

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

423



SUBMITTAL DATE:
April 25, 2013

FROM: Economic Development Agency

SUBJECT: Van Horn Youth Treatment and Education Center

RECOMMENDED MOTION: That the Board of Supervisors approve a revised project budget for the Van Horn Youth Treatment and Education Center, in the amount of \$38,400,000, which includes a state required addition to construction contingency and an increase in the appraised value of the land.

BACKGROUND: The original estimate of the Van Horn Treatment and Education Center was \$32,947,045. In November 2010, former Probation Chief Alan M. Crogan secured \$24,698,105 in state funding and the Board approved a 25% match. The match included future Development Impact Fees, in the amount of \$5,157,440, and an in-kind match for the value of the land, estimated at \$1,600,000. Additional costs, in the amount of \$250,000 were absorbed by the Probation Department.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

**FINANCIAL
DATA**

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 2,000,000	For Fiscal Year:	2013/14

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Probation - \$1 M (31%), General Fund - \$2.2M (69%)

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

Dep't Recomm.: ☐ Policy ☒ Consent ☐
Per Exec. Ofc.: ☐ Policy ☒ Consent ☐

2013 MAY -1 PM 5:38
OFFICE OF THE COUNTY CLERK
COUNTY OF RIVERSIDE, CALIFORNIA

Prev. Agn. Ref.: 3.14 of 2/1/11; 3.16 of 6/19/12

District: 1/1

Agenda Number:

3-21

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: SAMUEL WONG
Departmental Concurrence
By: Mark Hake, Chief Probation Officer
Riverside County Probation Department

BACKGROUND: (Continued)

The state approves construction projects in a series of steps and develops project budgets using information provided by the county, as well as additional elements required by the state. The Board of State and Community Corrections (BSCC), formerly the Corrections Standards Authority, determined that the construction contingency required an increase to 7%. This increase also included a factor for escalation.

The Economic Development Agency (EDA) reported that a March 2012 appraisal of the land included a fair market value of \$5.2 million.

The following table includes initial and revised project budgets:

	<u>Initial Budget</u>	<u>Revised Budget</u>
Construction	23.35	23.8
Contingency	1.65	3.5
Soft Costs	5.2	5.8
Land	<u>1.6</u>	<u>5.2</u>
SubTotal	31.8	38.3
Grant	-24.7	-24.7
General Fund	-5.2	-5.2
Land Credit	<u>-1.6</u>	<u>-5.2</u>
Subtotal	-31.5	-35.1
Deficit	0	-3.2
New Probation		1.0
New General Fund		<u>2.2</u>
Total		3.2

To support the increased costs, the Probation Department contributed \$250,000 for project start-up and will contribute an additional \$1 million toward the construction. The balance of \$2.2 million will be taken from the General Fund. Budget adjustments are not necessary at this time.

EDA recommends approval of the revised project budget, in the amount of \$38.4 million. The increase to the County is 3.2 million. Of this, \$2 million is anticipated to be spent in FY 2013/14, with the balance of \$1.2 million projected to be spent in FY 2014/15 or after.