

BOARD OF COUNTY COMMISSIONERS
WORKSHOP

June 9, 2009

9:00 a.m.

1. Discussion of Financial Plan for the Judicial Center expansion
2. Comp Plan Workshop
 - A. Review of changes made May 26th
 - B. Discussion of comments 36 to 89
3. Information on costs of Mosquito Control activities and the removal of Leachate from the landfill
4. Discussion on recruiting the Agriculture Extension Director



LAKE COUNTY
COUNTY MANAGER'S OFFICE

MEMORANDUM

TO: Board of County Commissioners
FROM: Cindy Hall
DATE: June 2, 2009
SUBJ: Financial Plan for the Judicial Center Expansion

For your information, I have attached the timeline of the Judicial Center Expansion project over the past few years. As you can see, this project was begun as a concept in 2004 and has been steadily ongoing since that time. Early concepts included discussion of additional facilities in our South Tavares location and early presentations with bond rating agencies took place in 2005.

In 2007, the project had evolved into the current layout and a budget of \$180 million was established. The funding was slated as a series of bond issues, most likely two separate issues of \$90 million each. The bonds were secured by a pledge of the state shared half cent sales tax which at that time was generating \$12 million in revenue and was projected, based on historical trends, to conservatively increase by 5 percent annually. The rating agencies were extremely comfortable with the plan and we received excellent bond ratings from all three agencies.

The first bond series was successfully issued in April of 2007 and the project was begun. Since that time the project has proceeded on time and within budget. However, the economic climate of all local governments has dramatically changed. Our revenue streams have significantly declined and special revenue bond issues, such as our current bond issue, are more costly and difficult to market. Also, bond insurers rated "AAA" at that time have all been downgraded making bond insurance a less viable option.

As further backup, I have attached the financial plan that was submitted to you on April 10, 2009. We currently have three sources of revenue to pay for the remaining portion of the Judicial Center Expansion:

- \$37 million of the 2007 Series bonds
- \$11 million of General Fund that the Board set aside in the 2008/09 budget for this project
- Supplemental funding from other sources

Should the Board approve a bank loan, in the form of a line of credit, for the supplemental funding of the Judicial Center Expansion, the revenue pledge would be "non-ad valorem revenues" which can then be paid from the Infrastructure Sales Tax

fund or from a host of revenues in the General Fund. There are sufficient non-ad valorem revenues, depending on current and future Board priorities, to support the size bank loan that would be needed for any option of this project. Supplemental funding can also be covered by a cash contribution from any eligible revenue source such as General Fund.

The final financial plan will depend on:

- Final cost of all remaining phases of the Judicial Center Expansion
- Cash drawdown schedule of the selected project
- Order in which the sources of revenue are spent

The \$37 million bond proceeds have an expenditure timeline obligation and should be spent first. The General Fund expenditures, infrastructure sales tax expenditures, and draws from a bank loan can be scheduled to best suit the County's financial position.

C: Gary Akers, First Southwest Company
Sandy Minkoff
Barbara Lehman
Doug Kruger
Jim Bannon

Time Line Reflecting Planning of New Judicial Center

May 2004

Hired Carter Goble Lee to conduct Countywide space study of all facilities. Results identified a critical need for an expansion to the judicial center of 334,017square feet.

2005

A South Tavares campus was envisioned to include: EOC/Public Safety, Sheriff, Public Works, Property Appraiser, Tax Collector, Health Admin, and Fleet Facilities

March 2005

County staff met in Lake County with three bond rating agencies to introduce them to Lake County in preparation for the anticipated capital improvement bonds to fund the expansion of the judicial center.

August 2005

Hired Starmer Ranaldi for architectural design of South Tavares campus

November 2005

HLM Design/Heery was retained by Lake County to provide pre-design and architectural/engineering design for the Judicial Center expansion, Detention Center expansion, a parking garage, and energy plant expansion. HLM Design contracted with Carter Goble Lee (CGL) to:

1. Refine the needs assessment portion of the Lake County Master Space and Facilities Plan 2005-2020 prepared by CGL in 2004 for those functions included in the Judicial Center expansion project: Court Administration, Clerk of Court, Guardian Ad Litem, Public Defender, Sheriff Court Services, and State Attorney; and extend the projections in five year increments to 2030;
2. Prepare an architectural space program for each component of the Judicial Center based on the 2020 projections;
3. Assist in the development of an overall master site plan for the Judicial Center based on the 2030 projections; and
4. Assess and define the existing and projected future space needs of the County's Detention Center to the year 2025.

The programming was completed in March 2006. The space program called for an expanded Judicial Center to meet the 2020 projected needs of 334,017 department gross square feet (DGSF). Adding a 30% building grossing factor resulted in a building gross square feet (BGSF) of 434,222, and allowed for the consolidation of all Clerk of Court's functions in Tavares except Records Storage and branch offices.

March 2006

Also, based on a March 2006 Detention Center Needs Assessment study produced for the County by Carter Goble, it was determined that the County is in need of additional space. The original plan was to add one housing unit at the existing jail, which was supposedly designed for one additional unit. However, the original design located the cooling towers in the exact location of the future housing unit. That made planning for the additional unit on the downtown site very problematic. Also, expansion of the storm water system due to the extensive wetlands area is not ideal. Adding one housing unit was not considered sufficient. As additional growth was needed, the recommendation was to build a new jail in the south county rather than spend extra funds dealing with the downtown site. It could be more cost effective to build a new south county jail, which would serve that area of the county. It would have also been treated as the sentencing facility to minimize inmate transportation, plus, a new up to date medical unit could be located there. As a result of these discussions, the project was put on hold.

June 2006

Construction Manager, Centex Construction, was hired.

July 2006

Original plan for judicial center had 7 stories and was presented to the Board July 11, 2006. The original 7 story version matched the initial program of 434,222 square feet, including the existing building. However, one story was subsequently eliminated and additional square foot reductions were implemented which reduced the building size down to 403,628 gross square feet (GSF), including the existing building. At this time, the expansion square footage was set at 286,498 GSF.

October 2007

Presentation to the BCC of the entire downtown campus with conceptual design, elevations, and cost estimates. Approval was given to move forward.

March 2007

South Tavares project cost as of 3-29-07 was projected at \$116,609,849.00 (included Public Works and Fleet, Health Department, Sheriff Ops and Fleet, EMS Fleet, Fire Rescue Fleet, EOC/Public Safety, conference center, and central energy plant)

March 2007

Presentations to bond rating agencies resulted in underlying bond ratings for an anticipated \$90 million bond issue secured by the half cent sales tax. Assuming additional bond issuances in future years, the final rates were assigned:

Fitch Ratings	A+
Moody's Investor Services, Inc	A1
Standard & Poor's Ratings Services	A

Final ratings associated with the issuance were AAA, Aaa, and AAA respectively due to the purchase of a Financial Guaranty Insurance Policy.

April 2007

Sale and delivery of series 2007 capital improvement revenue bonds provided \$90 million to the construction fund.

June 2007

(Approximately) Tax Collector and Property Appraiser building was relocated to downtown to save costs and maintain the convenience to customers of the downtown location.

May 2007

The acquisition of the County's former Construction Manager, Centex Construction, by the parent company of the County's architects, HLM/Heery, created a conflict of interest between the Architect and the Construction Manager, with each reporting to the same parent company, Balfour Beatty. As a consequence of that, the Board terminated the contract with Centex Construction on May 15, 2007.

September 2007

Construction Manager, PPI, Inc. was hired for the downtown project.

Summer 2008

A full size courtroom mockup was built by the contractor in a 4,950 square feet warehouse facility known as the Dillard Warehouse. All stakeholders were invited to view the mockup and provide comments. The purpose of the mockup was to verify the layout of the courtroom well and verify sightlines between major stations in the courtroom. Adjustments are typically made, then the final layout is set. Even though 3D computer models exist, a physical model is the only way to obtain an accurate benchmark of the layout in which judges, clerks and attorneys can test fit the courtroom for the functional layout and use.

In an effort to reduce costs, the design team proposed various cost reduction options that would not compromise building function, security or use. The following items were accepted and incorporated into the drawings: 1) delete formal LEED requirements, but utilize sustainable features in the design, 2) shell the 6th floor (courtrooms), 3) reduce escalation to 5%, 4) replace precast concrete panels with brick, 5) reduce the amount of terrazzo, 6) shell 4 judicial chambers on the 4th floor, and 7) simplify various ceiling details to reduce amount of drywall detailing and framing.

February 2009

Construction documents for the Judicial Center expansion were put out to bid.



LAKE COUNTY
COUNTY MANAGER'S OFFICE

MEMORANDUM

TO: Board of County Commissioners
FROM: Cindy Hall *CH*
DATE: April 10, 2009
SUBJ: Financial Plan for the Judicial Center

Attached for your review is a revision of the financial plan that was prepared by First Southwest dated March 5, 2009. The revised version, dated April 2, 2009, applies different dates to draw funds against a bank line of credit for the needed additional financing for the judicial center.

I have also attached a cash flow analysis of the judicial center assuming the three different cost scenarios: \$60 million, \$70 million, and \$80 million. The dates where the draws against the line of credit are required are highlighted in yellow in each scenario.

I prepared the cash flow analysis based on information provided to me from our construction managers. Since they have not estimated the cost scenarios that we are analyzing, they do not have a cash flow analysis of these different scenarios. I prepared the attached estimates based on their estimates of several months ago, and applied reasonable assumptions in the conversions that I used. While not exact, the analysis should provide a ball park picture of what the cash flow may be. Once we know the exact prices, our construction managers will be in a position to provide a much more definitive cash flow product.

Please let me know if you need additional information or if you would like to go through these documents with me and/or our financial advisors.

Attachments

C: Jim Bannon

Lake County Judicial Center Phase II
 50% CD Estimated Amount \$94,682,775

3/23/09

2009

	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Amount Per Month	\$2,074,944	\$695,000	\$786,829	\$735,000	\$1,215,000	\$1,869,353	\$3,045,000	\$2,545,000	\$1,920,000	\$2,170,000	\$2,179,816	\$2,804,883
	2%	1%	1%	1%	1%	2%	3%	3%	2%	2%	2%	3%
\$60 Million	1,314,882	440,418	498,610	465,766	769,939	1,184,600	1,929,601	1,612,754	1,216,694	1,375,118	1,381,338	1,777,440
Cumulative payments	1,755,300	2,253,909	2,719,675	3,489,614	4,674,214	6,603,815	8,216,569	10,808,382	12,189,720	13,967,160		
\$70 Million	1,534,029	513,821	581,711	543,393	898,263	1,382,033	2,251,201	1,881,546	1,419,477	1,604,304	1,611,562	2,073,680
Cumulative payments	2,047,850	2,629,561	3,172,954	4,071,217	5,483,250	7,704,451	9,585,997	11,005,474	12,609,778	14,221,340	16,295,020	
\$80 Million	1,753,175	587,224	664,813	621,021	1,026,586	1,579,466	2,572,802	2,150,338	1,622,259	1,833,491	1,841,785	2,369,920
Cumulative payments	2,340,400	3,005,212	3,626,233	4,652,819	6,232,285	8,805,087	10,955,425	12,577,685	14,411,175	16,252,960	18,622,880	

Lake County Judicial Ce
50% CD Estimated Amo

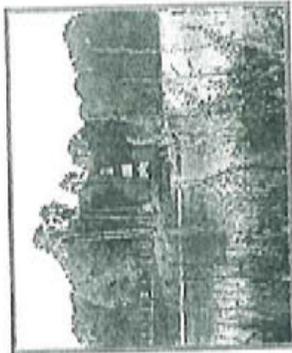
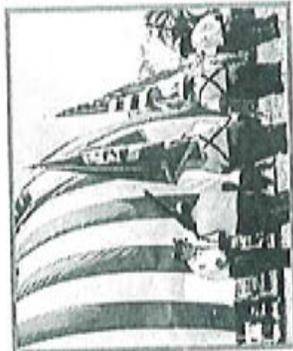
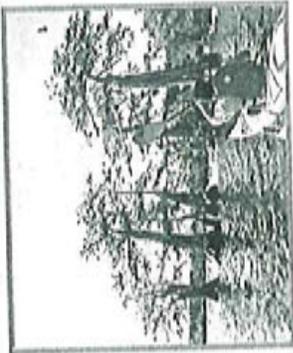
2010

	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Amount Per Month	\$3,237,290	\$4,245,353	\$4,666,292	\$5,369,210	\$4,295,000	\$3,452,531	\$3,211,901	\$2,799,105	\$2,985,000	\$3,335,000	\$2,801,724
	3%	4%	5%	6%	5%	4%	3%	3%	3%	4%	3%
\$60 Million	2,089,476	2,690,259	2,957,006	3,402,441	2,721,720	2,187,852	2,035,366	1,773,779	1,891,580	2,113,373	1,775,438
Cumulative payments	16,056,636	18,746,895	21,703,901	25,106,343	27,828,063	30,015,914	32,051,280	33,825,059	35,716,638	37,830,011	39,605,449
\$70 Million	2,437,722	3,138,635	3,449,840	3,969,515	3,175,340	2,552,494	2,374,593	2,069,409	2,206,843	2,465,602	2,071,345
Cumulative payments	18,732,743	21,871,378	25,321,218	29,290,733	32,466,073	35,018,567	37,393,160	39,462,568	41,669,411	44,135,013	46,206,358
\$80 Million	2,785,968	3,587,012	3,942,674	4,536,589	3,628,960	2,917,135	2,713,821	2,365,038	2,522,106	2,817,830	2,367,251
Cumulative payments	21,408,849	24,995,861	28,938,535	33,475,124	37,104,084	40,021,219	42,735,040	45,100,078	47,622,184	50,440,015	52,807,266

2

Lake County Judicial Ce
50% CD Estimated Amo

Amount Per Month	2011											
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
	\$3,131,234	\$3,135,000	\$4,046,396	\$4,488,540	\$4,356,608	\$5,106,281	\$4,177,525	\$3,741,960				
	3%	3%	4%	5%	5%	5%	4%	4%				
\$60 Million	1,984,247	1,986,634	2,564,181	2,844,365	2,760,761	3,235,825	2,647,277	2,371,261				
Cumulative payments	41,589,697	43,576,331	46,140,511	48,984,877	51,745,637	54,981,462	57,628,739	60,000,000				
\$70 Million	2,314,955	2,317,739	2,991,544	3,318,426	3,220,887	3,775,129	3,088,489	2,766,472				
Cumulative payments	48,521,313	50,839,052	53,830,597	57,149,023	60,369,910	64,145,039	67,233,528	70,000,000				
\$80 Million	2,645,663	2,648,845	3,418,908	3,792,487	3,681,014	4,314,433	3,529,702	3,161,682				
Cumulative payments	55,452,929	58,101,774	61,520,682	65,313,169	68,994,183	73,308,616	76,838,318	80,000,000				



Lake County, Florida

Judicial Center Financing Options

April 2, 2009

 | **First Southwest Company**

Judicial Center Financing Options

Available Cash and Infrastructure Surtax Revenues

Funding Currently Available

Cash budgeted from FY2008/09 fund balance	\$11,000,000
Remaining Series 2007 bond proceeds	36,000,000
Total	\$ 47,000,000

Projected Infrastructure Surtax Revenues

Fiscal Year	Revenues
2009/10	\$ 1,686,803
2010/11	2,750,000
2011/12	2,800,000
2012/13	3,000,000
2013/14	3,000,000
2014/15	3,000,000
2015/16	3,000,000
2016/17	3,000,000
2017/18	800,000
Total	\$ 23,036,803

Option 1: \$60 Million Project

By September 1, 2011 estimated cumulative construction costs for a \$60,000,000 project will exceed the total available cash of \$51,207,636. Available cash consists of \$11,000,000 of cash budgeted from the FY2008/09 fund balance, \$36,000,000 of Series 2007 bond proceeds and estimated infrastructure surtax receipts of \$2,520,833 (FY2009/10 and 11 months of FY10/11).

Judicial Center project size	\$	60,000,000
Total funds available through 9/1/11		51,207,636
Additional funds needed on 9/1/11	\$	<u>8,792,364</u>

For a \$60 million project, an additional \$8,792,364 is required. A bank line of credit could be secured at an estimated interest rate of 3.50%. Assuming a draw of the full amount needed by September 1, 2011 and a 4-year level debt service repayment, maximum annual debt service would be \$2,698,715. Current projections for infrastructure surtax revenues support the repayment of the line of credit to its final payoff on April 1, 2015.

Line of Credit amount	\$	8,792,364
Repayment term (years)		4
Estimated interest rate		3.50%
Maximum annual debt service	\$	<u>2,698,715</u>

Option 1: \$60 Million Project

Infrastructure Surtax versus Line of Credit Payments

Fiscal Year	Projected		Estimated Line of Credit Debt Service
	Infrastructure Surtax Revenues Available		
2010/11	\$ 229,167	\$ -	
2011/12	2,800,000	2,698,715	
2012/13	3,000,000	2,698,715	
2013/14	3,000,000	2,698,715	
2014/15	3,000,000	1,349,357	
Total	\$ 12,029,167	\$ 9,445,502	

Debt service payments are based on interest rates as of April 2, 2009. Debt service is subject to change based on the draw date(s).

Option 2: \$70 Million Project

By June 1, 2011 estimated cumulative construction costs for a \$70,000,000 project will exceed the total available cash of \$50,520,136. Available cash consists of \$11,000,000 of cash budgeted from the FY2008/09 fund balance, \$36,000,000 of Series 2007 bond proceeds and estimated infrastructure surtax receipts of \$1,833,333 (FY2009/10 and 8 months of FY2010/11).

Judicial Center project size
 Total funds available through 6/1/11
 Additional funds needed on 6/1/11

\$	70,000,000
	50,520,136
\$	<u>19,479,864</u>

A bank line of credit could be secured at an estimated interest rate of 4.00%. Assuming a draw of the full amount needed by June 1, 2011 and a 8-year level debt service repayment, maximum annual debt service would be \$2,773,664.

Line of Credit amount	\$	19,479,864
Repayment term (years)		8
Estimated interest rate		4.00%
Maximum annual debt service	\$	<u>2,773,664</u>

Projected infrastructure surtax revenues would support repayment of the line of credit through the first quarter of FY2017/18, after which other available revenues such as the half-cent sales tax, state revenue sharing, communications services taxes, franchise fees, or other legally available non ad-valorem revenues could be utilized until the final payment on October 1, 2019.

Option 2: \$70 Million Project

Infrastructure Surtax versus Line of Credit Payments

Fiscal Year	Projected			Total Revenues	Estimated Line of Credit Debt Service
	Infrastructure Surtax Revenues Available	Non Ad-Valorem Revenues			
2010/11	\$ 916,667	\$ -	\$ 916,667	\$ 909,732	
2011/12	2,800,000	-	2,800,000	2,773,644	
2012/13	3,000,000	-	3,000,000	2,773,644	
2013/14	3,000,000	-	3,000,000	2,773,644	
2014/15	3,000,000	-	3,000,000	2,773,644	
2015/16	3,000,000	-	3,000,000	2,773,644	
2016/17	3,000,000	-	3,000,000	2,773,644	
2017/18	800,000	1,973,644	2,773,644	2,773,644	
2018/19	-	2,773,644	2,773,644	2,773,644	
Total	\$ 19,516,667	\$ 4,747,287	\$ 24,263,954	23,098,881	

Debt service payments are based on interest rates as of April 2, 2009. Debt service is subject to change based on the draw date(s).

Option 3: \$80 Million Project

By March 1, 2011 estimated cumulative construction costs for a \$80,000,000 project will exceed the total available cash of \$49,832,636. Available cash consists of \$11,000,000 of cash budgeted from the FY2008/09 fund balance, \$36,000,000 of Series 2007 bond proceeds and estimated infrastructure surtax receipts of \$1,145,333 (FY2009/10 and 5 months of FY2010/11).

Judicial Center project size	\$ 80,000,000
Total funds available through 3/1/11	49,832,636
Additional funds needed on 3/1/11	<u>\$ 30,167,364</u>

A bank line of credit could be secured at an estimated interest rate of 5.00%. Assuming a draw of the full amount needed by March 1, 2011 and a 15-year level debt service repayment, maximum annual debt service would be \$2,962,110.

Line of Credit amount	\$ 30,167,364
Repayment term (years)	15
Estimated interest rate	<u>5.00%</u>
Maximum annual debt service	<u>\$ 2,962,110</u>

Projected infrastructure surtax revenues would support repayment of the line of credit through the first quarter of FY2017/18, after which other available revenues (as in Option 2) could be utilized until the final payment on October 1, 2025.

Option 3: \$80 Million Project

Infrastructure Surtax versus Line of Credit Payments

Fiscal Year	Projected		Non Ad-Valorem Revenues	Total Revenues	Estimated Line of Credit Debt Service
	Infrastructure Surtax Revenues Available	Infrastructure Surtax Revenues Available			
2010/11	\$	1,604,167	\$	1,604,167	\$ 1,478,147
2011/12		2,800,000		2,800,000	2,962,110
2012/13		3,000,000		3,000,000	2,962,110
2013/14		3,000,000		3,000,000	2,962,110
2014/15		3,000,000		3,000,000	2,962,110
2015/16		3,000,000		3,000,000	2,962,110
2016/17		3,000,000		3,000,000	2,962,110
2017/18		800,000	2,162,110	2,962,110	2,962,110
2018/19		-	2,962,110	2,962,110	2,962,110
2019/20		-	2,962,110	2,962,110	2,962,110
2020/21		-	2,962,110	2,962,110	2,962,110
2021/22		-	2,962,110	2,962,110	2,962,110
2022/23		-	2,962,110	2,962,110	2,962,110
2023/24		-	2,962,110	2,962,110	2,962,110
2024/25		-	2,962,110	2,962,110	2,962,110
Total	\$	20,204,167	\$ 22,896,880	\$ 43,101,047	\$ 42,947,687

Debt service payments are based on interest rates as of April 2, 2009. Debt service is subject to change based on the funding date(s).

MOSQUITO MANAGEMENT PROGRAM & LANDFILL LEACHATE MANAGEMENT

Presented below is the Department of Environmental Utilities (DEU) response to concerns raised over the potential cost impact on the Mosquito Management Program and landfill leachate management as a result of the recent heavy rain event.

Mosquito Management Program

The DEU does not anticipate that the rain event will result in the expenditure of any more funds than would normally be expected during this time of year. However, as is always the case as it relates to the Mosquito Management Program, the extent of the mosquito population levels is unpredictable. Therefore, as always, future expenditures could increase based on the extent of the population levels and the public's demand for service.

Landfill Leachate Management

As has been the case in the past, significant rain events can have a tremendous impact on the management of landfill leachate. The Central Solid Waste Management Facility experienced 18 inches of rain from May 19 thru May 28. Since the landfill is constructed over an impervious liner, the rain that passes through the landfill is accumulated at the bottom of the landfill. Once the water comes in contact with the solid waste, it becomes leachate.

The landfill includes a system to collect the leachate. The collected leachate is delivered to and stored in leachate storage tanks. The leachate is then pumped into tanker trucks that deliver the leachate to facilities in Jacksonville for disposal.

Based on the same methodology that was reviewed and approved by FEMA following Tropical Storm Fay, the DEU estimates that the 18 inches of rain received during the rain event has resulted in approximately 5,400,000 additional gallons of leachate being accumulated in the landfill. Using the same methodology, the DEU estimates that the cost for the transportation and disposal of the 5,400,000 gallons of leachate will be in the range of \$670,000.

In addition, the DEU also has experienced other additional costs as a result of the impact the rain event has had on the management of leachate. These costs include overtime, the use of temporary personnel and the rental of equipment. It is anticipated that these cost will not exceed \$10,000.

The DEU is working with the County Administration and other departments to develop a strategy for submitting, to FEMA, a request for reimbursement for these additional costs.