



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: January 3, 2024

SUBJECT: Deschutes County – Oregon Judicial Department (OJD), Courthouse Improvement Intergovernmental Agreement , Amendment No. 1

RECOMMENDED MOTION:

On December 13, 2023, two Commissioners indicated support for the redlined amendments to be forwarded to OJD.

If the Board decides to recommend an alternative set of changes to the redlined Amendment No. 1, then the Board will:

Move approval of the revised redlined changes to the Deschutes County – Oregon Judicial Department (OJD), Courthouse Improvement Intergovernmental Agreement, Amendment No. 1.

BACKGROUND AND POLICY IMPLICATIONS:

The 2023 Oregon Legislature allocated \$15 million to Deschutes County to facilitate the renovation and expansion of the Courthouse located at 1100 NW Bond Street, Bend, Oregon.

OJD proposed the attached IGA with Deschutes County as a condition of the transfer of funds. Several County departments recommended the redlined changes to the IGA, which County Counsel presented to the Board on December 13, 2023. Two Commissioners indicated their support for the recommendations. Commissioner Adair was not present during the vote. On December 20, 2023, Commissioner Adair requested time to contact the Governor's Office regarding the requirements to exclusively use the third floor of the expanded Courthouse for state courtrooms and courtroom associated purposes because these requirements were not included the Legislature's appropriation. Commissioners DeBone and Chang supported the request.

BUDGET IMPACTS:

Draft Agreement No. 1 Section 2(c.) "OJD agrees to transfer to County an amount of \$15,000,000 in Building Funds within 14 days of OJD's receipt of the documents described in subsection b of Section 4."

The County's current portfolio is earning a yield of 3.34%. Therefore, \$15 million would earn interest in the following amounts:

\$9,635 per week
\$19,269 per two weeks
\$41,750 per month
\$501,000 per year

As the earnings rate (yield) increases, the potential interest earning also increases. For example, if the County earned 5.00% on the total portfolio:

\$14,423 per week
\$28,846 per two weeks
\$62,500 per month
\$750,000 per year

If a compatible tenant for the third floor is identified and allowed by the agreement, leasing that space could potentially generate revenue to offset the debt service.

ATTENDANCE:

Nick Lelack, County Administrator
David Doyle, County Attorney
Whitney Hale, Deputy County Administrator