

Introduction

On August 8, 2000 the County Board of Supervisors (BOS) conceptually approved the issuance of \$32.55 million in Certificates of Participation (COPs). The purpose of this issuance is to build 11 new County administrative, public safety, and health-related facilities. COPs are lease financing agreements in the form of securities that can be issued and marketed to investors in a manner similar to tax-exempt debt. Issuing COPs is a method of leveraging public assets and borrowing all or a portion of the value of the public agency's equity in those assets in order to finance other desired assets. By entering into a tax-exempt lease financing agreement a public agency is using its authority to acquire or dispose of property, rather than its authority to incur debt.

For purposes of effective project management, these 11 projects have been bundled together into a program of projects and are being called the County COP Facility Program. To effectively manage the debt service and timely delivery of the projects, an initial Strategic Plan was prepared in August 2000. The Strategic Plan is a comprehensive report that documents the strategy for implementing the Program and the progress of each project. It was proposed that this plan be updated annually and presented to the BOS. This is the second edition of this plan.

The plan is divided into five sections as follows:

- I. Executive Summary-**
 - (a) Introduction
 - (a) Project Development Process
 - (b) Program Master Schedule
 - (d) Status of Projects

- II. Project Descriptions-**
 - (a) Scope
 - (b) Project Budget and Funding Sources
 - (c) Baseline Schedule and Project Progress
 - (e) Site Plan; Photo

- III. Financing-**
 - (a) Financing Strategy
 - (b) Revenue Sources
 - (d) Expenditures

- IV. Implementation-**
 - (a) Roles and Responsibilities
 - (b) Reporting and Monitoring
 - (c) Project Charters

- V. Appendices-**
 - (a) August 8, 2000 Board Letter and Minute Order
 - (b) Project Prioritization
 - (c) COPs Preliminary Financial Report

Section I – Executive Summary

In Section II, the scope of each project is defined, a cost estimate is provided, and a schedule for completion is charted. This “baseline” description for each project will be monitored over the life of the project and scope, cost, and schedule changes for each project during the past year are documented in this section. In addition, the system for monitoring deviations, mitigating those deviations, and resolving cost and scheduling challenges is discussed in Section IV.

The total cost of the Program is \$69.32 million. However, 10% of the COPs issuance must be held in reserve for the duration of the financing term. Therefore, the true total cost of the Program is \$66 million. Of this amount, \$8.04 million is funded by a State grant, \$2.42 is funded by cash, \$33.29 is the proceeds from issuing the COPs, and \$22.24 represents interest expense. Included in the interest expense is an additional 1.3% of the COP proceeds for issuance costs and program management. Financing is discussed more thoroughly in Section III.

Table I-1

Project Name	Cash Contributed (million)	COP Amount (million)	10% Reserve Requirement (million)	Interest Expense + Issuance \$ (million)	Total Project Cost (million)
Clerk-Recorder Building	\$0.12	\$2.06	\$0.21	\$1.38	\$3.77
Casa Nueva Building	\$0.00 ¹	\$5.30	\$0.53	\$3.54	\$9.37
Rehab. Institute Building	\$0.90	\$5.10	\$0.51	\$3.41	\$9.92
Court Clerk’s Office	\$0.32	\$3.24	\$0.32	\$2.16	\$6.04
Juvenile Hall Expansion	\$8.27 ²	\$3.84	\$0.38	\$2.56	\$15.05
Juvenile Court	\$0.30	\$2.40	\$0.24	\$1.60	\$4.54
District Attorney Facility	\$0.25	\$5.25	\$0.53	\$3.51	\$9.54
SB Parking Structure	\$0.20	\$2.20	\$0.22	\$1.47	\$4.09
Courthouse East Wing	\$0.10	\$0.90	\$0.09	\$0.60	\$1.69
Lompoc ADMHS Clinic	\$0.00	\$1.00	\$0.10	\$0.67	\$1.77
Engineering In-Fill	\$0.00	\$2.00	\$0.20	\$1.34	\$3.54
Total	\$10.46	\$33.29	\$3.33	\$22.24	\$69.32

¹ \$1.5 million was applied toward this project in cash but is proposed to be reimbursed by the COP proceeds.

² \$8.04 million of this amount represents a State Board of Corrections grant. The remaining cash contribution is actually \$825,000, but \$600,000 is proposed to be reimbursed by the COP proceeds.

Section I – Executive Summary

Status of Projects

This section is a summary of the current status of each project and a description of major scope, cost, and schedule changes since August 2000.

Clerk-Recorder Building

Status:	The project is currently in the schematic design phase.
Scope Changes:	The project site was expanded 16' in the westerly direction and 16' in the southerly direction into the Administration Building parking lot to accommodate a larger building footprint with appropriate setbacks.
Cost Change:	The Construction cost estimate increased by \$32,500 due to this scope change.
Schedule:	The completion date has been extended one year for the following five reasons: 1) project did not start as planned (2 months); 3) architect contract negotiations (3 months); consideration of adding 3 rd floor to building (2 months); 4) scope change discussed above (2 months); 5) architect requested additional design time (3 months).

Casa Nueva Building

Status:	The architect is preparing the construction drawings and specifications with advertisement for construction bids planned for December 2001.
Scope Changes:	The building was expanded in size from 25,600 sf to 28,020 sf based on the discovered needs of the prospective tenants for this building.
Cost Change:	The project cost estimate increased from \$4.58 million to \$5.01 million due to this scope change. Additionally, \$290,000 has been added to the budget to enhance the project's quality based on a very tight initial budget estimate.
Schedule:	The completion date has been extended one month due to the aforementioned scope change.

Rehabilitation Institute Building

Status:	An architectural program for this project will be prepared beginning in August 2001 and an architect will be hired by October 2001.
Scope Changes:	The original project scope was to remodel the existing 26,000 sf building after the Rehabilitation Institute moved out. After re-inspecting the building, it was decided not to remodel this building, but to demolish it and replace it with a like-sized, 2-story building. The analysis to make this decision is included in a report entitled " <i>Rehabilitation Building Project Alternatives.</i> "

Section I – Executive Summary

Rehabilitation Institute Building cont.

Cost Change:	The project cost estimate increased from \$2.23 million to \$6 million due to this scope change. Funding sources have not been identified to completely fund this project (see financing section for further discussion).
Schedule:	The completion date has been extended 21 month due to the aforementioned scope change.

Santa Maria Court Clerks Building

Status:	The project is currently in the schematic design phase.
Scope Changes:	None
Cost Change:	The project cost estimate has been increased by \$31,000 to allow for an increased amount of on-site inspection during construction.
Schedule:	The completion date has been extended one year for the following reasons: 1) consideration was given to relocating the building across the street into an existing building (7 months); 2) Architect requested additional design time (5 months).

Santa Maria Juvenile Hall

Status:	The project is currently in the design development phase.
Scope Changes:	Due to budget constraints, it has been decided to cut 10 beds and only provide 80 new beds. Support areas have been cut in proportion to this decrease in scope. Also, furniture has been added to the project scope.
Cost Change:	The project cost estimate has been increased by \$200,000 to allow for an increased amount of on-site inspection during construction.
Schedule:	The completion date has been extended 5 month due to the aforementioned scope change.

Santa Maria Juvenile Court

Status:	The project is currently in the design development phase.
Scope Changes:	Furniture has been added to the project scope.
Cost Change:	The project cost estimate has been increased by \$65,000 to allow for an increased amount of on-site inspection during construction.
Schedule:	The completion date has been extended 5 month due to the scope change associated with the Juvenile Hall.

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District Attorney Building

Status:	An architect has been hired and will begin schematic design in August 2001.
Scope Changes:	None.
Cost Change:	None.
Schedule:	The completion date has been moved up by 3 years in response to a decision by the District Attorney and General Services to expedite this project.

Santa Barbara Parking Structure

Status:	This project was conceptually approved for inclusion in the Program in July 2001. An RFP for engineering/architectural services will be circulated in August 2001.
Scope Changes:	None. This is a new project.
Cost Change:	None. “ “
Schedule:	None. “ “

Courthouse East Wing

Status:	This project has not started yet.
Scope Changes:	It has been decided that shower/locker room facilities will be installed in the basement of this building for the Sheriff's Civil Division staff. This will begin after the District Attorney temporarily relocates from the basement into leased space.
Cost Change:	None.
Schedule:	The completion date has been moved up by 3 years in response to a decision by the District Attorney and General Services to expedite the District Attorney Building. (This project is a remodel of the space the District Attorney currently occupies.)

Lompoc ADMHS Clinic

Status:	This project has not started yet.
Scope Changes:	None.
Cost Change:	The project cost estimate has arbitrarily been reduced by \$71,000 to \$1,000,000.
Schedule:	No change.

Section I – Executive Summary

Engineering In-Fill

Status:	This project has not started yet.
Scope Changes:	Furniture has been deleted from the project budget.
Cost Change:	The project cost estimate has been reduced to \$2,000,000 to account for the aforementioned scope change.
Schedule:	No change. However, consideration is being given to expediting this project.