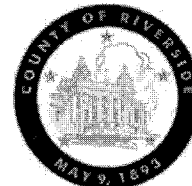


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.35
(ID # 4509)

MEETING DATE:

Tuesday, August 29, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): United States Bankruptcy Court Renovation Project – Approval of In-Principle and Preliminary Project Budget, District 2. [\$1,597,799 – Lease Payments from General Services Administration – 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and include the United States (U.S.) Bankruptcy Court Renovation Project on the Capital Improvement Program (CIP) project list;
2. Approve in-principle the U.S. Bankruptcy Court Renovation Project located at 3420 12th Street, Riverside, California, to renovate the court's first and second floors;
3. Approve a preliminary project budget in the amount of \$1,597,799 for the U.S. Bankruptcy Court Renovation Project, authorizing the use of Lease Payments from the General Services Administration (GSA), including reimbursement to the Economic Development Agency (EDA), for all incurred project related expenses;


ACTION: Policy, CIP

Robert Field, Assistant County Executive Officer/EDA 7/13/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Perez and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Washington, Perez and Ashley
Nays: None
Absent: Tavaglione
Date: August 29, 2017
xc: EDA, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By 
Deputy

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RECOMMENDED MOTION: That the Board of Supervisors:

4. Delegate project management authority for the project to the Assistant County Executive Officer/EDA in accordance with applicable Board policies, including the authority to utilize consultants on the approved pre-qualified list for services in connection with the project, and are within the approved project budget; and
5. Authorize the Purchasing Department to execute consultant services agreements for consultants that have been pre-qualified for services up to \$100,000 per project, per fiscal year, in accordance with applicable Board policies.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 750,000	\$ 847,799	\$ 1,597,799	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Lease Payments from General Services Administration – 100%			Budget Adjustment:	No
			For Fiscal Year:	2017/18-2018/19

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On April 7, 1998, the Board of Supervisors (Board) approved a Lease Agreement with GSA which stipulated the County of Riverside (County) would construct a facility to be occupied by the U.S. District and Bankruptcy Court. The U.S. Bankruptcy Court occupied the facility for an approximate twenty year lease term, which expired on March 13, 2017. This facility continues to meet the needs and requirements of the Bankruptcy Court; therefore, EDA's Real Estate Division has negotiated a new twenty year lease agreement commencing on March 14, 2017 and terminating on March 13, 2037.

On April 18, 2017, Item 3.27, the Board approved the U.S. Bankruptcy Court revenue lease agreement, which included a tenant improvement budget of \$1,597,799 to be amortized over 10 years at 8% interest, which totals \$19,385.71 per month. GSA does not allow contingency to be included in the project budget, therefore, any changes outside or above the tenant improvement budget will be brought back to the Board with an amendment to the lease. Lease Section 1.09: Tenant Improvement Fee Schedule restricts Architectural and Engineering fees to 5% of tenant improvement construction costs and Project Management fees to 4% of tenant improvement construction costs. EDA requests reimbursement using Lease payments from GSA for any Architectural, Engineering and Project Management fees that may exceed these caps to ensure the project proceeds per the terms of the lease.

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The U.S. Bankruptcy Court and GSA have predetermined phasing for the project and EDA has estimated the costs into two distinct federal agencies, Courts and U.S. Probation Department. The first phase will include first floor renovation and relocation of court staff with an estimated budget of \$750,000; the second phase will include renovation of the first and second floor for the U.S. Probation Department in the estimated amount of \$847,799.

BACKGROUND:

Summary (Continued)

In order to keep the project moving forward, avoid impacts, and meet project schedule commitments, EDA recommends the Board approve the U.S. Bankruptcy Court Renovation project and preliminary project budget in the amount of \$1,597,799. EDA will procure the most effective project delivery method and award in accordance with applicable Board policies.

The potential environmental effects resulting from the tenant improvements were previously analyzed by the Board on April 18, 2017, (Item 3.27), as part of the action to enter into the revenue lease agreement with GSA. The project was found to be exempt and the approval of the project budget does not introduce new information or changes related to the implementation of tenant improvements that would alter the previous determination of exempt under the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). Therefore, in no way, would the project as proposed have the potential to cause a significant environmental impact; and the project remains exempt from further CEQA/NEPA analysis.

Impact on Residents and Businesses

The U.S. Bankruptcy Court continues to provide valuable legal services to the citizens of Riverside County and at the same time positive economic impact to the downtown Riverside area. Continuing our long established partnership through Court occupancy and tenant improvement upgrades, ensures these vital facilities and high income jobs stay within the County.

Additional Fiscal Information

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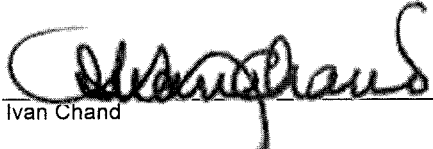
Additional Fiscal Information

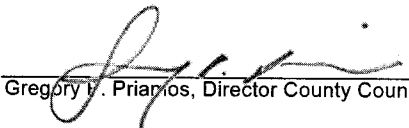
The approximate allocation of the project budget is as follows:

PROJECT BUDGET LINE ITEMS	BUDGET CATEGORY	PROJECT BUDGET AMOUNT
Architectural Design	1	130,000
Construction Management	2	0
Construction Contract	3	1,328,175
Offsite Construction	4	0
Project Management	5	33,660
Fixtures, Furnishings, Equipment	6	0
Other Soft Costs / Specialty Consultants	7	105,964
Project Contingency	8	0
Minor Construction	9	0
Project Budget		\$1,597,799

Expenditures for FY 2017/18 are estimated at \$750,000; expenditures for FY 2018/19 are estimated at \$847,799. All costs associated with this Board action will be 100% funded by Lease payments from GSA; therefore no departmental budget adjustment is required at this time.

RF:JV:VC:SP:RM:ES:mg FM08000008649 4509 - 13606
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 Rekini Dasika, Principal Management Analyst 8/21/2017 Ivan Chand 8/21/2017


 Gregory V. Priarios, Director County Counsel 8/3/2017