



Board of County Commissioners
Board Work Session
Wednesday, August 14, 2024
2:00 PM to 4:30 PM
3000 Pacific Avenue SE, Room 110

For public virtual attendance, you may follow along on the [Thurston County YouTube Channel](#).

AGENDA

- I. **BoCC Courthouse Campus Subcommittee Update – Informational**
- II. **Executive Session – RCW 42.30.110 (1)(b):** To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price. – *Purchase of a Building – Approximately 30 minutes – Board action may follow.*
- III. **Executive Session – RCW 42.30.110 (1)(b):** To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price. – *Purchase of a Building, Sheriff's Office – Approximately 30 minutes – Board action may follow.*
- IV. **Resolution for the Purchase of Thurston County Sheriff's Office Vehicles and Radios**

Motion: Move to approve the resolution authorizing Central Services to purchase 18 Ford vehicles, included in the approved 2024-25 Operating Budget, and 18 mobile and portable radios, included in the approved 2025 ER&R Equipment List, for Thurston County Sheriff Deputies.
- V. **Commissioners Items – Discussion**

Disability Accommodations: Room 110 is equipped with an assistive listening system and is wheelchair accessible. To request disability accommodations, call the Reasonable Accommodation Coordinator at least 3 days prior to the meeting at 360-786-5440. Persons with speech or hearing disabilities may call via Washington Relay at 711 or 800-833-6388.

Fiscal Capacity & Interim Option for Courthouse Renovation Project (“As Is”)

August 14, 2024



08/14/2024

Commissioners Office/Central Services

Fiscal Capacity: Bond Option

- The county is currently planning to issue \$32 million in bonds in late September 2024
 - \$20 million to purchase and remodel a building for Sheriff Law Enforcement
 - \$10 million to remodel the Elections Ballot Processing Center at Mottman
 - \$2 million for FJC Security Project or contingencies
 - Paid from Public Safety Sales Tax and General Fund
- The current bond proceeds could be used for these projects. This could allow capacity in REET 1 in the amount of the bond payments.

Fiscal Capacity: Bonds and REET

- Approximately \$43 million remains of the 2022 Bond \$50 million proceeds.
 - Funds may be used for land purchase, construction and remodel.
 - May not be used for leases or maintenance / operating costs.
- Bond payments are currently made from REET 1. There is no additional capacity in REET.
 - 2024 and 2025 payments are \$2.3 million
 - 2026 and future year payments are \$3.5 million
 - 2024 REET 1 revenue is currently estimated to be approximately \$2.8 million, with 3% to 5% growth in future years, which is enough to cover bond payments.

Fiscal Capacity: Property Value

- Property owned by the county could be sold to offset the price of new property or leases.
- As stated on Slide 5, the assessed value of the properties is \$27 million.
- Other properties owned by the county are either used for specific purposes, such as the Tilley Campus for Public Works or the Thurston County Corrections Center. Vacant properties owned by the county have very little value, as they are for the most part flood land, wetlands, or utility set-asides.

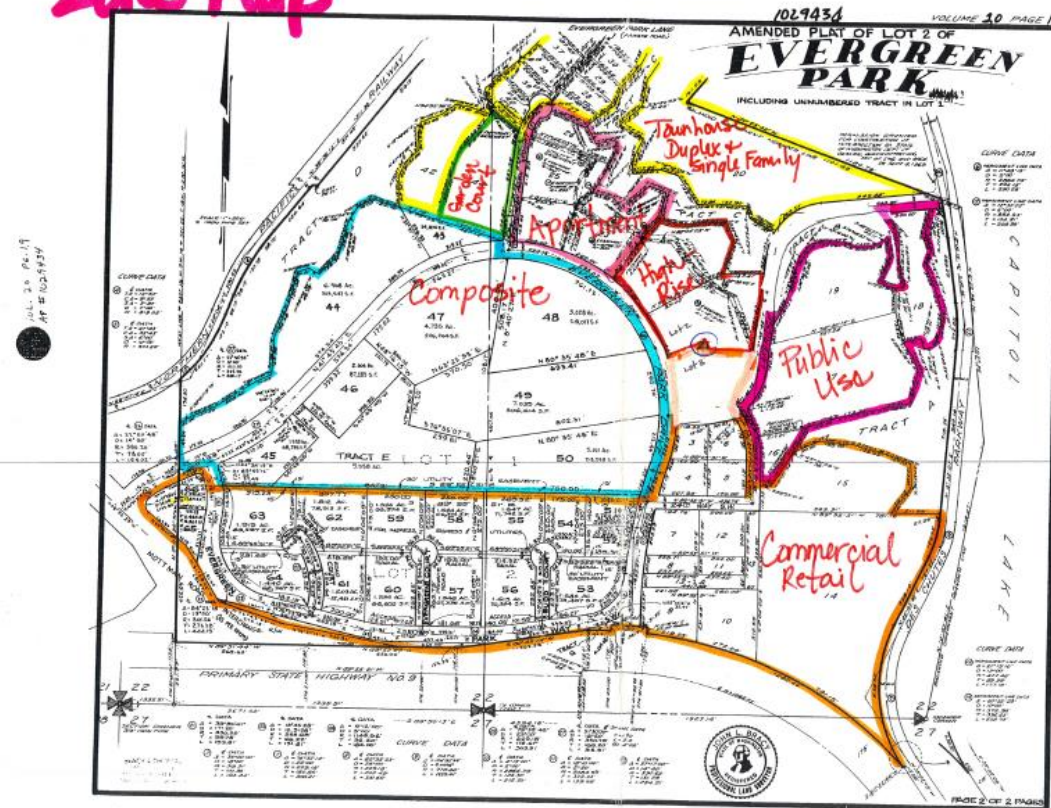
Hilltop Properties Appraisal Values

- **April 20, 2017 appraisal for property and Buildings 1 – 6 is \$7.8M**
 - Buildings 1 – 3 “Highest & Best Use” Commercial or (speculatively) Residential
 - Buildings 4 – 6 “Highest & Best Use” Commercial
- **\$22M Assessor’s Office valuation (2023/2024) for Buildings 1 – 3**
- **\$5M Assessor’s Office valuation (2023/2024) for Buildings 4, 6 & 7**

Current Zoning Designations

- Buildings 1 – 3 “Public Use – Thurston County Courthouse”
- Buildings 4 – 6 “Commercial Retail”

Zone Map



Zones:

- Composite = blue
- Commercial Retail = orange
- Apartment = pink
- Garden Court = green
- Townhouse Duplex w/ Single Family = yellow
- High Rise = red
- Public Use = purple

Fiscal Capacity: Leases

- The ability to create fiscal capacity for options is based on the county's ability to end current leases. There is one major lease the county pays: the Atrium.
 - Annual lease payments for the Atrium, including maintenance and operating costs, are approximately \$3.25 million
 - The payments are approximately \$2 million General Fund and \$1.3 million Other Funds
 - The current lease at the Atrium expires in 2029. There is no early exit clause.

Fiscal Capacity: Reserves

- There are currently no reserves available to add to capacity for a future capital project
 - The General Fund 2024 beginning fund balance of \$38.9 million is anticipated to be considerably less at the end of the year. The fund balance is necessary to address the current structural fiscal deficit over the next three to eight years.
 - The Budget Stabilization Fund has a balance of \$4 million and is designated for emergencies.
 - The REET 1 Fund has a current balance that is sufficient to meet bond payment and cash flow needs.

Fiscal Capacity: What We Can Afford

- A new courthouse would cost approximately \$250 million.
- A public-private partnership, a lease-to-own, or a design-build project would all require annual payments of approximately the same amount.
- For either a public-private partnership or a design-build project, if we used the currently available bond proceeds (\$43m) and sold all the hilltop property (\$27m), we would need an additional \$180 million. The options are a levy lift or an unlimited general obligation bond.

Fiscal Capacity: Levy Lift

- A levy lift requires a simple majority vote.
- A levy lift for any type of capital project may be for a maximum of 25 years.
- Using a bond payment as an example:
 - $\$180 \text{ million} \times 5\% \text{ interest} \times 23 \text{ years} = \13.4 million
 - Using the 2024 Thurston County property value of \$60 billion, the general fund levy rate would be increased by 22 cents per \$1,000.

Interim Option for Courthouse Renovation Project

- Step 1: Building 1 - Level 2 Minimal Renovation. Move PAO from Buildings 2, 5 and partial Family Juvenile Court to Building 1
 - *September 2024 - June 2025* **Bond:\$500K-\$1M** Other Funding: \$750K
- Step 2: Building 2-Level 2 Minimal Renovation. Move Pretrial from Building 4
 - *July 2025 - October 2025* **Bond: \$100K** Other Funding: \$60K
- Step 3: Building 1-Level 1 Minimal Renovation. Move Resource Hub from Building 4
 - *July 2025 - October 2025* **Bond: \$50K** Other Funding: \$30K
- Step 4: Move Family Services from Building 5 to Family Juvenile Court
 - *July 2025 - October 2025* **BOND: \$500K** Other Funding: \$50K

Interim Option for Courthouse Renovation Project

- Step 5: (Optional) Move Probation Building 3 lower level to main floor & Expand District Court administration functions into vacated Sheriff's Office area
 - *May 2025 – June 2025* **Bond: None** Other Funding: \$50K
- Step 6: (Optional) Expand Superior Court administration functions into vacated PAO area in Building 2 – Level 2
 - *July 2025 – August 2025* **Bond: \$100K** Other Funding: \$50K
- Step 7: Move Public Defense from Buildings 6 & 7 into Building 5 as-is.
 - *November 2025* **Bond: None** Other Funding: \$100K

Interim Option for Courthouse Renovation Project

Result: This plan would completely vacate the “Block” (Bldgs 4, 6 & 7) making it available for constructing a New Courthouse and/or Administration Building or to sell.

Cost: This plan would require \$1M - \$2M of the bond leaving over \$40M for future project(s). Also, \$500K - \$1M of other funding would be needed to provide furniture and equipment.

RESOLUTION NO. _____

A **RESOLUTION** of the Board of County Commissioners of Thurston County authorizing Central Services to immediately place an order for 18 vehicles from the Ford Motor Company for Sheriff deputies and 18 mobile and portable radios.

WHEREAS, Resolution 16345, the 2024-2025 Operating Budget approved by the Board of County Commissioners on December 15, 2023, included appropriation authority for the purchase of 18 vehicles and radios for new Sheriff deputy positions as part of the 2025 budget; and

WHEREAS, Attachment B to Resolution 16342, the ER&R 2025 Equipment List, was approved by the Board of County Commissioners on December 15, 2023 includes authorization to purchase the vehicles and radios in 2025; and

WHEREAS, Sheriff deputies are unable to fulfill their duties without assigned vehicles and radios and current supply-chain and market conditions indicate that it currently takes approximately twelve months to receive new Sheriff patrol vehicles once they are ordered; and

WHEREAS, the Ford Motor Company's ordering window through the Washington State Department of Enterprise Services for the required Sheriff patrol vehicle is currently open and may close at any time without notice once they have received sufficient orders for this year's production; and

WHEREAS, RCW 36.33A.030 requires Board approval of the purchase of equipment; and

WHEREAS, RCW 36.33A.060 requires moneys accumulated in the equipment rental and revolving fund shall be subject to budgetary regulations, and

WHEREAS, RCW 36.40.100 limits the making of expenditures or incurring of liabilities to the amount of the detailed appropriations; and

WHEREAS, it is in the best interest of county citizens to ensure vehicles and radios are on-site and ready to deploy when Sheriff deputies are hired and commissioned.

NOW, THEREFORE, the Board of County Commissioners of Thurston County, State of Washington, does resolve as follows:

Section 1. Central Services is hereby authorized to immediately place an order for 18 vehicles and radios that had been authorized in the 2025 budget and on the ER&R 2025 Equipment List.

Section 2. Should vehicles arrive prior to 2025, 2024 appropriation authority may be used to pay for the vehicles and related equipment.

Section 3. The cost of the vehicles and radios shall be billed to the Public Safety Sales Tax

fund.

Section 4. **CORRECTIONS.** Upon approval of the Prosecuting Attorney's Office, the Clerk of the Board is authorized to make any necessary corrections to any section, subsection, sentence, clause, phrase, or other portion of this Resolution for scriveners or clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 5. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

ADOPTED: _____

ATTEST:

BOARD OF COUNTY COMMISSIONERS
THURSTON COUNTY, WASHINGTON

Clerk of the Board

TYE MENSER, Chair

APPROVED AS TO FORM:

WAYNE FOURNIER, Vice Chair

JON TUNHEIM
PROSECUTING ATTORNEY

CAROLINA MEJIA, Commissioner

By:  _____
Deputy Prosecuting Attorney

GARY EDWARDS, Commissioner

EMILY CLOUSE, Commissioner