



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 9/21/17
Agenda Item #: R.1
Est. Start Time: 9:40 am
Date Submitted: 9/12/17

Agenda Title: Resolution Approving the FAC-1 Project Construction of the Multnomah County Central Courthouse and Authorizing the County Chair to Execute the Guaranteed Maximum Price Amendment

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested

Meeting Date: September 21, 2017 Time Needed: 20 minutes

Department: DCA/County Attorney Division: Facilities & Property Management

Contact(s): JD Deschamps

Phone: (503) 988-4615 Ext. 84615 I/O Address: 274/FPM

Presenter

Name(s) & Title(s): Ken Elliott, Assistant County Attorney; JD Deschamps, Central Courthouse Project Manager, Facilities & Property Management

General Information

1. What action are you requesting from the Board?

The Board of County Commissioners (Board) is being asked to approve the FAC-1 Project Construction and authorize the County Chair to execute the Guaranteed Maximum Price (GMP) Amendment with Hoffman Construction Company of Oregon (Hoffman) on the Multnomah County Central Courthouse (MCCCH or Project). This action is part of the FAC-1 policy approval process which requires expenditures on new construction exceeding \$1,000,000 to receive Board approval at each significant milestone. The GMP Amendment includes the scopes of work previously approved by the Board in six (6) Early Work Amendments.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

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 the MCCCH Project. 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.

On December 18, 2014, the 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. The Project was approved by the Oregon Chief Justice, OJD and DAS on March 16, 2015, which qualifies the Project for 50% State funding from the OCCCI Fund to match the County's 50% contribution.

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. 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.

Following these resolutions, SRG Partnership, Inc., was selected to perform design services, and 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).

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.

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.

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.

3. Explain the fiscal impact (current year and ongoing).

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.

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. 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.

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 2017 Session of the 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.

Subject to the Board's approval, the Guaranteed Maximum Price Amendment will bring Hoffman's CM/GC Contract total to \$246.4 Million. 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 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' expected 30-year term.

4. Explain any legal and/or policy issues involved.

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."

Prior to completion of the Project, the County and DAS are expected to 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.

5. Explain any citizen and/or other government participation that has or will take place.

The Project has a dedicated web page on the County website that includes past studies and reports, FAQ's, photos, links to past news articles, and a link to a 24/7 webcam, permitting citizens to view construction progress from the west tower of the Hawthorne Bridge. The Project Team held multiple MWESB events to publicize the project and provide outreach opportunities for interested MWESB firms. The Project Team held an accessibility open house on July 10, 2017. The Project team will continue to provide regular briefings to the Board of County Commissioners on the status of the Project as construction proceeds toward a scheduled January 2020 substantial completion date.

Required Signature

**Elected
Official or
Department
Director:**

/s/ Sherry Swackhamer, DCA
Director

Date: September 12, 2017