



SOUTH COUNTY FACILITY WORKSHOP

December 20, 2016

GOALS FOR THE WORKSHOP

- Provide general overview on McFlex Civic Center, and related financial questions
- Provide (outgoing) Supervisors a final opportunity to comment on this longstanding issue.
- Establish process and next steps
- Will Address:
 - The County's mission, and best way to accomplish it in Mammoth Lakes
 - History of McFlex acquisition, MOU's and policies to date.
 - Continuing opportunities for collaboration with local agencies
 - Can the County afford this?
 - Why rent?
 - Decision Inputs we have and need
 - Next Steps, Process

FULFILLING OUR MISSION IN MAMMOTH

We want:

- A recognizable location
- Convenience, access
- Proximity to other agencies
- Close to transit
- Security
- Privacy
- Building and operational efficiency
- Long Term Stability
- Fiscal Investment/Asset Creation

Want to Avoid:

- Multiple locations
- Confusing or incompatible layout
- Substandard building conditions
- Landlord Disputes
- Inefficiencies
 - Building
 - Department/Agency distance

STRATEGIC PLAN FOCUS AREAS

McFlex

- Collaborative Solutions
- Infrastructure
- Best Place to Work

Sierra Center Mall

- Collaborative Solutions
- Infrastructure
- Best Place to Work

MISSION COLLABORATION AT MCFLEX

- R06-58, R07-51
- Town Planning, Zoning
- 2008 Denial to Purchase SCM (for \$27m)
- AOC Agreement, parking lease
- Sign Agreements with AOC, Town

MCFLEX. STILL RELEVANT?

- Even more relevant
 - AOC Moved out of Sierra Center Mall rented space and built on McFlex
 - Police Station moves out of rented space and is building on McFlex
 - Hospital proceeding/expanding according to plans on McFlex
- Town/County Joint meeting – Yes, still interested
- Town County Liaison Meeting – Yes, still interested
- This is now the only location where an inclusive Civic Center can be built.

HOW MUCH IS THIS GOING TO COST?

- Collaborative Design Studio Report
 - Cost of Construction (Town/County Facility) **\$34.28m**
 - Cost of Construction (County Only) **\$22.6m (\$527/sf)**
- November 2016 Refinements
 - Parking
 - Utilities
 - Site Prep
 - Soft Costs
 - Permitting
 - IT Special Needs
 - Fire Dept Requirements
- After Refinements
 - County only Facility: **\$24.94m (\$580/sf)**

CAN WE AFFORD IT?

- At this time, County Pays \$1,126,000 per year in Rent and CAMS.
- \$25m facility = \$1,586,000 per year in Debt Service and Operations.
- Year 1, would require approximately \$240,000 from General Fund with remainder coming from state/federal reimbursements.
- Conclusion?
 - Yes, we can afford it.

WHY RENT, OR PURCHASE?

1. To save a lot of money

SAVE FOR TODAY VS. SAVE FOR TOMORROW

Renting may save money today, to...

- Build Reserves now
- Fund maintenance of existing County facilities now
- Fund / construct new facilities now
- Enhance services now

Building will save money tomorrow...

- In 20 years, our costs and future would be known
- In 30 years, we would hand off a rent-free building to successors
- They would be able to do all those things to the left—except to a much greater degree
- Equity to collateralize future projects

DECISION INPUTS

- Information we will have by January 17, 2017
 - McFlex Building Cost Estimate
 - McFlex Financial Analysis
 - Specific Needed Square Footage at SCM
 - Requested Lease terms
- Information we need
 - Final Offer from SCM

SCM NEGOTIATIONS

- Staff working with SCM owners on negotiating terms of lease for County space.
- County is seeking best deal possible for long-term customer service that is safe and comfortable for customers and employees.
- Looking to secure a Purchase Option as part of the deal.
- In 2008, Doheny LLC put it on paper (\$27m), it was denied.
- Need Final Offer for February 21 Board meeting

NEXT STEPS

- Negotiations with SCM
- Prepare McFlex financial analysis for Board consideration
- Continue to coordinate with Town on Joint Facility Concept in general
- Continue to coordinate with Town on McFlex potential
- January 17, 2017 Board Meeting, Financial Analysis of McFlex
- February 21, 2017 Board Meeting, consideration of SCM Offer
 - Sep 13, 2016 Offer or subsequent offer