



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Public Works



DATE: February 16, 2012
BOARD MEETING DATE: February 28, 2012
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: 4/5ths

TO: Honorable Board of Supervisors

FROM: James C. Porter, Director of Public Works

SUBJECT: Approve an Appropriation Transfer Request for the Construction and Occupancy Costs of One Circle Star Plaza (Project No. PL102)

RECOMMENDATION:

Approve an Appropriation Transfer Request (ATR) in the amount of \$6,264,500 from General Fund ERAF reserves to Capital Projects for construction and occupancy costs for One Circle Star Plaza.

BACKGROUND:

On January 25, 2011, your Board authorized execution of a Purchase and Sale Agreement for the acquisition of the Circle Star Plaza (CSP). The complex includes two four-story office buildings totaling 208,000 square feet, the adjacent 400 space parking structure and an additional 286 surface level parking spaces.

At the budget workshop on January 31, 2012, Acting County Manager John Maltbie proposed occupying the south building of Circle Star Plaza (CSP/S) and leasing the north building (CSP/N) to generate income. The proposed occupants of CSP/S are departments with leases expiring in 2012 including Housing, the Children and Family Services Division of Human Services, Behavioral Health and First Five. In addition, space will be built out for the Human Services Administration Division in anticipation of an early exit from their leased space at 1 Davis in Belmont. These departments will occupy the upper floors of CSP/S which will be ready for occupancy in September and October of 2012.

Staff is also studying the viability of CSP/S as a location for the Public Safety Communications dispatch center. If all the requirements of a dispatch center can be met cost-effectively at CPS/S, the Dispatch Center will move to the first floor in early 2013. The costs of that move are not included in this ATR. A separate ATR to fund additional analysis of the building as a location for Dispatch will be brought to your Board separately.

Leasing the 104,000 square foot CSP/N building is projected to generate at least \$2 Million a year in revenue. The lease income is projected to start in January of 2013, generating \$1 Million in FY 12/13 and \$2 Million in future fiscal years.

The occupy/lease plan was supported by the Board at the budget workshop.

DISCUSSION:

Constructing the tenant improvements and preparing the building for occupancy by the departments exiting leases in 2012 are the next steps in the CSP project. The proposed budget for this is \$6,264,500. The budget includes just under \$2 Million for construction and \$1.4 Million for IT data and telecom connectivity. Approximately half of the IT costs are for connections to the County central system and the other half are for IT connections for work stations in CSP/S. Project management is funded at \$100,000 and contingencies at \$350,000 for a total construction cost of \$3.8 Million.

Other costs associated with the move to CSP/S include interior design, engineering consultants, office furniture, moving costs and security. These associated costs total just under \$2.4 Million and include \$870,000 for office system layout, component delivery and set up and \$950,000 for moving and logistics. Most of the furniture at CSP/S will be reused and come from the County surplus stock of Pleion office system components.

Authorization of the ATR contributes to the Shared Vision 2025 outcome of a Collaborative Community by providing funding to occupy the Circle Star property and reduce the County's long term operating expenses.

FISCAL IMPACT:

Using one-time ERAF Reserves to fund the tenant improvements for CSP/S is consistent with the County Reserve Policy. The rent charged to CSP/S occupants will include depreciation over 15 years of the tenant improvements and all claimable furniture costs. This rent component is projected to about \$0.28 sq. ft. / month for CSP tenants. The tenant improvement depreciation payments are projected to return between \$400,000 and \$600,000 a year to the General Fund, depending on when the Human Services Agency staff at 1 Davis staff move to CSP/S.

COUNTY OF SAN MATEO APPROPRIATION TRANSFER REQUEST

REQUEST NO.

APR 12 0922

ALLIANCE

Public Works

DATE

2/17/2012

1. REQUEST TRANSFER OF APPROPRIATIONS AS LISTED BELOW:

	C O D E S		AMOUNT	DESCRIPTION
	FUND OR ORG.	ACCOUNT		
From	85170	2731	6,264,500.00	Operational Transfer In
	80120	8612	6,264,500.00	Non-Departmental ERAF Reserves
To	80110	7546	6,264,500.00	Non-Departmental Transfer Out
	85170	7211	6,264,500.00	Fixed Assets - Structures/Improvements

Justification. (Attach Memo if Necessary)

Transfer funds from non-departmental reserves to capital projects to fund Circle Star / South Facility improvements (see Board Memo for 2/28/12 Board date).

DEPARTMENT HEAD

BY:

DATE

2-17-12

☐ Board Action Required

☒ Four-Fifths Vote Required

☐ Board Action Not Required

Remarks:

COUNTY CONTROLLER

BY:

DATE

2/17/12

3. ☒ Approve as Requested

☐ Approve as Revised

☐ Disapprove

Remarks:

COUNTY MANAGER

BY:

DATE

2/17/12

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BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

RESOLUTION TRANSFERRING FUNDS

RESOLUTION NO. _____

RESOLVED, by the Board of Supervisors of the County of San Mateo, that

WHEREAS, the Department hereinabove named in the Request for Appropriation, Allotment or Transfer of Funds has requested the transfer of certain funds as described in said Request; and

WHEREAS, the County Controller has approved said Request as to accounting and available balances, and the County Manager has recommended the transfer of funds as set forth hereinabove:

NOW, THEREFORE, IT IS HEREBY ORDERED AND DETERMINED that the recommendations of the County Manager be approved and that the transfer of funds as set forth in said Request be effected.

Regularly passed and adopted this _____ day of _____, 19____.

Ayes and in favor of said resolution:

Noes and against said resolution:

Supervisors: _____

Supervisors: _____

Absent
Supervisors: _____

ATTEST:

CHAIRMAN, BOARD OF SUPERVISORS
COUNTY OF SAN MATEO

Clerk of Said Board

DISTRIBUTION:

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