PCLC ACTION REQUEST FORM

PCLC Meeting: July 24, 2014

Title:	**Code Section(s):**
Proposal for Judicial Council-Sponsored Legislation: (Court Facilities) Legislation to Use One-time Cash Court Facilities	None

Advisory Committee or other entity submitting the proposal:	**Advisory Committee Staff:**
Court Facilities Advisory Committee Hon. Brad R. Hill, Chair Hon. Patricia M. Lucas, Vice-Chair Hon. Jeffrey W. Johnson, Chair of the Courthouse Cost Reduction Subcommittee	Curtis L. Child William J. Guerin Kelly Quinn

OGA Staff Recommendation:	**OGA Staff:**
Recommend Judicial Council Sponsorship	Cory Jasperson

Additional Information for PCLC:

The Court Facilities Advisory Committee met on July 18, 2014, and recommended legislation be sought to use the $40 million one-time cash available for courthouse capital projects due to the fiscal year (FY) 2014–2015 Budget Act Immediate and Critical Needs Account (ICNA) reduction from $50 million to $10 million for trial court operations. Because the recommendation will result in legislation, this proposal must be approved by the Policy Coordination and Liaison Committee prior to being brought to the Judicial Council on July 29, 2014 and prior to August 4, 2014 when the Legislature reconvenes.

Judicial Council of California · Administrative Office of the Courts

455 Golden Gate Avenue · San Francisco, California 94102-3688

www.courts.ca.gov

REPORT TO THE JUDICIAL COUNCIL

For business meeting on July 29, 2014

Title
Court Facilities: Legislation to Use One-time Cash Available for Courthouse Capital Projects

Rules, Forms, Standards, or Statutes Affected
None

Recommended by
Court Facilities Advisory Committee
Hon. Brad R. Hill, Chair
Hon. Patricia M. Lucas, Vice-Chair
Hon. Jeffrey W. Johnson, Chair of the Courthouse Cost Reduction Subcommittee

Agenda Item Type
Action Required

Effective Date
July 29, 2014

Date of Report
July 18, 2014

Contact
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Executive Summary

The Court Facilities Advisory Committee recommends legislation be sought to use the $40 million one-time cash available for courthouse capital projects due to the fiscal year (FY) 2014–2015 Budget Act Immediate and Critical Needs Account (ICNA) reduction from $50 million to $10 million for trial court operations.

Recommendation

The Court Facilities Advisory Committee recommends that the Judicial Council, effective July 29, 2014, take the following action:

1. Seek legislation to appropriate funds for Preliminary Plans and Working Drawings for the Sacramento–New Sacramento Criminal Courthouse, subject to review and approval by the Courthouse Cost Reduction Subcommittee of the council's Court Facilities Advisory

Committee, with no commitment to move the project into Construction until construction-funding legislation has been enacted.

2. Direct the Court Facilities Advisory Committee to review feasible options for use of any balance of funds made available through authorizing legislation for a future recommendation to the Judicial Council, consistent with Senate Bill (SB) 1407.

Previous Council Action

On January 17, 2013, the council determined that the Sacramento–New Sacramento Criminal Courthouse project move forward with its site acquisition, to seek necessary funding and acquisition approvals for its preferred site; however, work on its pre-design and design would be suspended and indefinitely delayed.

On February 26, 2013, the council directed that the Administrative Office of the Courts (AOC) submit FY 2014–2015 funding requests to the state Department of Finance to meet their July 2013 submission deadline for the next phase in all SB 1407 projects pending availability of SB 1407 funds.

Rationale for Recommendation

This fiscal year, the ongoing, annual reduction of $50 million[1] from the ICNA has been reduced to $10 million, making $40 million available to apply toward the advancement of SB 1407 courthouse capital projects. However, no legislation was enacted authorizing use of these funds in FY 2014–2015. Action by the council is recommended to establish its position on use of these funds.

Anticipating that additional SB 1407 funds may become available in the near term, the advisory committee discussed this matter at its meeting on March 12, 2014, in relation to the last four projects indefinitely delayed by the council, which occurred in January 2013. These projects were: Fresno–Renovate Fresno County Courthouse, Los Angeles–New Southeast Los Angeles Courthouse[2], Nevada–New Nevada City Courthouse, and Sacramento–New Sacramento Criminal Courthouse.

The advisory committee directed staff to update the scope and budgets of these projects, in the event that funding became available to move one or more of these projects forward. Of these projects, it was determined that the Sacramento capital project had priority because the council had allowed it to advance toward completion of its site acquisition phase. Since it was

[1] Established as ongoing through the enactment of the 2012 Budget Act (FY 2012–2013), $50 million is the required reduction each fiscal year from the SB 1407 courthouse construction program's ICNA to offset trial court General Fund reductions for operations.

[2] At this meeting, the advisory committee agreed that the Superior Court of Los Angeles County could identify which of the three indefinitely-delayed Los Angeles projects would have relative priority over the other two, and the court subsequently selected the Los Angeles–New Glendale Courthouse.

indefinitely delayed in January 2013, the project has progressed to complete its site acquisition, which was approved by the State Public Works Board on July 18, 2014. Approximately $27 million is required to complete design—both Preliminary Plans and Working Drawings phases—of the Sacramento project.

Given the site was recently acquired for the Sacramento project, the advisory committee recommends approximately $27 million of the available one-time funds be applied to complete the design phases of this project. The advisory committee believes this action is consistent with the incremental funding approach taken by the council to move this important capital project forward.

The advisory group discussed the potential use of the remaining $13 million in one-time funds. There are several options for use of these funds that would accelerate the SB 1407 construction program or reduce future bond liability. Consequently, the advisory committee recommends it be directed to review feasible options for use of any balance of funds made available through authorizing legislation, consistent with SB 1407. The result of this analysis would be communicated in a future recommendation to the Judicial Council, expected by the end of the year.

Comments, Alternatives Considered, and Policy Implications

The advisory committee held an open public meeting by conference call on July 18, 2014, to consider for recommendation to the Judicial Council of California how these one-time funds should be applied toward courthouse capital projects. In accordance with the California Rule of Court 10.75, a notice was posted five business days in advance of the meeting, indicating where written comments could be sent—due to the public meeting occurring by conference call rather than in-person—up to one business day before the meeting. Only one comment was received and is attached.

No alternatives to the recommended action were considered.

Implementation Requirements, Costs, and Operational Impacts

No costs are involved in implementing the recommended council action, because it is performed on behalf of the council by AOC staff.

Relevant Strategic Plan Goals and Operational Plan Objectives

The recommended council action supports Goal III (Modernization of Management and Administration) and Goal VI (Branchwide Infrastructure for Service Excellence).

Attachment

1. Public Comment Letter from the Superior Court of Monterey County

SUPERIOR COURT OF CALIFORNIA
COUNTY OF MONTEREY
240 Church Street • Salinas, California • 93901 • (831) 775-5400
www.monterey.courts.ca.gov

July 15, 2014

Hon. Brad R. Hill, Chair
Court Facilities Advisory Committee
Judicial Council of California
455 Golden Gate Avenue
San Francisco, CA 94102-3688

Dear Chairman Hill and Members of the Court Facilities Advisory Committee:

On behalf of Monterey County Superior [Court], we are contacting you today to seek guidance and direction regarding the South Monterey County Courthouse [SMCC] facility project which was indefinitely delayed due to the state's redirection of courthouse construction funds to the general fund in 2012. As you are aware, the SMCC 'immediate need' project was placed on indefinite delay just following the final design aspect of the project, and slated to be 'reassessed' since the original design accommodated a new judgeship that was later eliminated by adoption of the new judgeship requirements by the Judicial Council in late 2012.

Our request today for direction and assessment concerns a significant clause in the Property Acquisition Agreement which will require the State to reconvey the donated property back to the City of Greenfield if commencement of construction has not occurred within (5) years from the close of escrow. We are concerned that if no action is taken to move forward with this facilities project or steps taken to retain the property prior to the end of 2016, we run the risk of losing this parcel of land. We are requesting that the Court Facilities Advisory Committee [CFAC] provide direction as to how the Court might retain the land donated to the State for the purposes of building a courthouse.

While the Court understands that funding for any indefinitely delayed SB 1407 project has not substantially changed since 2012, we are also concerned that the initial investment made by the City of Greenfield, a small agriculturally based community, to acquire, develop and donate the land at a cost of approximately $5 million may be soon lost if we do not position this project to reaffirm our collective commitment to the City of Greenfield. This also holds

true for the State's substantial monetary investment dedicated to finalizing the site selection, acquisition and design phase in collaboration with the local project advisory group.

The Court is mindful that the modification in judicial allocations necessitates a reduction in the scope of the SMCC project and affirms our commitment to finding significant ways to reduce the overall costs of the project by evaluating the square footage, reducing the number of courtrooms, possibly redesigning to a single-story facility, utilizing set templates, and evaluating where lower-cost construction methods may be used at the direction of the CFAC.

The Court's urgency in revitalizing the 'reassessment' and seeking the CFAC's direction for next steps is based on the potential of losing the parcel of land, originally purchased by the City of Greenfield for approximately $1.4 million, donated to the State and committed to the SMCC project. Pursuant to the Property Acquisition agreement, "If commencement of construction has not occurred within (5) years from the close of escrow, the State will reconvey the property back to the grantor (City of Greenfield)." Although the Property Acquisition agreement also includes a "meet and confer" option to extend the commencement of construction for a period of time, the Court senses that without a measure of good faith, the City of Greenfield will not utilize this option at the end of 2016.

Since a significant portion of any courthouse construction project is typically allocated to the site acquisition and design and these investments have already been made by the State and the City of Greenfield, the Court is hopeful that the CFAC's will consider the weight of these factors when considering a 'reassessment' of taking some action regarding the SMCC project.

On behalf of the Court, we thank the CFAC for the time and energy dedicated to ensuring the efficient use of courthouse construction funds throughout the State. We are sincerely grateful for your consideration of our concerns and appreciate any direction you may provide to us in response.

Sincerely,

Hon. Marla O. Anderson
Presiding Judge

Teresa A. Risi
Court Executive Officer

cc: Kelly Quinn, Assistant Director for Development and Planning