



MULTNOMAH COUNTY Central Courthouse

FAC-1 Project Plan

Board Briefing

December 8, 2015

Multnomah County
Central Courthouse
Project Management Team



AGENDA

- Purpose of briefing
- Review of recent accomplishments
- Budget
- Schedule
- Next steps





PURPOSE OF FAC-1 PROJECT PLAN

- Brief Board on accomplishments over the past 6 months
- Provide information on options evaluated
- Review recommendations from the project team
- Release funds for the Architect and CM/GC's design work
- Review next steps





RECENT PROJECT DEVELOPMENTS

- SRG Partnership selected as Architect and Hoffman Construction selected as Construction Manager/General Contractor
- ECO-Charrette will be held December 10 to evaluate sustainability strategies
- MWESB outreach
- Risk workshop
- Program validation





MWESB OUTREACH EVENTS





PROJECT MISSION and VISION STATEMENTS

- **Mission Statement:** To design and build a sustainable, accessible, functional, landmark Courthouse that is a symbol of the importance of our system of justice and a source of civic pride. The new Courthouse will incorporate 21st century best practices in operations, security, and design; it will be capable of adapting to changing needs over a planned 100-year useful life. The project delivery team will work in a trusting and collaborative manner, with key community partners, to achieve the County's goals and objectives.
- **Vision Statement:** The new Multnomah County Central Courthouse will enhance confidence in the justice system, inspire civic engagement and urban vitality, and provide a restorative human experience within a resilient and responsible community landmark.





DECEMBER 2014 FAC-1 DECISION and NEXT STEPS

- Board recommended Hawthorne Bridgehead Block 8 as preferred alternative
- \$250M to \$260M, including main courts program
- Study tunnel connection to Justice Center
- Study underground parking
- Study cost to include DA and 4 high volume courts (traffic, parking, landlord tenant and small claims) in Courthouse



SITE



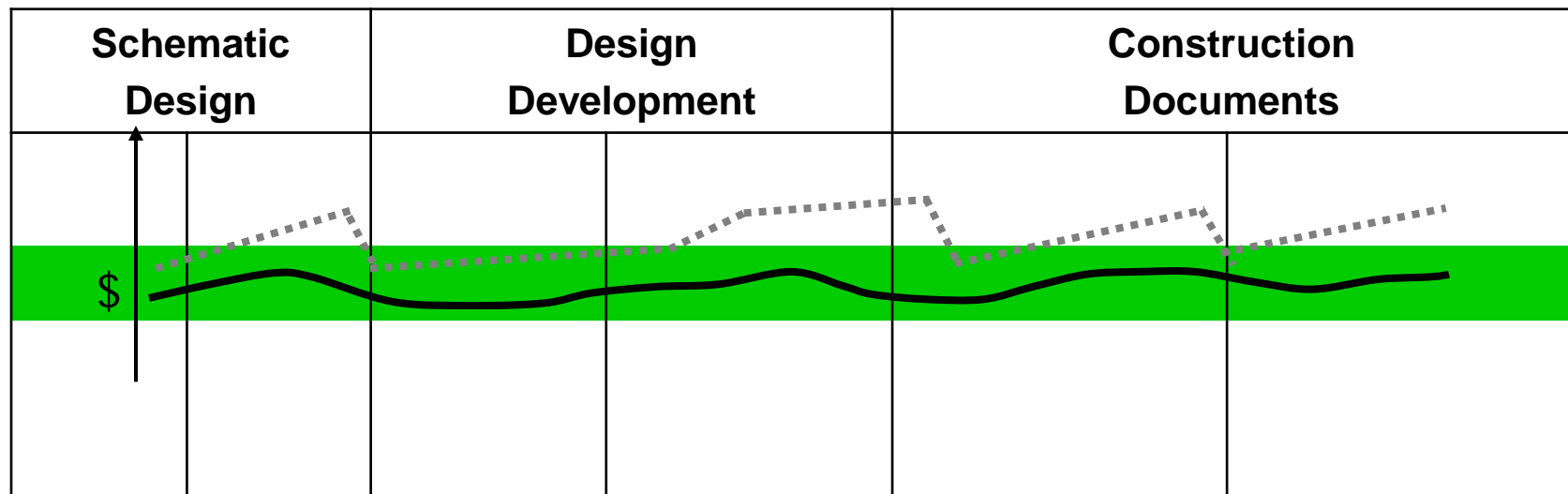
TRAFFIC PATTERNS



BUDGET MANAGEMENT

Target Value Design – Design Based on a Detailed Estimate

- Estimate is continuously updated - Dynamic Cost modeling
- Reduce Variations - Observe trends as well as actual costs
- Develop options for course corrections *before* you hit the rocks
- Jointly developed Project Target Criteria
- Risk Mitigation – Budget / Design Alignment
- Design within project constraints





BUILD vs. LEASE ANALYSIS

For District Attorney and 4 high volume courts
(traffic, parking, landlord tenant and small claims)

- Determine County's debt service vs.. lease costs:
 - Space is in general proximity to the Courthouse site
 - Include inflation on lease option
 - Evaluate operational costs and impacts





Lease vs. Build Analysis DA & High Volume Courts

Department	In Courthouse	Offsite Lease	Annual Savings
District Attorney	\$ 1,600,000	\$3,000,000	(\$1,400,000)
4 High Volume Courts	\$1,300,000	\$2,200,000	(\$900,000)
Total/yearly	\$2,900,000	\$5,200,000	(\$2,300,000)
Additional cost to project /30 yr Net Present Value	\$40M to \$50M	\$140M to \$160M	





RECOMMENDATIONS

Recommend:

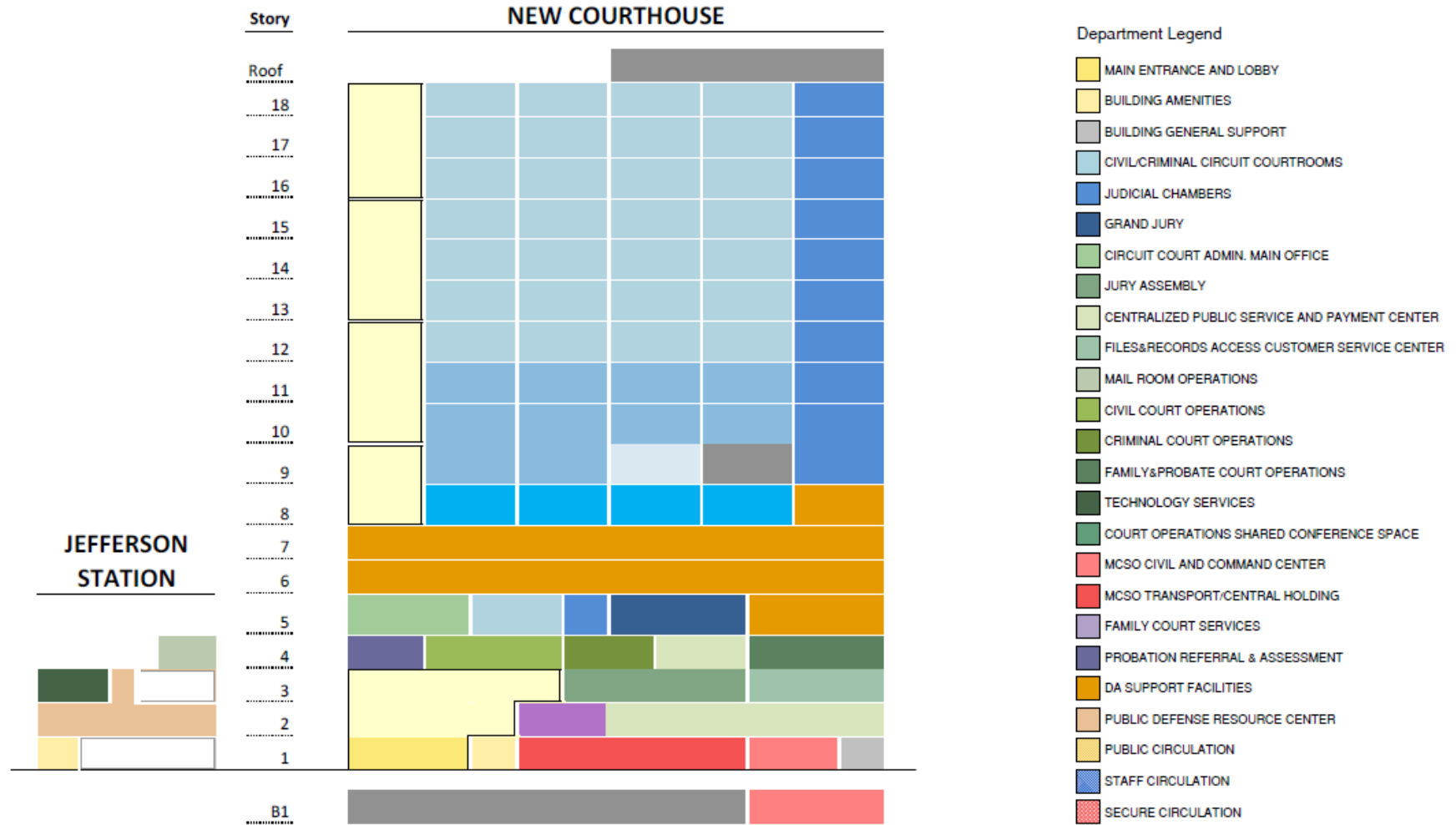
- Include DA in the Courthouse
- Include 4 high volume courts in the Courthouse

Not recommended:

- Tunnel connection to the Justice Center
- Underground parking



STACKING DIAGRAM





CONCEPTUAL ESTIMATE PARAMETERS

- Project is still in pre-design stage – no drawings or detailed specifications
- Construction costs based on industry data for materials, systems and labor, not bids
- Estimate includes high-rise requirements for fire life safety, power upgrades, etc.
- Estimate includes allowances for escalation assuming late fall 2016 GMP date
- Estimate includes contingencies for estimating, hidden conditions and changes

Project Estimate: Base Program + DA & 4 Courts	Range - Low	Range - High
Opinion of Probable Cost: Direct Construction:	\$ 170,000,000	\$ 177,000,000
Soft Costs w/out Land Acquisition:	\$ 62,000,000	\$ 64,000,000
Total: Construction / Soft Costs: \$ 2015	\$ 232,000,000	\$ 241,000,000
Escalation	\$ 17,000,000	\$ 18,000,000
Project Contingency:	\$ 35,000,000	\$ 35,000,000
Total Project Estimate w/ Contingency / Escalation	\$ 284,000,000	\$ 294,000,000
Land Acquisition: Allowance	\$ 6,000,000	\$ 6,000,000
Total Project Budget Estimate	\$ 290,000,000	\$ 300,000,000





FINANCIAL STRATEGY SUMMARY

Estimated Project Costs \$ 295,000,000

Revenues

County General Fund \$ 31,435,000

State Contribution 125,000,000

Property Sales 10,430,000

County Bond Proceeds 128,135,000

Total Sources \$ 295,000,000

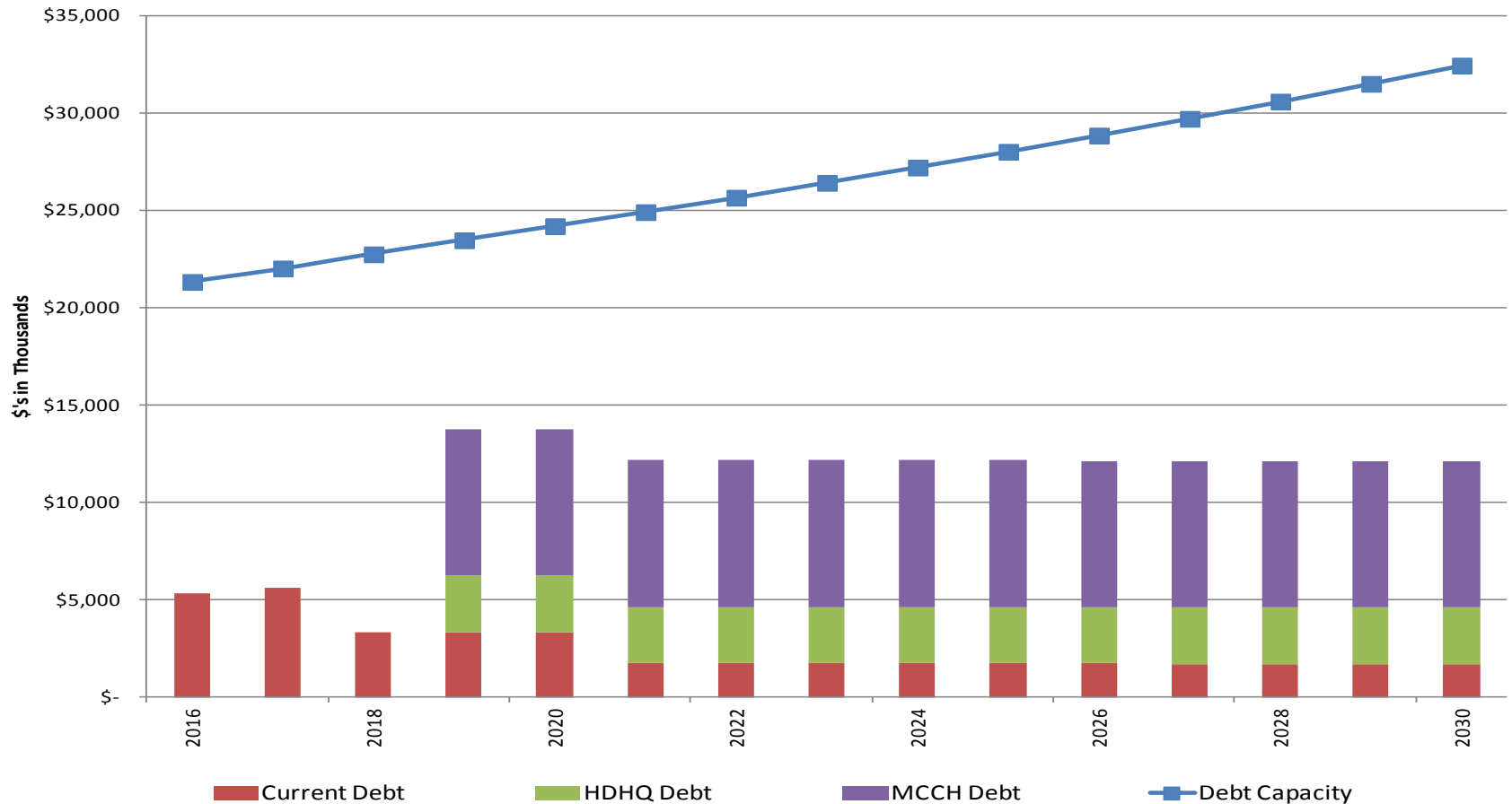
- Project Cash Flow Will Dictate Timing of Anticipated Borrowing
 - Assume Bond Issuance in 2018, First Debt Service Payment in FY 2019
- Favorable Credit Rating
 - Assume Bonds Receive an AA1 Rating From Moody's
 - Term = 30 Years @ 4% Annual Interest
- County Has Sufficient Debt Capacity Based on *Financial & Budget Policies*
- Additional General Fund OTO Can Reduce Annual Debt Service
 - \$10M OTO = \$578,000 per Year













ESTIMATED COUNTY DEBT CAPACITY

With Additional Debt for HDHQ and Courthouse



PROPOSED PROJECT MILESTONE SCHEDULE

MILESTONES	2015	2016	2017
BOARD DECISION POINT: Approve FAC-1 Amended Project Plan and initiate design and Design Review		 December 2015	
Schematic Design and Design Development		 June 2016	
PMT completes updated Cost Estimate		 June 2016	
BOARD DECISION POINT: Approve start of construction documents		 July 2016	
PMT completes construction documents and establish GMP			4th QTR 2016
PMT presents project update to Board, requesting approval to start construction			4th Quarter 2016
BOARD DECISION POINT: Approve Project Plan, start construction			4th Quarter 2016
Construction Duration - thru 2019			
Commissioning and Occupancy - 2nd qtr.2020			

PROJECT UPDATE NOTES:

Executive Steering Committee Meetings to be held every month

Board Briefings to be held every two months





BOARD RESOLUTION / NEXT STEPS

BOARD RESOLUTION on December 17, 2015:

Resolution to approve the FAC-1 Project Plan and authorize \$9.4M to perform next steps

NEXT STEPS:

- Initiate Schematic Design & Design Development phase
- Establish Board briefings every 60 days to provide project updates
- Continue exploring opportunities to accelerate schedule, lower risks, reduce costs
- Update Board on project status, estimate & schedule at end of Design Development stage





Questions?