE

Vista does not have nearly the financial resources as Escondido. However their financial proposal, which largely consists of a land donation, does not require a significant contribution from existing/future revenue sources.

EVALUATION CRITERIA: FUNDING CAPABILITY DURING LITIGATION

Vista is not offering any financial assistance during litigation.

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MEMORANDUM

TO: Ms. Jane Huston, Director
Department of General Services
County of San Diego

FROM: Lawrence E. Williams, Principal
Williams-Kuebelbeck & Associates, Inc. KW

DATE: November 27, 1989

SUBJECT: EVALUATION OF NORTH COUNTY COURT PROPOSALS

This memorandum reviews the proposals submitted by the Cities of Vista and Escondido for the North County Court Facilities. The proposals are in response to the County Request for Proposals (RFP), dated June 14, 1988. This letter reviews the net financial impacts to the County under each proposal, based on the original Proposals and additional Letters of Clarification submitted by the Cities of Vista and Escondido.

CITY OF VISTA PROPOSAL

The major financial considerations with respect to the the City of Vista proposal can be summarized as follows:

- The City of Vista proposal is responsive to the RFP in that it would provide the full 51 additional courts requested.
- The City of Visa would provide the County approximately 6 acres of land for development of the courthouse facilities and associated surface parking. The ability to develop surface rather than structured parking would save the County an estimated $5 to $8 million in construction costs compared to the City of Escondido's proposal.[1]
- The City of Vista would waive approximately $750,000 in development fees.

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[1]Based on estimated construction costs of $7,000 to $10,000 per space for structured parking and $600 per space for surface parking, and an estimated total of 792 parking spaces (6 acres at 330 square feet per space).

- Development at the Vista site would avoid the bifurcation of court facilities, and would save the County an estimated $0.7 to $0.8 million annually in operating costs compared to the Escondido proposal--sufficient to pay debt service on approximately $7 to $8 million in additional capital costs.[2]

CITY OF ESCONDIDO PROPOSAL

The major financial considerations with respect to the City of Escondido proposal include:

- Escondido's proposal is non-responsive to the RFP in that is proposes a down-sized project with only 22 courts, compared to the 51 courts requested.

- The CDC proposes to contribute approximately $4 million in development costs toward construction of the courthouse facilities. However, this would be approximately offset by the estimated $4 million acquisition cost to the County for the development parcel. Moreover, the development site would be too small to accommodate surface parking and thus the County would incur an estimated $5 to $8 million in additional costs for structured parking, with no room for future expansion.

- The CDC proposes to purchase the County's Deer Park for $2.5 million. However, there is no net financial gain to the County since the County would be losing its asset of similar value. The only advantage is that the County would have a ready buyer for the property.

- The City of Escondido proposes to waive development fees of up to about $475,000. This compares to a waiver of $750,000 for the City of Vista.

- The CDC proposes to finance courthouse construction through the use of the County's share of tax increment revenues generated within the City. However, these revenues would be due the County with or without the courthouse project. Thus, there is no net financial gain to the County. The only advantage to the County from this strategy is that these tax increment revenues would be diverted to the Redevelopment Agency and thus would not be counted against the County's Gann limit.

- The CDC proposes to contribute $2 million in pre-development expenses. However, the County would be foregoing the transfer of title to the Police Station, valued at an estimated $1.8 million. Hence, the net financial gain to the County would be only $200,000.

- The primary advantage of the Escondido proposal is that it would provide upfront seed money and a financing strategy to permit initiation of the Courthouse expansion during the sales tax litigation. However, the County could sell Deer Park and raise a portion of those upfront funds even if it does not accept the Escondido proposal.

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[2]Estimated operational cost savings are based on preliminary data and could vary significantly depending on the type of Courts located in Escondido (e.g. Civil only).

CONCLUSIONS

The following conclusions can be drawn from an analysis of the proposed financial contributions to the County from the Cities of Vista and Escondido, as summarized above.

- The City of Escondido's proposed financial contributions to the County would be approximately offset by the costs of acquiring the development parcel and the loss of valued assets to the County (Deer Park and the Police Station). Thus, the net effect of the proposal would be to provide the County with a development parcel at essentially no cost. However, this parcel would accommodate only 22 of the 51 requested courthouses with structured parking and no ability to meet long-term expansion needs.

- The City of Vista would also provide a "free" site to the County. However, the larger size of this site would permit development of the full 51 courts with surface parking, at a cost savings of approximately $5 to $8 million to the County compared to the Escondido proposal. Moreover, future expansion could be accommodated by the replacement of surface parking with structured parking.

- Development at the Vista site would avoid the bifurcation of courthouse facilities, saving the County additional operating costs estimated at $0.7 to $0.8 million annually, or a capitalized value of approximately $7 to $8 million.

- The primary advantage of the City of Escondido's proposal is the provision of upfront seed money and financing capability during sales tax litigation. However, this advantage must be reviewed critically in light of the substantial long-term costs to the County associated with pursuing this option.

Based on these comparisons, Williams-Kuebelbeck & Associates finds the City of Vista's proposal clearly the superior option for the County from a financial perspective. Our conclusions are consistent with the analysis and observations of County staff. While Escondido has offered what appears to be a large financial contribution towards the development of additional Courts, this contribution is largely diluted by that fact that County would accrue additional costs or forego revenue if Escondido's proposal is accepted.