

BRIEFING PAPER

April 9, 2009

SOUTH JEFFERSON COUNTY GOVERNMENT SERVICES COMPLEX

 4 For Action

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ISSUE

Jefferson County government provides leased space for Sheriff's Office services, and Clerk and Recorder services in south Jefferson County. County Health Department services are not currently localized in south Jefferson County, but would be valuable to the citizens who reside in that geographic area. A facility capable of housing a combined south Jefferson County government function may be immediately acquired at a purchase price that will significantly reduce the current long-term obligation.

BACKGROUND

The Sheriff's Office, Clerk and Recorder's Office and Health Department believe that localized services for citizens are paramount to effective customer service and community partnerships. As such, each agency occupies satellite office buildings throughout Jefferson County.

Jefferson County government has been leasing space for Sheriff's services at 8100 S. Shaffer Parkway since March 2005. The leased space is approximately 11,500 square feet of an approximate 29,000 square foot office building. When the lease began, the County negotiated the right to purchase the entire building for about \$3.8 million.

Jefferson County government also leases space for Clerk and Recorder (Motor Vehicle) services in a commercial complex at 6004 S. Kipling in south Jefferson County. This leased space is about 4000 square feet. This is the smallest Clerk and Recorder facility in the county. The Lakewood and Arvada offices are approximately 7500 square feet, making the current south Jefferson County location significantly undersized for the functions it performs.

In late 2005, Jefferson County purchased a 126,000-square-foot lot in the 7800 block of South Shaffer Parkway. The cost for the building site was approximately \$663,000. The intended purpose was to build a Jefferson County government services complex. At the time, county government hoped to construct a 50,000-

square-foot structure prior to the lease expiration of the Sheriff's Office substation in February 2010.

The lease rates for both the Sheriff and Clerk and Recorder locations are as follows:

Sheriff =	\$130,075/year
C&R =	\$ 41,275/year
Total =	\$171,350/year

DISCUSSION

While the option for the County to purchase the office building at 8100 S. Shaffer Parkway at the negotiated price has expired, the opportunity to purchase it remains. It is possible that commercial property values in the area have declined.

Additionally, it is possible that the current owner would take in trade the value of the lot previously purchased against the price of the building.

The square footage of the building (29,000) appears more than adequate to meet current demand for space of the Sheriff, Clerk and Recorder and Health Department services. The Clerk and Recorder is in need of a larger space than the one they currently occupy, to accommodate customer volume and the need for an early voting site. In addition, the space could accommodate customer service kiosks for other functions such as the Assessor and Treasurer. There may also be an opportunity to incorporate additional "community room" space for citizens as well.

There are foreseeable benefits to having collocated county services in south Jefferson County. The Clerk and Recorder's office sees an advantage in having the Sheriff's Office on site, due to security concerns around its substantial cash transactions. Further, the site could become a "one-stop shop" for south Jefferson County residents who need services from county government agencies.

RECOMMENDATION

It is recommended that negotiations with the owner of 8100 S. Shaffer Pkwy., and required due diligence commence for the purpose of purchasing the building for a combined south Jefferson County service center.

FINANCIAL IMPACT

The net amount of the purchase price of the building, after reducing it by the value of the building lot, will be approximately \$2.7 – 3.2 million. The lease rates paid for Sheriff and Clerk and Recorder space will substantially pay the debt service of the balance, if required. Additionally, funds realized from the sale of the Health Department complex in Lakewood potentially can be used to pay for a portion of the purchase.

BRIEFING CONTACTS

Sheriff Ted Mink/Division Chief Jeff Shrader