

**JUDICIAL COUNCIL OF CALIFORNIA**  
**ADMINISTRATIVE OFFICE OF THE COURTS**  
455 Golden Gate Avenue  
San Francisco, California 94102-3688

**Report**

TO: Members of the Judicial Council

FROM: AOC Office of Court Construction and Management  
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DATE: August 15, 2008

SUBJECT: Court Facilities Fund Authorization: Authorize redirection and  
commitment of lease payments to County for new East County  
Courthouse (Action Required)

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Issue Statement

Prior to 2002 and continuing subsequent to the passage of the Trial Court Facilities Act (SB1732), the County of Alameda and the Superior Court of Alameda County have been working towards development and construction of a new East County Courthouse (ECC), anticipating the use of both court and county fund sources. The new courthouse would provide 13 courtrooms located in Dublin, California, serving the east county residents. Of the 13 courtrooms, six will be replacement courtrooms for those currently housed in a transferred, leased facility, known as the Gale Schenone Courthouse. Seven courtrooms that were previously located in the Allen E. Broussard courthouse in downtown Oakland (now vacated due to unsuitable conditions) will also be provided in the ECC. The project cost summary is attached to this report. As part of that strategy, the Court and County have requested that \$903,000 per year, part of the payments currently being made by the county to the state as part of the County Facilities Payment (CFP) for the current leased facility (Gale Schenone), be authorized for the purpose of contributing to the debt payments towards this new facility once the new building is built and occupied, after the lease has terminated.

Recommendation

The Administrative Office of the Courts recommends that the Judicial Council take the following action:

1. Authorize the development of an agreement with the County of Alameda for the construction of the new East County Courthouse; and
2. Provide authority to submit to the Department of Finance (DOF) a Budget Change Proposal (BCP), to utilize \$903,000 per year from the State Court facilities Trust Fund, for the term of the ECC project debt.

### Rationale for Recommendation

The ECC project has been under discussion for many years and while plans and conceptual designs were being developed and refined, the costs of construction due to inflation and market conditions outpaced the court and county fund resources. The County has expressed its desire to continue with the project under its auspices and financing, but the project will require the use of the rent portion of the Gale Schenone lease payments (CFP) to be dedicated to the project debt service, for the project to be financially feasible. The term of the debt is anticipated to be 30 years. The total CFP is \$1,600,000 per year; the rent portion of the CFP is \$903,000 per year. The balance of the annual CFP may be considered for use to offset the cost of operating the new facility.

The County will hold the design-build contract for the courthouse. The Administrative Office of the Courts would provide general monitoring of the building quality through design reviews and inspections, however, liability for the contract and construction would remain with the county.

The City of Dublin has previously approved land use entitlements for the development of the property for the courthouse, and these entitlements have been extended but are soon nearing expiration. The County has indicated that it will donate the land, which it currently owns, to the project and will convey title to the building to the state upon retirement of the debt. There is urgency to act so that the current economic opportunity to the County, the Court and the state is not lost.

### Alternate Actions Considered

If the request to redirect the rent portion of the CFP is not approved, then it is doubtful that the project can proceed due to insufficient funding.

### Comments From Interested Parties

No circulation for public comment was conducted.

All CEQA environmental studies and requirements will be the responsibility of the County as lead agency for the project.

### Implementation Requirements and Costs

The County and Court are responsible for identifying all projects and operating costs and securing the funds necessary to support the project and occupancy of the facility. Should project management and legal services be requested or required of the AOC to support this project implementation, such costs should be attributed to the project and paid through project funds. Should the rent portion of the CFP be redirected toward lease payments for the project for the term of the debt, then the State Court Facilities Trust Fund revenues will be impacted.

Attachments:

Project Cost Estimate provided.

**Alameda Superior Court**

**Project:** East County Hall of Justice, 13 courtroom facility

- Replaces Gale Schenone Courthouse, 6 courtrooms leased facility
- Replaces Allen E. Broussard Courthouse, 7 courtrooms

**Total Project Cost:** \$129,987,488

**Assumptions:**

- Principal buydown in 2011 \$21.6 million
- Annual debt service, beginning July 2011 \$8.4 million
- Total net debt service (30 years) \$223.6 million
- Interest rate 4.85%

**Sources of Funds:**

- Courthouse Construction Fund
  - Criminal Justice Facilities Temp Construction Fund
  - Civil Assessments
  - County Facility Payment
- Total**

**Annual Revenue**

- \$2.5
- \$3.1
- \$2.0
- \$ .9
- \$8.5**

	<b>Available Fund Bal</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>Total Buydown</b>
	<b>June 2008</b>				<b>June 2011</b>
Courthouse Construction Fund	\$3.1 Million	\$2.5	\$2.5	\$2.5	\$10.6
Civil Assessments	\$5.0 Million	\$2.0	\$2.0	\$2.0	\$11.0
<b>Total</b>	<b>\$8.1 Million</b>	<b>\$4.5</b>	<b>\$4.5</b>	<b>\$4.5</b>	<b>\$21.6</b>

PROJECT COST MODEL - as interpreted by KMD (Re-revised 7/30/08)							
PROJECT MANAGER:		Gerald Loeper		Costs shown have changed from KMD's recent July 18, 2008 spreadsheet. Changes are based upon: 1) 7/29/08 direction from GSA to retain "Dublin Conditions of Approval" (item 2i), 2) a return to earlier escalation rates (10.75% in lieu of 14.60%) and revising current contingency rates from 10% to 8.5% (item 2k) - as recommended by KMD, 3) removing +/- 1,200 sf of "Additional Office (County) Program Space" (at \$417/sf), 4) removing escalation on "Fees/Proj. Costs" (item 7h), and 5) including outstanding unpaid A/E fees of \$356k (item 7b) - still due consultants from original phases, per R. Muller, 7/29/08.			
PROJECT NUMBER & NAME:		#5155 East County Hall of Justice (ECHOJ)					
PROJECT DESCRIPTION:		13 courtrooms (all criminal) courthouse with Public Defender, Probation & District Attorney offices		<b>Note: All items in yellow highlighted and/or blue font have changed from previous July 18, 2008 spreadsheet and have been updated July 30, 2008.</b>			
Note: 1) Where noted, pro rata distribution of costs is per 2008 re-scoping effort, @ 74.8% (SF) Courts and 25.2% (SF) County; based on 184,596 gsf (138,133 gsf = Courts, and 46,463 gsf = County)							
				138,133		46,463	
				74.8%		25.2%	
Item	Qty.	Unit	Unit Cost	Project totals	Total: Courts	Total: County	Comments
<b>1 Haz. Materials Abatement</b>							
a	Potential removal of buried hazmat		LS	\$250,000			
b	Monitoring		LS	\$25,000			
subtotal				\$275,000			
<b>2 Construction</b>							
	Courts VE Analysis ( <u>NOT Updated per DTA's 7/17/08 Cost Estimate</u> )	138,133	SF	\$526	\$72,723,205		Includes Site, Gen. Cond's., D/B A/E Fee, bonds, insurance, Des. Contingency, <b>AND WITHOUT</b> updated escalation (STILL 4.5%/yr... <b>NOT 6.5%/yr.</b> )
	Office (County) VE Analysis ( <u>NOT Updated per DTA's 7/17/08 Cost Estimate</u> )	38,913	SF	\$432	\$16,823,296		Includes Site, Gen. Cond's., D/B A/E Fee, bonds, insurance, Des. Contingency, <b>AND WITHOUT</b> updated escalation (STILL 4.5%/yr... <b>NOT 6.5%/yr.</b> )
subtotal					\$89,546,501		Includes Site, Gen. Cond's., D/B A/E Fee, bonds, insurance, Des. Contingency, <b>AND WITHOUT</b> updated escalation (STILL 4.5%/yr... <b>NOT 6.5%/yr.</b> )
	Additional Office (County) Program Space	7,550	SF	\$417	\$3,148,350		Assumes the additional SF for Probation, DA, and Pub. Def. <u>MINUS 1,200 SF OF OFFICE F.T.E. SPACE.</u>
h SUBTOTAL, LINES a - g					\$92,694,851		Includes additional program SF
	i Dublin Conditions of Approval		LS		\$4,262,354		Project cost for Dublin mandated off-site work & mitigations per agreement. \$2.3 M reimbursed thru TIF credits over time + <b>25.7%</b> of balance to County with <b>74.3%</b> of balance to Courts
	j Escalation of Dublin Conds @ 4.5% / yr avg over 30 months	10.75%		\$4,262,354	\$458,203		Formula in highlighted cell adds construction cost (line 2.h) to Dublin costs (line 2.i) for total amount to be escalated and used as basis for the Art program calculation
	k Contingency (this figure was originally missing a contingency on the ENTIRE (previous) \$93,195,251 = \$9.319 million.)	8.50%		\$4,720,557	\$8,280,310		<u>Was 10% of line 2.i + 2.j. Now it includes contingency for items j, i, AND h - as of 7/14/08 - and has been reduced to 8.5%, as of 7/29/08.</u>
subtotal					\$105,695,718		
<b>3 Furnishing</b>							
a	Courts freestanding furniture		LS		\$3,200,000		
b	County freestanding furniture		LS		\$1,700,000		
subtotal					\$4,900,000		
<b>4 Cabling</b>							
a	Courts Voice/Data cabling		LS		\$1,200,000		
b	Counts Voice/Data cabling		LS		\$700,000		
subtotal					\$1,900,000		
<b>5 Swing Space</b>							
a	Courts moving costs		LS		\$160,000		
b	County moving costs		LS		\$90,000		
subtotal					\$250,000		
<b>6 Art Program</b>							
a	Art work	2%	LS	\$94,594,851	\$1,891,897		Does NOT include Dub. Cond. Of Approval Costs
subtotal					\$1,891,897		
SUBTOTAL ITEMS 1, 2, 3, 4, 5, 6					\$114,912,615		
<b>7 Fees/Proj. Costs</b>							
a	Architect/Engineer Services		LS		\$6,000,000		Figures given assume project moves forward expeditiously to 1) the July 9, 2009 estimated start of construction, 2) to the July 2010 estimated mid-point of construction, and 3) to the October 2008 estimated start of the Design phases.
b	A/E svcs contingency (which includes unpaid fees (\$356,000) still owed to consultants from original phases - per R. Muller, 7/29/08)	10%			\$956,000		(same as above)
c	GSA Project Management		LS		\$1,113,113		(same as above)
d	Permits & Dublin fees				\$194,240		(same as above)
e	Constr. Mgmt. Fee				\$5,500,000		(same as above)
f	Misc. soft costs				\$859,100		(same as above)
g	Testing/Inspections/Survey/Geotech				\$452,420		(same as above)
h	Escalation at avg 4.5%/yr for 30 months ( <u>ELIMINATED</u> ).	0.00%		\$15,074,873	\$0		The previous \$13,259,773 escalation number from GSA is incorrect. Should be \$14,718,873 - <b>AND HAS NOW BEEN REDUCED/ELIMINATED.</b>
subtotal					\$15,074,873		
SUBTOTAL ITEMS 1, 2, 3, 4, 5, 6, 7					\$129,987,488		
TOTAL PROJECT COST *					\$129,987,488		* Construction Cost plus other project fees