[MS 0395.039.010.017]

COUNTY OF SAN DIEGO

CHIEF ADMINISTRATIVE OFFICE

AGENDA ITEM

BOARD OF SUPERVISORS
BRIAN P. BILBRAY
First District
GEORGE F. BAILEY
Second District
PAM SLATER
Third District
LEON L. WILLIAMS
Fourth District
JOHN MACDONALD
Fifth District

DATE: December 15, 1992

TO: Board of Supervisors

SUBJECT: Selection of a Developer for the Downtown Court/Office Building

SUMMARY:

Issues

1. Should the Board of Supervisors proceed with the Downtown Court/Office Building project which would involve the annual commitment of $7.0 million (no new General Fund cost) to finance debt service and ongoing operational costs (e.g. utilities, janitorial)?

2. Should the development team of Lankford/Hensel Phelps be selected to design and construct the Downtown Court/Office Building?

3. Should the County consider building less than sixteen courtrooms immediately in the facility in view of the potential "surplus" of Superior Court courtrooms with the completion of this project?

Recommendations

CHIEF ADMINISTRATIVE OFFICER:

1. Approve selection of the development team from Lankford/Hensel Phelps for the design and construction of the Downtown Court/Office Building.

2. Enter into negotiations with Lankford/Hensel Phelps and authorize the execution of a letter of intent between the County and the developer subject to the approval of County Counsel and the Director, Department of General Services as long as the project is within the County's annual budget of $7.0 million.

3. Return to the Board within 45 days with a proposed development agreement that has been approved by Lankford/Hensel Phelps.

4. Return in 45 days with a proposed financing plan for the furniture, fixtures, equipment, remodeling, moving, early lease termination penalties and telephone/data processing equipment costs associated with the Downtown Court/Office Building.

5. In the event that negotiations are unsuccessful with Lankford/Hensel Phelps, authorize staff to enter into negotiations with Bentall Development Corporation for the design and construction of the Downtown Court/Office Building or reexamine options for development on the County site at Front/B.

6. Upon the successful negotiation of the development agreement with Lankford/Hensel Phelps return all deposits to Bentall and the developers on the County site (Starboard/ London Edinburgh, Betawest, Continental, and Lankford/Hensel Phelps).

7. Determine to immediately build a total of sixteen courtrooms in the Downtown Court/Office Building.

Fiscal Impact

The total annual cost is estimated to be $7.0 million. There are also one time costs estimated to range between $7,547,279-$14,495,179 associated with this project that were not part of developer's guaranteed maximum price proposals and included in the $7.0 million annual budget. These costs include remodeling of space vacated by the District Attorney ($645,000-$7,592,900), moving costs ($214,000), telephone/data processing costs ($4,280,240) early lease termination penalties ($908,039) and purchase of moveable furniture, fixtures, equipment ($1,500,000). The original budget for this project (February 26, 1992 RFP) indicated that $2.0 million in penalty assessment revenue would be available for administrative expenses and/or furniture, fixtures, equipment in FY 92/93 and FY 93/94.

On December 9, 1992 staff met with Lankford/Hansel Phelps regarding the one time costs which were not part of the guaranteed maximum price proposal submitted by the developer. The following initial list of potential cost reduction/revenue measures were identified: eliminate Adult Probation and add additional District Attorney functions to the program, eliminate escalators, reduce project schedule by six months thereby saving interest during construction which would have to be financed (but would trigger additional pre payment penalties for leases), using existing furniture and telephone equipment, parking income accruing prior to construction, paying debt service on the first rather than second month of each year, reduce some developer insurance requirements, reduce system furniture accessories, eliminate some County administrative expenses, eliminate potential duplicative independent testing of the building systems/structure by the County and the developer, hooking into the chilled water utility system available in downtown San Diego, defer finishing out all sixteen courtrooms, reduction of the developer contingency, and leasing out of excess space/land.

Our initial assessment is that it is probable that implementation of cost reduction/revenue measures such as these could save between 50-75% of the estimated lower end ($7,547,279) in one time costs. This translates to a savings of $3.8-$5.7 million. After negotiations have been completed there will be a much better estimate of the potential cost savings. It does

appear that the extensive remodel of the District Attorney's vacated space which would involve asbestos abatement cannot be afforded unless the County is successful in its asbestos litigation regarding the Downtown Courthouse. Greater details on the financial impact of this project are found in the section titled Financial Analysis.

Alternatives

There are several alternatives to the proposed actions before the Board:

1. Divert some of the discretionary funds (the $2.0 million in penalty assessment revenue) that has been identified for the Downtown Court/Office Building project to the North County Regional Center Phase 1A Expansion in order to reduce the estimated $2.2 million in annual General Fund contribution required to fund that project's debt service and operating expenses.

2. Design and construct the Downtown Court/Office Building to house sixteen courts but only "finish out" those courtrooms which can be filled by authorized/budgeted judicial positions.

3. Delay or cancel the project.

These alternatives will be discussed in greater detail in the policy issues section.

BACKGROUND

HISTORY OF THE DOWNTOWN COURT/OFFICE BUILDING

Over the past 19 months the County has been in the process of selecting a developer who would design, build, and construct a facility which would house the District Attorney, part of the Superior Court, Adult Probation Field Services, and the Grand Jury. A significant amount of time and effort has been spent on this project as indicated by the following actions:

1. On May 29, 1991 (71), the Board approved, in principle, subject to environmental review, the acquisition of a new Downtown Court/Office building(s), 8-10 courtrooms, and other office functions as appropriate, with a request that the building be completed in three years.

2. On June 11, 1991 (60), the Board approved a two step process for acquiring additional court/office space with the issuance of a Request for Qualifications (RFQ) followed by a Request for Proposals (RFP).

3. An RFQ was issued on June 25, 1992 and twenty responses were received. Nine development teams were deemed qualified to submit responses to a RFP.

4. On November 5, 1991 (59) and November 6, 1991 (23), the Board directed that:

A. There be recommendations on ways to reduce the project's costs and space requirements before the issuance of Request for Proposals, and that the County's real estate and lease negotiation consultants assist in this process.

B. There be a consideration of major materials and a design element as a part of the RFP process (i.e., how the County could control the quality of the building through specifications included in the RFP and whether the developers should be required to submit renderings and have these considered as a part of the evaluation process).

C. The search area for court/office building should be expanded from 3 to 5 blocks which therefore would include consideration of Starboard (Front/Cedar) and Catellus responses to the RFQ.

5. On February 11, 1992 (19), the Board authorized the issuance of a Request for Proposals for a Downtown Court/Office building and directed that certain cost saving measures (e.g., elimination of one large courtroom and criminal holding areas next to courtrooms) be implemented. In a report to the Board, it was indicated that in order to meet the County's annual budget, an average as opposed to high quality building would have to be constructed.

6. On February 26, 1992, an RFP was issued to nine pre-qualified development teams. These teams were: Bentall, Lankford/Hensel Phelps, Catellus, Stein/Morse Diesel, Kajima, Continental, Betawest, Starboard, and London/Edinburgh.

7. On April 15, 1992, the County received ten development proposals from eight developers. The following changes from the responses to the initial RFQ occurred:

   A) Starboard formed a joint venture with London/Edinburgh.
   B) Kajima withdrew their proposal for development on the County-owned site at Front/B.
   C) Stein/Morse Diesel moved their site to the property bounded by Beech, Ash, Columbia, and State.
   D) Bentall withdrew their proposal for development on the County owned site at Front/B.

   All of the changes described above were permitted pursuant to the RFP issued on February 26, 1992.

8. On April 23-25, 1992, the proposals were delivered to the Evaluation Committee. The Evaluation Committee spent nearly three weeks studying the proposals.

9. On May 18, 1992, the Evaluation Committee met for the first time and was briefed by staff on the goals/objectives of the County and the content/evaluation criteria of the RFP.

10. On June 22, 1992, the Evaluation Committee met again to discuss the specifics of each proposal and to ask questions of staff/consultants. The users were present at the meeting.

11. On July 6, 1992, the Evaluation Committee formulated their recommendations and directed that staff return on July 9 with proposed letters that would be sent to the developers. The users were not present during the final deliberations.

12. On July 9, 1992, the Committee met to discuss and edit the proposed letters that would be sent to the developers. The users were also not present at this meeting. These letters were finalized and faxed and mailed to the developers on July 9, 1992.

13. On August 11, 1992 the Board:

    A. Supported the Downtown Court/Office Building Evaluation Committee recommendation that the County reaffirm its support for a Downtown court/Office Building to house the District Attorney, Grand Jury, Adult Probation, and sixteen Superior Courts.

    B. Supported the Downtown Court/Office Building Evaluation Committee recommendation that Bentall and Lankford/Hensel Phelps be allowed to respond to a Final Request for Proposals on sites controlled by the two developers.

    C. Recommended that if neither Bentall or Lankford/Hensel Phelps can meet the County's 1995 space requirements within the County's $7.0 million annual budget, reexamine the four development proposals (Starboard/London Edinburgh, Betawest, Continental, Lankford/Hensel Phelps) for the County owned site at Front/B.

    It was indicated that the two sites from Bentall and Lankford/Hensel Phelps were preferable because they were proximate to the Courthouse thereby avoiding additional operational costs/inefficiencies and that the two sites had expansion capability unlike the smaller County owned property at Front/B. The more remote proposals (Catellus, Morse Diesel, Kajima, Starboard/London Edinburgh) were rejected because the proposals did not offer significant financial incentives/opportunities to offset the additional operational costs and other concerns associated with being distant from the Courthouse.

14. A Final Request for Proposals was issued on August 13, 1992 to Bentall and Lankford/Hensel Phelps.

15. Proposals were received from the two developers on October 15, 1992.

16. The Evaluation Committee met on four occasions (October 20, October 28, November 12, and November 19) to formulate recommendations. This included a presentation from both developers to the Committee on October 28.

EVALUATION PROCESS

As indicated above, the Evaluation Committee met on four occasions and spent an extensive amount of time discussing and reviewing the proposals. The Committee consisted of a broad spectrum of public and private sector representatives. Staff support was provided by General

Services, the Chief Administrative Office, the County's Real Estate Consultant (Peat Marwick), Cushman Realty (Tenant Representative) and the County's Construction Consultant (Gafcon).

There were two key philosophies employed in the evaluation:

1. Staff/consultants should present only factual information to the Evaluation Committee and avoid making recommendations/value judgements.

2. The occupants of the building should have an opportunity to provide input to the Evaluation Committee, but should not be present when the Committee was formulating their final recommendations.

These philosophies were consistently applied throughout the evaluation. Staff/consultants met with both developers subsequent to the receipt of their proposals to clarify various aspects about both submittals. This information was communicated to the Committee prior to their final recommendation.

EVALUATION CRITERIA AND COMMITTEE RECOMMENDATIONS

The Final RFP indicated that proposals would be evaluated based upon the following criteria:

1. The guaranteed maximum price contract and evidence that the proposed building(s) can be constructed and operated within the County's annual budget. It was indicated that the absolute amount of the cost proposal, the quality of proposed materials, and ongoing operational costs associated with proposed materials.

2. Evidence that the design satisfies the County's current and future space requirements. It was indicated that the ability of the proposed design solution to satisfy programmatic and functional requirements of the County would be considered.

3. Acceptance of design solution. This involved the aesthetics of the design.

4. Comments on the proposed development agreement. It was indicated that the County will consider whether any proposed modifications may adversely affect its position.

The Evaluation Committee felt that both proposals had very strong development teams. However, it was the unanimous consensus of the Evaluation Committee that the Lankford/Hensel Phelps offered the superior proposal. The major reasons for the selection of Lankford/Hensel Phelps are as follows:

1. The guaranteed maximum price contract (GMP) for Lankford/Hensel Phelps was $13,729,300 lower than the Bentall proposal. The total GMP for Lankford/Hensel Phelps was $57,570,657. The building was more efficiently designed thereby reducing the amount of gross square footage that would have to be constructed.

2. Lankford/Hensel Phelps proposed changes in the development agreement were relatively minor and would not adversely impact the County.

3. There was a minimal amount of risk associated with the proposal. Lankford/Hensel Phelps did not propose building speculative retail and office space that would have to be leased out to non-County tenants, as was proposed by Bentall.

FINANCIAL ANALYSIS

The proposed $7.0 million dollar annual budget for this project included the construction of space and tenant improvements to meet 1995 space requirements, 272 parking spaces, financing costs (eg. interest during construction, bond counsel), and operational expenditures (eg. utilities). These costs were to be paid from lease consolidation savings ($3.9 million), City of San Diego Redevelopment Agency contribution ($.8 million), penalty assessments ($2.0 million), and Federal Government Reimbursement ($.35 million).

In addition to the items which were part of the developer guaranteed maximum price proposal, there are the following estimated costs which can be directly or indirectly attributed to proceeding with this project that were not included in the $7.0 million annual budget:

1. Remodel of the space vacated by the District Attorney ($645,000-$7,592,900). In order to achieve the estimated $3.9 million on lease consolidation savings, it is necessary to move the Public Defender and Alternate Public Defender from lease space to the area vacated by the District Attorney in the Downtown Courthouse. The estimated $645,000 cost would entail a minor remodel such as installing new carpet and painting. The $3,315,000 cost would involve extensive remodeling of the vacated space such providing new private offices etc. In addition to the $3.3 million dollar remodel costs, the vacation of this space presents the opportunity for asbestos abatement. The estimated cost of asbestos abatement is $4,277,900 million. Asbestos abatement costs would likely have to be paid from a settlement related to the current litigation regarding the Downtown Courthouse asbestos situation. In order to do the extensive remodel it will also be necessary to do asbestos abatement. Therefore, the total estimated cost of an extensive remodel of the vacated District Attorney space is $7,592,900.

2. Telephone/Data processing equipment for the new building ($4,280,240). This includes $2,083,860 in telephone costs (instruments, switch gear), $2,135,200 in data processing costs (eg. computers, local area network tie in), and one time Pacific Bell installation costs($61,180). It may be possible to reduce these costs by using existing equipment. These costs could be funded out of bond proceeds. However it would be necessary to reduce other project costs (eg. space) as the current building program is just within the $7.0 million dollar annual budget.

3. Moving costs ($214,000). This would be handled through a contract with a private vendor.

4. Moveable Furniture, Fixtures, and Equipment ($1,500,000). This would include such items as chairs and desks which can not be financed as a part of bond proceeds. It may be possible to reduce the costs through the use of existing furniture.

5. Penalties for early termination of leases ($908,039). Two of the proposed lease consolidations (Home Savings Superior Court, Public Defender-Centre City Building) have

penalties for termination of the leases prior to April, 1999 (Public Defender-$471,054) and April 1997 (Superior Court-$436,985). These penalties represent the cash payment for the tenant improvements financed by the lessor which have not been fully paid for in the monthly lease payments.

Therefore the additional costs that must be financed through project cost reductions and/or other revenue sources which range from an estimated $7,547,279-$14,495,179. With respect to this situation there are the following observations:

1. There currently is an estimated $4.0 million annually in Penalty Assessment revenue which has not been allocated to any justice project which would occur annually between FY 92/93 and FY 94/95 (ie. the Board has not appropriated or adopted a policy to allocate funds to a particular project) . Beginning in FY 96/97 (July 1) it has been indicated that $2.0 million annually could be allocated to the Downtown Court/Office building project and that in FY 95/96 $1.0 million annually could be allocated to the North County Regional Center expansion.

2. On an ongoing basis, it is estimated that approximately $1.0 annually in various unanticipated justice facility projects would be required to be funded out of penalty assessment revenue on an ongoing basis.

3. Thus between FY 92/93 and FY 94/95 $3.0 million annually could be available to fund these costs associated with the Downtown Court/Office building (ie. $9.0 million). In FY 95/96 there would be $2.0 million in penalty assessment revenue available as the North County Regional Center Expansion could be completed and it would be necessary to allocate $1.0 million to pay that project's debt service. **Thus an estimated $11.0 million is potentially available from penalty assessment revenue to fund these one time costs or any other justice facility costs (eg. North County Regional Center Expansion) between now and the projected opening of the facility.**

4. If the decision is made to go forward with the North County Regional Center Expansion, it will be necessary to set aside a yet to be determined amount of funds for this project out of penalty assessment revenue. The North County Regional Center Master Plan had an allowance of $1,617,212 (5% of construction costs) for furniture, fixtures, and equipment some of which will have to be funded out of penalty assessment revenue. Preliminarily it is believed that the current master plan for the North County Regional Center has included all costs for this projected $42.9 million facility. However between now and the return to the Board with a development agreement for the Downtown Court/Office building we will review the cost estimates contained in the North County Master Plan to see if there have been any omitted project expenditures.

As a result of negotiations with the developer and a review of the North County Regional Center Master plan cost estimates, a comprehensive financing plan for the Downtown Court/Office building's one time costs and the impact on other County justice facility projects will be presented at the same time as the proposed development agreement for the Downtown Court/Office Building .

RISK ASSESSMENT

There are several advantages to going forward with this project at this time. This is a good time for the project because of the significant downturn in the local real estate market which will enable the County to obtain a very favorable price on the proposed facility. Interest rates are at very low levels and the project would create a significant amount of jobs in our recessionary economy. Consolidation of leases into an owned facility is consistent with Board policy.

Proceeding with formal negotiations with the developer will allow us to further refine project costs and identify more areas for savings. While adopting the recommendations today shows further support for the project, the key decision by the Board will be the approval of the development agreement (ie. the Board could decide to terminate or suspend the project if the development agreement and its financial implications were unacceptable). Any significant delay in the project will undoubtedly add to its cost. This process has taken 19 months, and in the case of Lankford/Hensel Phelps they have spent approximately $300,000 in responding to the County's Request for Qualification and two Request for Proposals. The County has spent about $605,000 on staff and consultant expenses on this project over the last 19 months.

There are, however, several potential risks associated with proceeding with this project. The County could end up building more courtrooms than there are available judicial positions. It is virtually impossible, because of our current economic climate, to predict when the State will approve new judgeships. The remodel costs in the Courthouse are very difficult to predict because of the asbestos situation. As indicated above, the costs of an extensive remodel could probably not be afforded at this time. Moving two major functions such as the Public Defender and Alternate Public Defender into space "as is" with only a very minor remodel will be difficult. During the 45 day negotiation period staff will review further the cost and programmatic options for moving these functions into the Downtown Courthouse. Delays in the project could increase project costs because of inflation. There is a very small $530,403 (1% of construction costs) change order contingency. Any significant changes in project scope would have to probably draw upon penalty assessment revenue for funding. Also the estimated federal reimbursement rules could change for the family support space.

POLICY ISSUES

These are the following issues relative to the proposed process for acquiring the Downtown Court/Office Building:

1. In view of today's severe budget constraints and economic environment, does it make sense to construct a Downtown Court/Office Building?

   The proposed project would result in a facility which the County would obtain as an asset rather than continuing to spend nearly $3.9 million annually in lease payments. Consolidation of the District Attorney's functions into one building will result in a more efficient management arrangement and reduce management costs. The County will receive $800,000 annually from the City of San Diego Redevelopment Agency for providing the sixteen courtrooms. In view of today's soft real estate market and near record low interest rates, this is a prime opportunity to secure a facility at a very

competitive price. In addition, the project would generate needed construction related jobs for the region. The developer estimates that the $57.1 million project would generate 450,000 hours of labor. The estimated payroll for the project is around $14.0 million with nearly all the labor being San Diego County residents. When one considers the multiplier or secondary impact of this project, there would be a total increase of 485 jobs and $122.4 million in payroll during the two year construction period. Further, existing buildings that are large enough to satisfy the County's needs with the high ceilings required for the courtrooms, are not available in a contiguous area to the existing courthouse.

2. How will proceeding with the Downtown Court/Office Building impact the ability to finance the North County Regional Center Phase IA expansion?

The North County Regional Center expansion is estimated to cost $42.9 million. When one considers one time funds received from the Breeze Hill land exchange and Escondido redevelopment payment ($2,372,322), annual lease consolidation savings ($1,600,682), and annual penalty assessment revenue ($1,000,000), there would need to be annual general fund contribution of $2,166,773 beginning in FY 95/96 to pay estimated annual debt service and operational costs. Of the $7.0 million budgeted for the Downtown Court/Office building all or part of the $2.0 million in penalty assessment revenue could be allocated to the North County project thereby reducing the general fund contribution, however the Downtown project could not be financed. It may be possible to reduce some of the costs for both the North County and Downtown projects by eliminating certain functions from the buildings and further negotiations with the developer. However if the County proceeds with both projects simultaneously and if some further cost measures are implemented (e.g. eliminating certain functions) it is estimated that there still would be a collective impact of at least $1.0 million annually on the general fund. If the projects proceeds as planned the cumulative impact on the General Fund could be as high as $2.2 million annually.

3. Why not build on the County property at Front/B and therefore avoid the land costs associated with the Lankford/Hensel Phelps proposal?

While the County site is "free", the site has a very limited expansion capability at a very high cost, unlike the Lankford/Hensel Phelps property. Because of the smaller vacant site (30,000 square feet compared to the full block at Lankford/Hensel Phelps) and the presence of the Law Library on another 15,000 square feet, the County site can only accommodate current space needs. Also if the County property were used about $232,000 in lease revenue from parking would be lost.

4. Why not acquire and/or lease an existing office building in today's soft real estate market?

While lease rates are low now, they will eventually rise and the County will not be acquiring an asset. It would be difficult to find an office building could house all of the functions of the District Attorney (eg. Family Support, Gangs). In the original RFP we did offer the opportunity to propose an existing building and only one developer offered such a submittal. However the facility was too far from the Courthouse, did not offer significant financial incentives to offset additional operational costs associated with the

distance from the Courthouse, and there was concern that the developer did not have control of the building.

5. Should all sixteen Courtrooms be constructed at once?

The project was programmed for sixteen courtrooms because the County agreed to provide that number of courtrooms in order to receive the $800,000 annual payment from the City of San Diego Redevelopment Agency. With the completion of the South Bay Regional Center and East County Regional Center remodels (eight total courtrooms) and this project, there would be twelve more Superior Court Courtrooms than existing judicial positions (see Attachment B). In addition to the 77 existing judicial positions, the court has been averaging on a daily basis 4 pro-tems/retired judges hearing cases. While it is unlikely that the State will fill any judicial positions over the next several years because of the fiscal crisis, eventually new judges will have to be added because of the increase in workload. This building will provide the capability to accommodate this growth. It may be possible to "shell out' areas for future courtrooms and not build the interior improvements until the judges have been added. It is estimated that if we finish out only eight courtrooms (ie. to replace those that would be relocated from the Home Savings lease) there would be a possible savings of about $5.0 million in construction costs. It probably is less expensive to build all of the courtrooms now, rather than leaving some vacant and finishing out on an incremental basis.

It should be noted that prior to the signing of a development agreement, there will need to be a California Environmental Quality Act (CEQA) finding. An Environmental Impact Report is being prepared and should be ready for Board consideration in February. Attachment A provides greater details on cost estimates.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

BOARD OF SUPERVISORS
AGENDA ITEM
INFORMATION SHEET

SUBJECT: Selection of a Developer for the Downtown Court/Office Building

SUPV. DIST.: All

COUNTY COUNSEL APPROVAL: Form and Legality [ ] Yes [X] N/A
[ ] Standard Form [ ] Ordinance [ ] Resolution

AUDITOR APPROVAL: [X] N/A [ ] Yes 4 VOTES: [ ] Yes [ ] No

FINANCIAL MANAGEMENT REVIEW: [ ] Yes [X] No

CONTRACT REVIEW PANEL: [ ] Approved_____ [X] N/A

CONTRACT NUMBER(S):

PREVIOUS RELEVANT BOARD ACTION: On February 11, 1992 (19) Board approved issuance of an RFP for Downtown Court/Office Building

BOARD POLICIES APPLICABLE:

CITIZEN COMMITTEE STATEMENT:

CONCURRENCE(S):

ORIGINATING DEPARTMENT: Chief Administrative Office

CONTACT PERSON: Rene Cardinaux (S50) 694-2065 0-360

Rich Robinson, Director, Office of Special Projects — December 15, 1992
DEPARTMENT AUTHORIZED REPRESENTATIVE — MEETING DATE

ATTACHMENT A

County of San Diego

JANE F. HUSTON
DIRECTOR
(619) 694-2527

DEPARTMENT OF GENERAL SERVICES

5555 OVERLAND AVENUE, SAN DIEGO, CALIFORNIA 92123-1294

December 7, 1992

TO: Rich Robinson, Director (A227)
Office of Special Projects

FROM: René L. Cardinaux, Deputy Director (0368)
Architecture and Engineering Division

PROPOSED BACKFILLING OF DOWNTOWN COURTS/OFFICE BUILDING
PROJECT AQ091K

Construction cost estimate for the refurbishing of 43,000 sq. ft. of office space at the Downtown County Courthouse space that will be available by the relocation of this space to the proposed Downtown Courts/Office Building, project AQ091K.

The District Attorney is presently using this space of 43,000 sq. ft. and it can be used at this time with refurbishment & minor modifications, at a expense of ± $15/sq. ft.:

A. 43,000 sq. ft. x $15 $ 645,000

B. If this space were to be fully remodeled, the cost for this remodeling would be as follows:

Cost for the remodeling of 43,000 sq. ft.:

1. Construction - $60	$2,580,000
2. Allowance for Furnishings & FF&E (if totally new) - $5	215,000
3. Telephones/Switch - $2.70 per sq. ft.	116,000
Subtotal	$2,911,000

Other costs:

1. Project Contingency - 5%	$ 129,000
2. Architectural & Engineering - 8%	206,000
3. Overhead Administration - 1.72%	44,000
4. Construction Inspection Testing - 1%	25,000
Subtotal	$ 404,000
TOTAL	$3,315,000

Asbestos Abatement

C. If the space is fully remodeled, it will present the opportunity for the asbestos removal and abatement of 43,000 sq. ft. of office space at the Downtown County Courthouse space that will be available by the relocation of this space to the proposed Downtown Courts/Office Building, Project AQ091K.

NOTE: All of the following costs are taken from the Environmental Science Asbestos Survey of San Diego Courthouse and Jail, dated August 1990.

The County has started legal action to recover most of this amount needed for the asbestos abatement in the County Courthouse.

1. Cost for the removal of known ACM	1,798,000
2. Cost to replace ACM	46,000
3. The cost of removal of assumed ACM materials and the cost to replace assumed ACM	1,785,000
4. Operation and Maintenance Program	30,000
Subtotal	$ 3,659,000

Other Costs:

5. Project Contingency - 10%	3,659,000
6. Engineering - 4%	146,000
7. Legal - 6%	22,000
8. Overhead Administration - 1.72%	63,000
9. Construction Inspection Testing - 0.60%	22,000
Subtotal	$ 618,900
TOTAL	$4,277,900

The cost estimate was prepared by Hermes Zuazo, Project Manager.

RENÉ L. CARDINAUX, Deputy Director
Architecture and Engineering Division

RLC:ph

cc: Nick Marinovich

2100HZ02

ATTACHMENT B

SUPERIOR COURT JUDICIAL POSITIONS AND COURTROOMS

LOCATION	EXISTING JUDICIAL POSITIONS	STANDARD COURTROOMS	SUBSTANDARD/ TEMPORARY COURTROOMS	PLANNED ADDITIONS	NUMBER OF COURTROOMS AFTER COMPLETION EAST COUNTY REMODEL/DOWNTOWN COURT/OFFICE BUILDING
Downtown	31	34	0	16	50
Home Savings	8	0	8*	0	0
Family Court	7	6	1*	0	6
North County	13	9	4(Modulars)	0	13
East County	4	2	2*	4	6
South Bay	4	4	0	0	4
Juvenile	10	6	4(Modulars)	0	10
TOTAL	**77**	**61**	**19**	**20**	**89**

*These are temporary courtrooms in leased space at the Home Savings Tower and the El Cajon City Building, plus one domestic department operating in the employees' lunchroom at the Family Court Building. These court departments will no longer be used when the 16 court/office building and the East County Regional Center four courtroom expansion is completed.

SUPERCT.TBL