Supervisor Williams
[MS-0398.039.010.004]

SUSAN GOLDING

SUPERVISOR, THIRD DISTRICT

SAN DIEGO COUNTY BOARD OF SUPERVISORS

RECEIVED
DEC 1 1 1991
Ans'd.....

DATE: Wednesday, November 6, 1991

TO: Board of Supervisors

FROM: Supervisor Susan Golding

SUBJECT: Downtown Court/Office Building

SUMMARY:

Issue

Because of the seriousness with which the Board of Supervisors views the $3 million annual budget deficit in the proposed new sixteen Court/Office Building project for downtown San Diego, the Board of Supervisors should express its clear support for the project, and direct the Chief Administrative Officer to return to the Board with recommendations to reduce the County's costs for the new 16 Court Downtown Court/Office Building.

Recommendation

SUPERVISOR GOLDING:

1) Direct the Chief Administrative Officer to request an analysis and report to the Board of Supervisors from the County's real-estate consultant team and from the County's lease-negotiation consultants on recommendations to minimize the County's costs for the new 16 Court Downtown Court/Office Building, and to recommend ways to maximize the County's negotiating options in the RFP process. The Chief Administrative Officer should ensure that the questions and policy issues contained herein and submitted by the Board are responded to by the consultants.

2) Direct the Chief Administrative Officer to schedule through the Chairman a two-hour court-space planning workshop to review and discuss the space planning assumptions, projections and consultants' recommendations for the proposed new 16 Court Downtown Court/Office Building.

3) Direct the Chief Administrative Officer to circulate the consultants reports to the Board and to the public two weeks in advance of the court-space planning meeting.

Advisory Statement

No advisory statements, concurrences, or other recommendations have been received relative to this action.

ON MOTION of Supervisor Bailey, seconded by Supervisor Bilbray, the Board of Supervisors finds the need to take action arose subsequent to Agenda being posted, and takes action as recommended by Supervisor Golding, by the following vote:

AYES: Bilbray, Bailey, Golding, MacDonald

Absent: Williams

THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors

By K. Montelone Deputy

NOV 6, 1991, No. 23

SUBJECT: Downtown Court/Office Building

Fiscal Impact
The funding source is current year budgets. If approved, this request should not result in additional current year costs, no additional annual costs and will not require the addition of staff years.

Alternatives
Do not seek the County's real-estate consultants' recommendations on ways to reduce the Court/Office Building's budget deficit and its space requirements; and do not schedule a two-hour court space planning workshop to review and discuss the policy issues and planning assumptions proposed for the new 16 Court Downtown Court/Office Building.

BACKGROUND

Yesterday, on Tuesday, November 5, 1991, the Board of Supervisors unanimously approved my motion to have the County's real-estate consultant teams provide the Board with their recommendations on ways to reduce the Court/Office Building's budget shortfall and its space requirements.

My motion should not be interpreted in any way to stop the project from moving forward, but to guarantee to the public that the project can be built within budget. I have been and will continue to be a strong advocate of building more justice facilities, but a $3 million budget deficit exists today in planning for this project. I cannot condone a courtroom plan that cannot be built within its budget, and proposed my motion to have both of the County's real-estate consultant teams recommend ways to eliminate the Court/Office Building's $3 million budget deficit.

During the Board's discussion yesterday, Board members expressed similar concerns about the project's costs, its space needs, and ways to maximize the County's negotiating position in the negotiation process. Although the Chief Administrative Officer has done an admirable job under the circumstances, the project as proposed already has a $3 million budget deficit, committing increasingly scarce General Funds in future years for debt-service payments.

As a follow-up to the Board's action, I wanted to expressly clarify those issues in which both of the County's real-estate teams ought to directly advise the Board of Supervisors. My intent is in no way to slow-down or stop the process, but to ensure that we design a process that is fair to everyone, and a project that maximizes the taxpayer's investment. If slowing the process down can save the taxpayer's funds, then this pause will financially be worth the wait.

The Board raised a number of issues and questions about the project and its design that ought to be reviewed and responded to in detail by the consultant's. Among the issues raised during our discussion were:

SUBJECT: Downtown Court/Office Building

BACKGROUND: (continued)

o LEASE REVENUES.
The RFP proposal suggests that lease and parking revenues will be generated to offset debt-service payments. The Board has not seen the data to justify the revenue projections.

o ROLES AND STRATEGIES FOR NEGOTIATIONS.
What roles, and when, will the County's real-estate consultant and the County's lease-consultants play in the negotiating process? Have both teams played a role in developing the RFP? Which team will be negotiating the final project for the County?

Given the County's budget constraints, do the consultants have different recommendations on strategies for an open and public selection process that treats all proponents equitably and one that will give the County the greatest negotiating strength during the selection process? Do both of the consultant teams agree with the proposed RFP?

The Board of Supervisors needs to make a policy decision as to whether or not one or both of the real-estate consultants will be included in developing the RFP and in the final negotiations. My aim is to provide the County with the widest latitude possible in negotiating the best deal possible.

With these questions in mind as a starting point for reducing the project's costs, I would like that my colleagues should suggest additional issues and questions they may have that need to be responded to by the consultant's and by the Chief Administrative Officer before we proceed with the RFP.

My hope is that the Chief Administrative Officer and our real-estate consultants can jointly provide the Board with the information and assurances we need to meet the County's space needs at the lowest possible cost.

Respectfully submitted,

Susan Golding

SUSAN GOLDING
Supervisor
Third District

BOARD OF SUPERVISORS
AGENDA ITEM
INFORMATION SHEET

SUBJECT: Downtown Court/Office Building

SUPV. DISTRICT: 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): N/A

PREVIOUS RELEVANT BOARD ACTION: N/A

BOARD POLICIES APPLICABLE: N/A

CITIZEN COMMITTEE STATEMENT: N/A

POLICY B-51 STATEMENT OF SUPPORT: N/A

CONCURRENCES: N/A

ORIGINATING DEPARTMENT: Third Supervisorial District

CONTACT PERSON: Mitchell Berner 730/531-5533, A-500

Norman Hickey
CHIEF ADMINISTRATIVE OFFICER

November 6, 1991
MEETING DATE