

W.T.A.

Memorandum Date: February 2, 2011

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: David Suchart, Management Services Director

AGENDA ITEM TITLE: IN THE MATTER OF AUTHORIZING CAPITAL IMPROVEMENTS TO THE RIVERSTONE COMMUNITY HEALTH CLINIC, RICHARDSON PARK MARINA, PUBLIC WORKS CUSTOMER SERVICE CENTER, LANE EVENTS CENTER CONVENTION CENTER, AND PUBLIC SERVICE BUILDING/COUNTY COURTHOUSE COMPLEX FOR DEBT FINANCING

I. MOTION

None – This is a discussion item only. An associated board order will be presented on February 2, 2011.

II. AGENDA ITEM SUMMARY

The Board has authorized certain projects to be financed through debt issuance and this item is to develop a finalized list of approved projects to be included with a Board Order authorizing debt financing to be presented on February 2, 2011.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Riverstone Community Health Center

On May 20, 2009 the Board determined it was in the public interest to acquire property to provide a new site for Community Health Center functions. Board Order (B.O.) 09-5-20-6 authorized the purchase the SELCO Credit Union building at 2073 Olympic Street in Springfield, Oregon. On June 24, 2009, said building was purchased for \$2,151,837 including closing costs.

On January 27, 2010 the Board amended the contracts with Chamber Construction (B.O. 10-1-27-11) and PIVOT Architecture (B.O. 10-1-27-12)

to include renovation of 2073 Olympic Street for the eventual occupancy of the Riverstone Community Health Clinic.

Richardson Park Marina

In January, 2009 the Board adopted the five-year Parks and Recreation System Development Charge (SDC) Capital Improvement Plan Priorities List for fiscal years 2010 through 2014 (B.O. 09-1-28-15). Priority 5 was total replacement and expansion of the Richardson Park Marina utilizing bonded debt.

Public Works Customer Service Center

On December 15, 2009, the Board agreed there is a need for a new location to house various functions of the Department of Public Works and awarded a contract to Pivot Architecture to begin phase one design work for a Public Works Customer Service Center (B.O. 09-12-15-5).

In March, 2010, the Board made the following orders:

- Public Works and Management Services to research, seek, and obtain alternate non-Road Fund funding and/or financing for the Public Works Customer Service Center (B.O. 10-3-31-16);
- Authorize an interfund loan from the Solid Waste Fund to the Roads Grant sub-fund of the Road Fund to provide interim financing (B.O. 10-3-31-17);
- Authorize the use of a Construction Manager/General Contractor (CMGC) for the project (B.O. 10-3-31-18).

On May 18, 2010, the Board approved phase two of the contract with Pivot Architecture (B.O. 10-5-18-1).

On June 23, 2010, the Board awarded the CMGC contract to Chambers Construction Company (B.O. 10-6-23-11).

In September 2010, the Board made the following orders:

- Approve the schematic design and directed staff to move forward with the design development phase and financing alternatives (B.O. 10-9-21-4);
- Approved phase three of the contract with Pivot Architecture (B.O. 10-9-21-5).

Lane Events Center Convention Center Roof

Over the last several years the Lane Events Center has discussed the deterioration of its facilities with the Board, including the roof at the Convention Center. At this time, the board has not taken formal action with regards to the roof.

Public Service Building/County Courthouse Complex

In April 2009, the Board approved award of a contract committing McKinstry Essention, Inc. to a Phase 2 Project Development Plan to remove and replace the steam heating system at the Public Service Building/County Courthouse Complex (B.O. 09-04-01-14).

B. Policy Issues

This item is being brought to the Board on behalf of the Facilities Committee in accordance with Lane Manual 3.515.

C. Board Goals

This item supports the board's goal of protecting the public's assets by maintaining, replacing, or upgrading the County's investments in systems and capital infrastructure.

D. Financial and/or Resource Considerations

The County will be seeking debt financing for the projects mentioned above. It is in the best interest of the County to combine outstanding projects into one debt issuance, to avoid additional issuance costs on individual projects.

Following are estimated costs to be financed through the issuance debt:

Riverstone Community Health Clinic	
Renovation of 2073 Olympic Street	\$1,250,000
Richardson Park Marina	
Replace and expand marina	1,000,000
Public Works Customer Service Center	
Renovation of existing industrial facility	5,200,000
Lane Events Center Convention Center Roof	
Roof and related wall system replacement	1,500,000

Public Service Building/County Courthouse Complex	
Upgrade HVAC system – steam conversion	<u>1,500,000</u>
Subtotal	10,450,000
Additional capacity estimated to cover issuance costs and original issue discount, if applicable	<u>285,000</u>
Total estimated to be bonded	<u>\$10,735,000</u>

E. Analysis

Riverstone Community Health Clinic - Lane County purchased a three-story building located at 2073 Olympic Street in Springfield, Oregon in 2009 to replace the main clinic site that is currently occupying rented space approximately 1 mile south of the new building. The project involves the renovation/alteration of approximately 21,140 square feet, of which approximately 13,124 square feet will be devoted to clinical care areas. The new site will significantly expand and enhance the County's ability to meet the medical needs of the uninsured and under-insured in our community. The new renovation/alteration will provide the following specific benefits:

- Increase capacity to see additional patients by increasing exam room capacity from 13 exam rooms in the current building to 24 exam rooms, including a full bariatric procedure room;
- Expand pediatric services by building a separate pediatric waiting room and dedicated pediatric exam rooms;
- Expand mental health services by including a designated mental health area for two additional mental health specialists and a psychiatric nurse practitioner on site;
- Improve clinic accessibility to elderly and handicapped individuals with a newer, more open floor plan with improved handicapped access;
- Improve the quality of administrative services provided to patients by moving billing staff to the main clinic where the billing staff can meet face-to-face with patients;
- Reduce rental expense by moving administrative and billing staff into one central location which will eliminate rental costs for the off-site space currently used by the billing staff;
- Secure a long-term facility to ensure patients with on-going, uninterrupted access to care. This project will enable the

Community Health Center to have an owned, rather than leased facility. The current location is in a leased facility with a relatively short term lease. There have been concerns that the lease would not be renewed and the clinic would be forced to find a suitable alternative location which might not enable the Health Center to meet capacity or operational needs.

Richardson Park Marina – Lane County owns and operates Richardson Park – an 88 site campground situated on the Fern Ridge reservoir and includes picnic and game areas, concessions, and a marina. The project involves the replacement of the marina which is in disrepair. Originally constructed in March of 1979 the 250 slip marina had an estimated useful life of twenty five years. Thirty one years later the marina fingers are twisting to the point they are unusable and unsafe. Three years ago the Parks Division removed twenty eight slips that deteriorated beyond the point of being useable, and other slips have been closed for safety reasons. Current demand by the boating community exceeds capacity by fifteen percent. A complete replacement of the marina will provide the following specific benefits:

- Replace the current, aging marina in its entirety
- Increase slip capacity from 250 to 295
- Insure a safe, usable marina to the boating public

Public Works Customer Service Center - Lane County Public Works interfaces with the public at numerous locations. In order to be more efficient and effective, a Customer Service Center is being developed to consolidate several service sites into one location.

The new Lane County Public Works Customer Service Center will be located in an existing industrial building on the Public Works Campus. This 30 year old industrial building is being renovated to provide office and meeting space for consolidated customer services for the following operations:

- Parks and open spaces
- Land use planning
- Building and sanitation permits
- Surveyors' office
- Facility and heavy haul permits
- Right of way use permits
- Certain department administrative services including:
 - Public information

- Executive management
- Labor relations.

The remodel project will be developed to provide energy efficient reception, office, and meeting space that promotes sustainability concepts and practices with the goal of LEED Certification.

Lane Events Center Convention Center Roof – The Convention Center roof at the Lane Events Center was originally installed in 1978. Although the roof has been patched and fixed over the years, additional repairs will not be sufficient to prevent leaks and their associated damage. As a result, the entire roof needs to be completely replaced.

The project will replace the metal roofing and the upper stucco wall systems. No structural repairs are required. The roof will be made solar ready so that those improvements can be made when economically feasible.

Public Service Building/County Courthouse Complex

The Eugene Water and Electric Board (EWEB) is the main provider of steam energy in Lane County, of which the Lane County Public Service Building/Courthouse Complex is a user. With the increase in the price of steam and the decline in customers using steam energy, a greater portion of the system operating costs are being shifted onto the remaining customers, pushing steam costs above the costs of other fuel alternatives. EWEB increased steam rates 25.8% in November 2010 and provided the following analysis of the average cost per square foot:

Steam heat (with 25.8% increase)	\$0.65
High efficiency natural gas	\$0.34
Electric heat pump	\$0.22

Furthermore, because the current steam distribution system is very old and no longer distributes steam efficiently to customers, significant capital investments are required to keep the current system operating. As a result, EWEB made the decision to shut down their steam system by June 1, 2012

This project will upgrade the heating and air conditioning system at the Public Service Building/Courthouse Complex and convert from EWEB steam energy to another energy source.

F. Alternatives/Options

1. Approve the above listed capital projects for debt.
2. Remove any or all of the above listed capital projects for debt.

IV. RECOMMENDATION

The Management Service Director recommends approval of the above listed projects for debt.

V. TIMING/IMPLEMENTATION

The approved projects will be included in a Board Order for adoption on February 2, 2011.

VI. FOLLOW-UP

Management Services staff will work with our financial partners to issue the debt.

VII. ATTACHMENTS

None.