

T.A.A.

Memorandum Date: October 30, 2007  
Agenda Date: November 22, 2007

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**TO:** Board of County Commissioners  
**DEPARTMENT:** Management Services  
**PRESENTED BY:** David Suchart, Director  
**AGENDA ITEM TITLE:** DISCUSSION and ACTION – Oak Street Child Development Center

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**I. MOTION**

**II. AGENDA ITEM SUMMARY**

The General Services Administration (GSA) has sent a second letter (attached) regarding partnership with Lane County and the City of Eugene in a new child care facility.

**III. BACKGROUND/IMPLICATIONS OF ACTION**

**A. Board Action and Other History**

Lane County has been in partnership with the Federal Government since 1991 in sponsoring a day care center in the Bus Barn. The property is owned by Lane County. Improvements to the facility with regard to the day care center have, in the past, been split on a 50/50 basis. Other improvements, like the roof which was replaced two years ago, have been the responsibility of the County, as building owner. Rent for the day care is paid by the GSA at \$2700/month. This rate is approximately one half the market rates; so in essence, the County subsidizes the other half.

In 2001 the County was approached by GSA about an expansion and remodel of the current space. At the time the cost was approximately \$70-80 thousand, of which the County would pay half. The Facilities Committee authorized use of funds for that project. With a new Federal Courthouse imminent the GSA put a hold on the project. When GSA did get back to the County in 2004, the price of the project had jumped up to \$300,000 due to new federal day care standards. The project was not forwarded to Facilities because the GSA wanted to manage the project and control the improvements, and then assess the County for

Respond to GSA that the County is not interested in further development of options.

**IV. TIMING/IMPLEMENTATION**

Depending on Board direction, Management Services will respond to GSA.

**V. RECOMMENDATION**

No recommendation.

**VI. FOLLOW-UP**

Depends on Board decision.

**VII. ATTACHMENTS**

GSA Letter (dated October 16, 2007)



U.S. General Services Administration

October 16, 2007

David Suchart  
Director, Management Services  
Lane County Department of Management Services  
125 East 8th Avenue  
Eugene, OR 97401-2926

RE: Oak Street Child Development Center

Dear Mr. Suchart:

The General Services Administration (GSA) was pleased to receive your letter expressing interest in continuing our child care financial partnership in an alternate location. GSA has also contacted the City of Eugene to inquire if they would also be able to join the partnership. City employees actively use the center and a third party sharing in the costs would help this endeavor to be successful.

Enclosed is a spreadsheet showing the estimated annual costs for both leased space and federal building space options. You will also see the shared costs broken down to  $\frac{1}{2}$  (without the City) and  $\frac{1}{3}$  (with the City's partnership).

Upon review of these costs, please let me know if Lane County would like to continue the discussion of a possible partnership in a meeting. Our team is available to meet in person in Eugene at 10:00 a.m. on December 6, 2007. Our goal is to keep this project moving along, so please respond by November 2, 2007, as to your availability on December 6.

Sincerely,

A handwritten signature in black ink that reads "Lisa A. Ofenloch".

Lisa A. Ofenloch  
Director, Southern Service Center  
Public Buildings Service  
NW Arctic Region

GSA Public Buildings Service  
Southern Service Center  
620 SW Main St., Room 108  
Portland, OR 97205

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**Child Care**

These figures are based on 6720 Usable sq ft.(USF) Amortized over 10 years

Tenant Improvements are based on \$1,500,000

	<u>Federal Space</u>	<u>Lease Space</u>
	R/U 1.313	R/U 1.15
	4.665% interest	10% interest
	RSF 8824	RSF 7728
	<b>Annual Cost</b>	<b>Annual Cost</b>
Shell Rate	85,240	115,920
Operating Cost**	82,769	44,049
TI's	<b>\$15,665.00</b>	19,822
<b>TOTAL</b>	<b>183,674</b>	<b>179,791</b>
2 way split	\$ 91,837.00	\$ 89,895.50
3 way split	\$ 61,224.67	\$ 59,930.33

\*\*In Federal Space there is a \$2.95 per square foot security charge, which equals \$26,030  
In lease space there is a \$.45 per square foot security charge, which equals \$3,477