

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. \_\_\_\_\_**

**Approving the FAC-1 Project Construction of the Multnomah County Central Courthouse and Authorizing the County Chair to Execute the Guaranteed Maximum Price Amendment.**

**The Multnomah County Board of Commissioners Finds:**

- a) Oregon Revised Statutes § 1.185 requires each County to "provide suitable and sufficient courtrooms, offices and jury rooms for the court, the judges, other officers and employees of the court and juries in attendance upon the court, and provide maintenance and utilities for those courtrooms, offices and jury rooms." For over forty years Multnomah County (County) has studied options to rehabilitate the existing Central Courthouse or construct a new one.
- b) The County's studies have determined the Central Courthouse is not designed to current seismic standards, does not meet current and future operational needs, and does not meet best practices for safe and secure transport of prisoners to the Courthouse and within the Courthouse. Based on a 2011 study, the County concluded it would be more cost effective to construct a new Multnomah County Central Courthouse (MCCCH or the Project) rather than renovate the current building.
- c) Beginning in 2013, the County's MCCCH Project team and the County's Governmental Relations Office negotiated legislative amendments and Intergovernmental Agreements (IGAs) with the Oregon Department of Administrative Services (DAS) and the Oregon Judicial Department (OJD) to provide state approval and matching funds for courthouse renovation and construction projects. Chapter 705, Oregon Laws 2013, authorized creation of the Oregon Courthouse Capital Construction & Improvement (OCCCI) Fund and provided for the sale of Article XI-Q bonds to finance the State's matching share of costs for new or renovated courthouses, or portions thereof, owned or operated by the State under a long-term lease or IGA with each county.
- d) On December 18, 2014, the Board of County Commissioners (Board) adopted Resolution #2014-141: Approving the FAC-1 Preliminary Planning Proposal, including the Project Proposal, the Preferred Site, Cost Estimates & Funding Strategy, and Submittal of the Courthouse Funding Application to the Oregon Chief

Justice, OJD and DAS. On February 12, 2015, the Board approved the use of the Construction Manager/General Contractor (CM/GC) delivery method for the Project in Resolution #2015-012.

- e) The Project was approved by the Oregon Chief Justice and DAS on March 16, 2015, which qualifies MCCCH for 50% State funding from the OCCCI Fund to match the County's 50% contribution. On March 31, 2015, the State issued Article XI-Q bonds, including \$15 million to fund the State's initial MCCCH Project match. In addition, the legislature approved the County's funding request in the 2015-17 Biennium for an additional \$17.4 million for the Project.
- f) On April 16, 2015, by Resolution #2015-031, the Board finalized the site selection of Block 8 at the West end of the Hawthorne Bridge and authorized issuance of RFPs for architectural & engineering services and for a CM/GC for the Project. SRG Partnership, Inc., was selected to perform design services, and Hoffman Construction Company of Oregon (Hoffman) was selected as CM/GC to perform pre-construction services. The County and Hoffman executed and entered into the CM/GC Contract for the Project with an effective date of September 1, 2015 (CM/GC Contract).
- g) On December 17, 2015, the Board adopted Resolution #2015-129: Approving the FAC-1 Project Plan and authorizing the Schematic Design and Design Development Phases of the Project. On the same day, the Board adopted Resolution #2015-130: Authorizing the County Chair to execute an IGA with DAS and OJD for funding the Central Courthouse Project, Phase I.
- h) On January 15, 2016, the County, DAS and OJD executed the Multnomah County Courthouse Funding Agreement – Phase I. By Resolution #2016-067, adopted June 16, 2016, the Board approved the FAC-1 Project Design and Construction Plan for the new Courthouse and authorized the Project team to proceed with development of detailed construction documents.
- i) The Project has made use of the \$15 million in State XI-Q Bond proceeds for Phase I. DAS has paid the County's first six requests for disbursement of the state's 50% matching share of approved courthouse costs.
- j) The State issued \$17.4 million of Article XI-Q bonds on February 21, 2017, to provide the Phase II State Funds for the Project. The County, OJD and DAS have nearly completed negotiating the Multnomah County Courthouse Funding Agreement – Phase II, which will authorize OJD and DAS to continue disbursing the State's 50% matching share from the OCCCI Fund.
- k) The 2017 legislature also approved the County's third funding request for an additional \$92.6M during the 2017-19 Biennium, thus, completing the State's \$125 million match from the OCCCI Fund for capital construction of the Project. In

addition, the 2017 legislature approved \$8.9 million for OJD's information technology infrastructure to be installed as part of MCCCH construction during the 2017-19 Biennium. OJD will seek approval from the 2019 legislature for the final installment of fixtures and equipment funding and move-in costs, which will not be budgeted or incurred until the 2019-21 Biennium.

- l) The Phase III funding of \$92.6M will be disbursed as Project construction continues and DAS approves the County's requests for disbursement. It is assumed that the balance of the County's contribution to the Project will be financed primarily with County-issued, long-term, full faith and credit bonds. Prior and future General Fund cash contributions will limit the amount of long-term debt needed. The \$5 surcharge initiated in January 2017 on parking and traffic tickets will also generate revenue of about \$1.2M annually to pay debt service over the bonds' projected 30-year term.
- m) Prior to completion of the Project, the County and DAS will negotiate and submit for Board approval a 30-year lease of MCCCH from the County to DAS, providing for OJD's exclusive occupancy and control of the court facilities during the payoff term of the State XI-Q Bonds issued to finance the State's share of Project construction costs.
- n) On June 8, 2017, the Board approved the FAC-1 Project Construction Early Work Package and authorized the County Chair to execute Early Work Amendment #6 (EWA #6) for procurement of Structural, Mechanical, Electrical, Plumbing, Façade and Glass, labor and materials, with a total value of \$156.6 million, which brought the CM/GC Contract total to \$195 million.
- o) County Administrative Procedure FAC-1 requires the Facilities and Property Management Division (FPM) to prepare and obtain Board approval of the construction contract and budget for a Major Facilities Capital Project such as the MCCCH Project.
- p) Subject to the Board's approval, the Guaranteed Maximum Price Amendment will bring Hoffman's CM/GC Contract total to \$246.4 Million. The GMP Amendment includes the scopes of work previously approved by the Board in six (6) Early Work Amendments. The total budget for the Project, including property acquisition; design, engineering and permitting fees; construction costs; insurance and bonds; and Owner's Contingency of 5.5%, will be \$324.5 Million.

**The Multnomah County Board of Commissioners Resolves:**

1. Approval of the FAC-1 Project Construction of the Multnomah County Central Courthouse.
2. Authorization for the County Chair to execute the Guaranteed Maximum Price Amendment for the Multnomah County Central Courthouse Project in substantially the form attached hereto as Exhibit A. Board approval is needed for any modification or amendment that results in a material increase in the obligations of the County or a material decrease in the benefits for the County under the Guaranteed Maximum Price Amendment.

**ADOPTED this 21<sup>st</sup> day of September, 2017.**

**BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

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**Deborah Kafoury, Chair**

**REVIEWED:  
JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON**

**By** \_\_\_\_\_  
**Kenneth M. Elliott, Assistant County Attorney**

**SUBMITTED BY: Sherry Swackhamer, Director, Department of County Assets**