

➤ **Cost considerations:**

1. Continued Lease verse buy (Est leasing at \$96 M over 50 yrs.)
2. Timing (cost of financing – assume some annual increase)
3. Timing (cost of construction – assume .42% per month increase)
4. Incremental development
  - a. Assumptions – lease offset?
  - b. What's excluded?

➤ **Risk considerations:**

1. Temporary Relocation Risk (\$4++M)
  - a. Is there even a facility available to move into?
  - b. Sunk cost of TI's in temporary structure.
2. ADA Risk. (\$ ?)
  - a. We have not addressed ADA issues, 4 years left on consent decree
3. HR Risk: (\$ ?)
  - a. Sewer systems / gases
  - b. Electrical
  - c. Fire Sprinkler / domestic water
  - d. Ventilation
4. Property / Evidence Risk: (\$ ?)
  - a. Biological cold storage
  - b. Evidence Storage: Out of room
5. What is Plan B?

➤ **Financing Methods:**

- ✓ General Obligation Bonds:
  - a. Timing Nov 2016 or Special Election
  - b. Secured by full faith and credit of the County ,
  - c. 2/3 vote required; voters reluctance
  - d. Provides added revenue source from Ad Valorem tax increase.
  - e. Does this affect our contracting methods?
- ✓ Certificate of Participation:
  - a. Timing – No public vote required; (Still to contemplate Measure A)
  - b. Asset held by Lessor to benefit of COP holders
  - c. Tax exempt – non appropriation clause applicable
  - d. If over funded you can immediately pay down
  - e. Legally not indebtedness under State constitutional debt limitation
  - f. Rates higher than GOB
- ✓ 63-20 Financing:
  - a. Timing - No public vote required; (Still to contemplate Measure A)
  - b. Nonprofit sale of Tax exempt bonds
  - c. Lease held by nonprofit.
  - d. Non appropriation clause applicable
  - e. Construction and design risk held by Developer
  - f. Finance risk held by non-profit
  - g. Development team collaboration with County.
- ✓ Capital Lease:
  - a. Functionally similar to 63-20
  - b. Non appropriation clause applicable
  - c. Financing Risk taken by Developer not Non Profit
  - d. Financing not tax exempt – Generally higher.