

1 - County Facilities Master Plan

1. Program Area:

CAPITAL IMPROVEMENTS

2. Identify agencies and departments involved.

County Executive Office (CEO), Health Care Agency (HCA), and Resources & Development Management Department (RDMD)

3. Is the Strategic Priority new or previously identified in an earlier Strategic Financial Plan; if previously identified, indicate what has changed and why; identify any progress made in reaching the goals/expectations of the previously identified priority; and identify dollar amounts, by major object category, for any funding related to the Strategic Priority that is included in the FY 07-08 Budget.

This is an ongoing Strategic Priority. Timing and cost estimates have been refined as various projects have progressed.

Strategic Priority funding included in the FY 07-08 Budget:

40 Fixed Assets	4,000,000
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4. Provide a description of the project/program – what it is and what it will achieve. Identify how the strategic priority is consistent with the mission and values of the County and, if applicable, how it relates to the health and/or safety of the community.

On June 28, 2005, the Board approved consultant M. Arthur Gensler Jr. & Associates, Inc., dba Gensler, to complete a County Facilities Master Plan (FMP) study to identify needs for County facilities. The study was conducted for all existing County owned and leased County facilities except facilities owned or leased by John Wayne Airport, Integrated Waste Management Department, Harbors, Beaches and Parks, Road, Flood and Sheriff. On October 17, 2006, the Board approved the County FMP with 15 recommendations from RDMD Real Estate requesting various studies and directives to implement critical items of the County FMP. This Strategic Priority addresses the County's vision, since it relates to providing a safe and healthy work environment for our employees and the public. This Strategic Priority would identify possible financial needs if the consultant's recommendations are fully implemented. The actual need and alternatives may vary from the consultant's recommendations. This Strategic Priority will address recommended, estimated cost needs in the amount of \$94.1 million for the following properties:

1. \$5.4 million - New, Central Storage Facility at 1119 Chestnut Street, Santa Ana. (10/17/06 Agenda Staff Report Item #6)

The County Records Center is at full capacity, and there is an immediate need for additional immediate access and long term record storage. The current structures at Chestnut are deteriorated, and this parcel of land is underutilized. Construction of a new 70,000 - 80,000 square foot central storage facility at the Chestnut Avenue site would enable many of the County's storage leases to be eliminated. This Strategic Priority includes \$8.3 million total capital project cost for the Chestnut Storage Facility offset by \$2.9 million storage rent savings, resulting in a \$5.4 million net General Fund request. Initial planning and site analysis work is underway.

2. \$2.3 million - Move Animal Control Shelter to the Tustin Marine Corps Air Station site or the County Operations Center.

(10/17/06 Agenda Staff Report Item #'s 8 & 9)

The existing Animal Control Shelter (ACS) is deteriorated and inadequate; and there are many unresolved variables to the existing site, including a Right-of-Way easement that bisects the site. Consequently, building a new facility is the most realistic option. The existing ACS could be demolished and the land could be recaptured for Sheriff's visitor parking or any alternative use. This Strategic Priority includes \$26.6 million total capital project cost offset by a \$5 million transfer from the Designated Special Revenue Fund for the ACS at the Tustin Marine Corps Air Station site or the County Operations Center. This updated construction estimate was developed by an Architect & Engineering (A/E) firm retained by the Health Care Agency to analyze the ACS program needs. The previous estimate was developed by Gensler during the FMP process and was based on cost factors for office-type construction applied to square footage estimates for the facility. The A/E estimate was produced in conjunction with ACS staff and management based on a facility designed to meet the detailed program needs, including projected growth. It incorporates updated construction cost factors for facilities similar to the ACS and accounts for infrastructure and site costs that are particular to the proposed sites. It represents a more refined and realistic cost of the facility needed to support the program.

The annual cost of \$2.4 million represents an assumption that the balance of \$18 million is financed at 6% over a 10-year time period. The revenue estimates assume \$2 million in revenue (@\$240K/year) derived from parking fees or lease revenue at the current ACS site and \$1.9 million annually in reimbursements from contract cities to pay for 80% of the annual finance costs over the Strategic Financial Plan time period, resulting in a \$2.3 million net General Fund request. Initial planning and design work is underway for this facility.

3. (\$17.4 million) - Move Fruit Street complex to the County Operations Center. (10/17/06 Agenda Staff Report Item #9)

The Fruit Street facilities are seriously outdated and need to be replaced. The real estate potential of the Fruit Street complex is higher than present use. This is an excellent opportunity to sell/develop for market rate housing and relocate RDMD staff to new facilities at the County Operations Center. This Strategic Priority includes \$26.1 million total capital project cost for the Fruit Street Facility at the County Operations Center offset by \$43.5 million in proceeds from the sale of the Fruit Street land, resulting in \$17.4 million net savings to the General Fund. A Hazardous Materials study and relocation requirements analysis will be conducted for the occupants of the Fruit Street site during FY 07-08.

4. \$43.2 million - New Health Care Agency Facility at 17th Street, Santa Ana.
(10/17/06 Agenda Staff Report Item #7)

The 17th Street facility is deteriorating, and upgrades are no longer practical. In addition, it would be problematic to find a suitable replacement site for the lab due to environmental and possible community issues. The existing, large site provides enough flexibility to construct the new lab in phased-site rebuilding while maintaining existing operations. This Strategic Priority includes \$46.5 million capital project cost for the new Health Care Facility offset by \$3.3 million retail rental revenue on an estimated 15,000 square feet, resulting in a \$43.2 million net General Fund request.

5. \$48.2 million - Replacement of Civic Center Building 16.
(10/17/06 Agenda Staff Report Item #4
09/11/07 Agenda Staff Report Item #43)

The Board has directed the demolition of Building 16 and the preparation of a Civic Center Master Plan for County facilities. The study will analyze at least four alternatives of varying sizes for Building 16 replacement. This Strategic Priority includes recommendations made by consultants. The Strategic Priority includes \$4.8 million for the design costs and \$7.8 million annually, which represents estimated debt service for one of the mid-range building size alternatives, with a purchase price of \$132 million, that will be analyzed in the study. It also includes \$3.4 million total lease cost savings to Public Defender and Risk Management resulting in a \$48.2 million net General Fund request. These numbers are dependent on the size of the project and the actual occupants of the building, which are among the major items to be analyzed in the study.

6. \$7.7 million - Minor rehabilitation of Buildings B & C and addition of parking at the County Operations Center.
(10/17/06 Agenda Staff Report Item #9)

There is significant opportunity to expand the role of 1300 S. Grand as an operational and regional hub. Upon completion of a Master Plan for this site, minor renovation and re-planning of Buildings B & C will allow for reconfiguration of existing space to enhance space utilization and ultimately reduce occupancy costs.

The FMP suggests evaluating the benefits of consolidating and relocating Clerk-Recorder at this location, as well as configuring the site to accommodate the relocated functions such as the Animal Control facility and the RDMD Facilities Operations group from the Fruit Street complex.

7. \$2.4 million - Capital Improvements on Lease-Conveyance Properties.
(10/17/06 Agenda Staff Report #12)

As identified in the FMP, the County has a number of properties for which the County will acquire ownership as a result of exercising its right to purchase upon expiration of the current lease (lease-conveyance). Two such properties that will be acquired within the next five years are 1770 N. Broadway, Santa Ana (Housing and Community Services Headquarters) and 888 N. Main St., Santa Ana (Social Services Agency Headquarters). When these buildings are acquired, it is projected that certain capital improvements will be required. The extent of the improvements will depend upon whether the buildings will be retained or sold, but some expenses will be necessary.

8. \$2.3 million - El Toro Due Diligence and Site and Facility Preparation.
(10/17/06 Agenda Staff Report Item #11)

100 acres of property on the El Toro Marine Corp Air Station (MCAS) will eventually be transferred to County ownership. Although the timing for ownership transfer is unknown due to the timing for hazardous material clean-up and remediation activities, it is estimated that the County will gain access via a lease or sub-lease arrangement within the next year. Depending on Board direction, the property may be utilized for various purposes and will need to have feasibility, planning, impact assessment, technical and site studies performed before any facilities can be constructed or rehabilitated for interim or permanent uses. These costs would likely be incurred prior to any beneficial uses being implemented. Depending on the intended uses authorized by the Board, significant revenue from this property is expected. A study is currently underway to provide some indication of revenues associated with uses that are contemplated. This information will be presented to the Board in late 2007 to assist in decision making as to the future direction for the property. This Strategic Priority includes \$250,000 for due diligence and potential acquisition expediting activities and \$2 million as a placeholder for future civil engineering and site preparation.

This Strategic Priority includes only priority properties that were referred to in the 10/17/06 Agenda Staff Report (ASR) for Board recommendation. Additional priority properties that were mentioned in the 10/17/06 ASR that have not been addressed in this Strategic Priority include: Katella Yard, Probation Facility (Santa Ana), South County Justice Center, Santa Ana Blvd., and Tustin Marine Corps Air Station. In addition, there are other recommendations in the FMP Report which would require additional financial resources. RDMD and the County Executive

Office staff will work together with other departments to prepare annual budgets that address the remaining needs of the FMP.

In FY 07/08, the Board approved \$6.25 million for the FMP, which is being used to address FMP directives mentioned in the 10/17/06 ASR and subsequent Board actions.

5. Identify personnel – will the program/project require additional staffing? If so, estimate the number of positions by classification.

N/A

6. Identify cost – estimate and identify separately one-time (e.g., equipment purchases) and ongoing costs (e.g., maintenance contracts).

The total project cost of \$94.1 million is one-time.

7. Identify potential funding sources (e.g., State, Federal, General Fund, fees) and any possible limitations on those sources.

General Fund 100%

Please refer to the attached spreadsheet for funding information.

8. Identify community awareness (stakeholders).

Orange County residents, Health Care Agency, and Resources & Development Management Department

9. Is the program/project mandated or discretionary?

Discretionary

10. Identify the implementation period if funding were available.

FY 08/09 through FY 17/18

1 - County Facilities Master Plan

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
I. Cost											
Fixed Assets	4,000,000	59,850,000	42,000,000	5,200,000	3,200,000	10,212,000	10,212,000	10,212,000	10,212,000	10,212,000	10,212,000
Agency Expense Total	4,000,000	59,850,000	42,000,000	5,200,000	3,200,000	10,212,000	10,212,000	10,212,000	10,212,000	10,212,000	10,212,000
II. Non-General Fund Revenue											
Intergovernmental Revenues	0	0	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000
Rev. From Use of Money and Property	0	0	655,000	945,000	945,000	1,195,000	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000
Other Financing Sources	0	0	48,500,000	0	0	0	0	0	0	0	0
Agency Revenue Total	0	0	51,075,000	2,865,000	2,865,000	3,115,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
III. General Fund Requirement	4,000,000	59,850,000	-9,075,000	2,335,000	335,000	7,097,000	6,712,000	6,712,000	6,712,000	6,712,000	6,712,000
IV. Staffing											
No Positions	0	0	0	0	0	0	0	0	0	0	0