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DOWNTOWN COURT/OFFICE BUILDING

Summary

Special Projects' staff, working with both consultants (Cushman & Peat Marwick), has found a way to make the building affordable. It won't be glamourous, it won't be a great "architectural statement", but it will be serviceable and it will get the job done.

Furthermore, it will house the DA, the courts, the Marshal, Probation, Law Review Board and the Grand Jury, so long as we only build to meet our current needs. We have no room to build for future space needs because we're going to have to build this thing on County-owned land, and that half-lot is only going to support a "current needs"-sized building.

One option that's been suggested is to get a developer to swap our half lot for a full-sized lot, build on only half for now since its all we can afford, and then have room to expand later if we get more money down the line. Why a developer would be willing to do that is beyond me, unless we would do something like let him run a parking lot on the unused half of the lot so he/she made some money off of it until we could buy it.

Key Points

- Space requirements & floor area ratios.

* In order to meet our current space requirements, we'll need 355,341 square feet. Attachment 1 shows the breakdown for the Courtrooms, the District Attorney, the Marshal, Probation, Law Review Board and Grand Jury.

* In order to do that, we'll have to exceed the Floor Area Ratio (F.A.R.) guidelines set up by CCDC, but we have that perogative since we're the superior government in this instance. [F.A.R. is the ratio of lot size to total building square footage.] If you have a 10,000 square foot lot and an F.A.R. of 4, you may build a 40,000 square foot building on that lot.

* The F.A.R. that CCDC has set up for that block is 10. We will actually have a F.A.R. of 11.84, but they'll just have to live with that. [355,341 sq ft of space ÷ 30,000 sq ft lot]

* The DA is the only one still hollering. He says there's no point in only building for current need, that they need room to grow. He will no doubt be before the board on Tuesday to argue his case.

* The judges have backed off and are willing to accept staff's cost reduction proposal, which follows on the next page of notes.

02/07/92

Downtown Court/Office Building (con't)

Key Points

- cost saving measures

* Staff has cut $26,106,132 in costs from the building, which provides an annual savings of $2,520,395 in debt retirement. The bottom half of attachment 1 breaks this out completely.

* You'll note that the first item refers to using an "average" quality exterior on the building, rather than a "high quality" exterior. Staff has explained this to mean an exterior like glass (the First National building is an example) rather than granite and marble like the First Interstate building. This represents over 13 million in savings

* Space reduction specifics, and quality reduction specifics are on attachment 2. They represent just over 7 million in savings.

* Putting the building on County land represents nearly 6 million in savings. Some developers are saying in this depressed market, that the value may be more like 2 million. That's something we ought to investigate. If we can get a full block for 4 million and sell our half block for 2 million, we'd have another 2 million in debt service to retire. I'm not sure what 2 million breaks into as an annual cost over the 30 year life of the retirement, (I'm guessing around 195,000/year) but we may be able to afford it.

* I say that we may be able to afford it, because under the proposal of constructing the "average" quality building, implementing the cost-cutting measures, and only building to current needs, we come out $371,409 under budget. See attachment 3.

* You and I talked about why the Marshal needs a shower/locker room. Apparently its fairly common for prisoners to vomit, urinate and defecate on the marshals during the course of their day, and they shower to clean themselves up after these incidents. Is this something you want me to pursue further?

- renderings vs no renderings

* The developers all seem to be wanting to submit renderings of the building. They feel that without this, the County has no idea of what they're building.

* Staff counters that renderings are "fluff", that the developers will try to seduce the Board with unrealistic drawings, and lure you into making a decision based on pretty pictures rather than what can realistically be done within our budget.

02/07/92

Downtown Court/Office Building (con't)

Key Points
- miscellaneous

* One developer has come forward and stated that its absurd for our staff to be deciding where the cost-cutting measures ought to be done. It places the County in the role of developer and designer, and also places the burden of risk on the County. This individual said that by taking this action, we're eliminating the incentive for creativity in cost savings from the developer, and will lead to a building that will not "meet the standards for use, quality and durability appropriate for a major public building". Under this RFP, the developer will in essence simply be providing construction management and a completion guarantee in return for their fee or profit.

* Staff's rebuttal to this is that the County has gotten short-changed too many times by leaving it up to the developer to be creative and find the cost saving measures. They feel that the County needs to have tight control over this project, that the County should be the "construction manager" and call the shots.

* In light of what our inspectors let slide over at the existing courthouse, which allowed the insufficient sealing material to go un-noticed and Friday's sewage problem to be a lot worse than it needed to be, I can't help but wonder just how much control we'll really have.

* You asked me to look into several options: (1) bridging over the existing law library, staff had explored that it and it is prohibitively expensive; (2) building on top of that portion of the existing court building which was designed to hold additional floors, and using all or part of the parking lot, staff is working off of the understanding that the parking lot is the area targeted for the criminal courts building and therefore is not to be considered for this superior courts project; (3) utilizing the 1/4 lot we have where the trees & shrubs are planted in front of the existing court building, staff feels its too small to be used for anything else.

The table below presents a summary of estimated space requirements presented to the Board prior to cost reduction:

TABLE III

EXISTING AND PROJECTED SPACE NEEDS FOR THE DOWNTOWN COURT/OFFICE BUILDING (GROSS SQUARE FEET) (1)

	CURRENT NEED	2010
Superior Court (2)	136,426	165,130
District Attorney	175,973	293,165
Marshal	8,918	12,285
Probation	27,374	35,035
Law Review Board	3,205	3,556
Grand Jury	3,445	3,445
	355,341	512,616

(1) Estimated net area requirements were increased by 30% to reflect internal department operation, building circulation and core facilities, including electrical distribution, metering, mechanical systems, and distribution areas.

(2) This includes sixteen courtrooms/direct support space and Superior Court Administration. The sixteen courtrooms includes an additional 10% internal circulation factor.

The estimated cost savings for various cost reduction options are as follows:

TABLE IV

POTENTIAL COST SAVINGS: DOWNTOWN COURT/OFFICE BUILDING

Method	Total Savings (1)	Annual Savings
Constructing an average quality building as opposed to a high quality building	$13,120,924	$1,319,625
Housing the facility on County land (2)	$ 5,810,734	$ 365,423
Space reductions Attachment A	$ 5,979,837	$ 726,123
Quality reductions Attachment A	$ 1,194,637	$ 109,224
Total	$26,106,132	$2,520,395

(1) This includes hard/soft construction costs and financing costs (e.g. interest during construction, debt service reserve).

(2) Total estimated annual savings ($632,735) is reduced by the amount of annual lease revenue ($267,312) received from the parking lot at Front/B.

Attachment A

PROPOSED COST REDUCTION ITEMS - DOWNTOWN COURT/OFFICE BUILDING

QUALITY RELATED REDUCTION ITEMS	TOTAL COST REDUCTION (1)	ANNUAL COST REDUCTION (2)
Reduce the 14' high ceiling in arena and bench only:	$ 149,800	$ 13,696
Change bench area method of construction from cabinetry to conventional framing:	168,000	15,360
Reduce paneling:	72,128	6,595
Change judge's toilet rooms to be the same as existing areas in the South Bay Regional Center:	44,509	4,069
Eliminate the requirement that acoustical system be upgraded ("z-spline") in any area:	67,200	6,144
Provide vinyl wall covering in high public use areas only:	63,000	5,760
Use existing private downtown chiller water "loop" for HVAC:	630,000	57,600
TOTAL	$1,194,637	$109,224
SPACE SAVINGS ITEMS		
Reduce the size of one large courtroom:	$ 115,609	$ 14,038
Eliminate one of the restricted corridors (court module):	211,680	25,704
Delete interview rooms outside courtrooms:	305,536	37,101
Allow every two courtrooms to share one sound-lock:	83,328	10,118
Eliminate the criminal holding areas adjacent to the courtroom:	2,183,440	265,132
Eliminate the private staff lounge for the Superior Court:	178,500	21,675
Reduce size of all spaces to the County standards: Note: This does not include the "court module"	2,754,184	334,437
Reduce the size of the urinalysis testing room to 100 SF:	78,120	9,486
Reduce the Marshal's shower/locker room space to 400 SF:	69,440	8,432
TOTAL	$5,979,837	$726,123
GRAND TOTAL	$7,174,474	$835,347

(1) This includes hard/soft costs plus financing costs.

(2) This is first year occupancy costs.

MISCELLANEOUS ITEMS WITH NO COST ATTACHED

Consideration should be given to the following cost reduction items:

1. The requirement that all senior attorneys' offices and all judges' chambers have a window.
2. The amount of on-site storage for files.
3. Providing no parking spaces in the building except for judiciary, District Attorney and other VIPS.
4. Building all parking above grade beginning at street level instead of underground and cladding the parking levels with an inexpensive "utilitarian" skin.
5. Clad the entire building with an inexpensive "curtain-wall" skin instead of a more expensive stone, marble or other material.

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TABLE II
ESTIMATED FINANCIAL IMPACT OF VARIOUS BUILDING SCENARIOS FOR ACCOMMODATION EXISTING SPACE REQUIREMENTS - DOWNTOWN COURT/OFFICE BUILDING

BUILDING SCENARIO	ANNUAL REVENUE	ANNUAL OCCUPANCY COSTS (1)	ANNUAL SURPLUS/ SHORTFALL (2)
Average quality building, County land, no implementation of cost reductions in Attachment A	$6,779,870	$7,243,808	-$463,938
Better quality building, County land, no implementation of cost reductions in Attachment A	$6,779,870	$8,563,463	-$1,783,593
Average quality building, standard city block - privately owned land, no implementation of cost reductions in Attachment A	$7,047,182	$8,451,914	-$1,404,732
Average quality building, County land, implementation of cost reductions in Attachment A	$6,779,870	$6,408,461	+$371,409
Average quality building, standard city block - privately owned land, implementation of cost reductions in Attachment A	$7,047,182	$7,616,567	-$569,385

(1) This includes debt service and operating costs (e.g. janitorial).

(2) This is annual revenue less annual occupancy costs. Building on a private site includes land acquisition costs.

SUBJECT: Downtown Court/Office Building

TABLE I
ESTIMATED SOURCE OF FUNDS - DOWNTOWN
COURT/OFFICE BUILDING

Source of Funds	Amount
Budgeted El Cortez Lease	$1,139,600
Lease Consolidation Savings (1)	2,757,582
District Attorney Family Support Reimbursement (2)	350,000
City of San Diego Redevelopment Agency	800,000
Courthouse Construction Fund	$2,000,000
	$7,047,182

(1) This includes the following leases: Superior Court Payroll (Centre City Building), District Attorney (Wells Fargo, "401" A Street, Centre City Building), Grand Jury (First National Bank), Adult Probation (Ohio Street), Law Enforcement Review Board (estimate), Public Defender (Centre City Building), Alternate Public Defender (Chamber Building), and Alternate Defense Counsel (Chamber Building). This does not include the Home Savings Superior Court lease as that would be "double counting" the same functions that would have been included in the El Cortez lease. The District Attorney lease savings has been adjusted upward by estimated operating expenses as it is a net lease. All data is projected rent four years from today (February 1996).

(2) This is a preliminary estimate.

The table on the following page summarizes the estimated financial impact of various building scenarios for accommodating existing space requirements. Please note that for construction on County owned land the estimated $7,047,182 in annual revenue is reduced by the amount of annual rent received for the Front/B Parking Lot ($267,312) from Ace Parking.

Don

I've got a final briefing set up for Leon w/ you, me + Rich Robinson @ 11:00 Mon. These are the notes I'm planning to have Leon work off of for that meeting.

I've taken a copy of this over to his house for him to review prior to that Monday meeting.

Colleen

PS Obviously these will get boiled down to something more succinct for the Tuesday agenda meeting.