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Deputy Clerk

CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

BOARD OF COMMISSIONERS

MEMORANDUM

TO: Facilities Committee Members (Commissioners Keefe, Edge and King)
FROM: Kellie Beam, Deputy Clerk to the Board *KB*
DATE: June 1, 2012
SUBJECT: Facilities Committee Meeting – Thursday, June 7, 2012

There will be a regular meeting of the Facilities Committee on Thursday, June 7, 2012 at 8:30 AM in Room 564 of the Cumberland County Courthouse.

AGENDA

1. Approval of Minutes – April 5, 2012 Meeting
 2. Report on JCI Guaranteed Energy Savings Project
 3. Update on Board of Elections Building
 4. Update on Status of E. Newton Smith Building
 5. Update on Status of Detention Center Expansion Project
 6. Consideration of Approval of Maintenance of County Parking Lots
 7. Consideration of Request of New Century Solar, LLC, for an Easement Agreement
 8. Other Items of Business
- cc: Board of Commissioners
Administration
Legal
Communications Manager
County Department Head(s)
Sunshine List

DRAFT

CUMBERLAND COUNTY FACILITIES COMMITTEE
NEW COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
APRIL 5, 2012 - 8:30 A.M.
MINUTES

MEMBERS PRESENT: Commissioner Jimmy Keefe, Chair
Commissioner Kenneth Edge
Commissioner Billy King (arrived at 8:40 a.m.)

OTHER COMMISSIONERS
PRESENT: Commissioner Ed Melvin

OTHERS PRESENT: James Martin, County Manager
Amy Cannon, Deputy County Manager
James Lawson, Assistant County Manager
Howard Abner, Assistant Finance Director
Sally Shutt, Communications and Strategic Initiatives
Manager
Rick Moorefield, County Attorney
Phyllis Jones, Assistant County Attorney
Robert N. Stanger, County Engineer
Al Brunson, Facilities Maintenance Manager
Sam Lucas, Engineering Technician
Greg Taylor, Executive Director – Ft. Bragg Regional
Alliance
Kellie Beam, Deputy Clerk to the Board
Candice White, Clerk to the Board
Press

Commissioner Jimmy Keefe called the meeting to order.

1. APPROVAL OF MINUTES – MARCH 1, 2012 MEETING

MOTION: Commissioner Edge moved to approve the minutes.
SECOND: Commissioner Keefe
VOTE: UNANIMOUS (2-0)

2. UPDATE ON STATUS OF DETENTION CENTER EXPANSION PROJECT

Bob Stanger, County Engineer stated the Detention Center Expansion Project Committee met with the Design Team and Construction Management Team on March 15, 2012 to:

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- Review the Construction Manager at Risk (CMaR) construction and project budget based on the latest cost reductions associated with the value engineering items accepted by the Project Committee.
- Review the progress on the construction drawings and submittal to reviewing agencies.
- Discuss the status of permits required for construction.
- Discuss the project schedule and CMaR activities through development of the guaranteed maximum price.
- Discuss the security system upgrades in the existing facility and integration with the security systems in the expansion.

Mr. Stanger stated as previously reported to the Facilities Committee, the Project Committee and Design Team were able to identify about \$1.35 million dollars in cost reductions to bring the estimated construction cost to \$13,449,638 and the estimated project budget to \$15,384,800. Mr. Stanger further stated the Facilities Committee was also advised there were other value engineering items the Design Team would be evaluating which may provide additional cost savings including having dedicated mechanical and electrical systems for the expansion as opposed to tying into the mechanical and electrical systems in the existing facility.

Mr. Stanger stated budget revisions to the two-story day room since the last update was provided to the Facilities Committee represent \$390,773 in potential cost reductions of which \$309,644 is associated with the dedicated mechanical and electrical systems for the expansion. Mr. Stanger stated the Project Committee revisited the item and eliminated the glass walls in the dayrooms in the maximum security housing unit because jail staff feels very strongly that the glass partitions in each dayroom are necessary for safety and proper operation of the housing unit. Mr. Stanger stated adding this item will add \$138,800 back into the estimated construction and project budgets which leaves an estimated construction budget of \$13,197,664 and an estimated project budget of \$15,132,826 at this time.

Mr. Stanger stated Moseley Architects reported the plans and specifications have been sent to the North Carolina Department of Health and Human Services and the North Carolina Department of Insurance for review and approval. Mr. Stanger further stated plans and specifications have also been delivered to the City of Fayetteville Inspections Department for review. Mr. Stanger stated subcontractor bids are expected in late May 2012 and the guaranteed maximum price will be developed and presented to the Facilities Committee in early June 2012 for approval. Mr. Stanger explained the construction time is still anticipated to be thirteen (13) to fourteen (14) months and the estimated completion date is August 2013.

3. UPDATE ON RENOVATIONS AT E. NEWTON SMITH CENTER

Mr. Stanger stated the Board of Elections and the County Wellness Center, which includes the clinic and pharmacy, will be moving in the E. Newton Smith Center by June

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2012. Mr. Stanger further stated the HVAC renovation work on the first floor is 98% complete. Mr. Stanger stated items pending completion include painting, electrical work, floor coverings and ceiling repairs. Mr. Stanger stated good progress is being made using in-house resources to the maximum extent possible to keep the project cost down.

James Martin, County Manager, stated James Lawson, Assistant County Manager, discovered additional space on the first floor of the E. Newton Smith Center and is investigating the idea of possibly using the space for a Human Resources Training Center.

4. CONSIDERATION OF LEASING COUNTY OWNED PROPERTY AT 2736 CEDAR CREEK ROAD TO THE FORT BRAGG REGIONAL ALLIANCE

Mr. Martin introduced Greg Taylor, Executive Director of Fort Bragg Regional Alliance. Mr. Martin stated he and Mr. Taylor have had ongoing discussions about the potential for Fort Bragg Regional Alliance to lease the county-owned property at 2736 Cedar Creek Road. Mr. Martin further stated the property has been vacant for about ten (10) years and is deteriorating. Mr. Martin stated management's recommendation to the Facilities Committee is to consider allowing the Fort Bragg Regional Alliance to enter into a twelve (12) month lease then continue on a month to month basis with the county giving the Fort Bragg Regional Alliance a sixty (60) day notice should the property need to be vacated. Mr. Martin stated the Fort Bragg Regional Alliance would provide janitorial and trash removal service and pay the utilities, and the county will continue to maintain the grounds for a lease amount of \$1,500 a month.

Mr. Taylor stated the Fort Bragg Regional Alliance is grant funded and is looking to downsize and suggested a lease amount of \$1,000 a month. Commissioner King suggested an eighteen (18) month lease at \$1,200 a month. Commissioner Keefe stated based on what he knows he feels \$1,500 a month is fair.

MOTION: Commissioner Edge moved to follow management's recommendation of \$1,500 a month under the conditions discussed by the county manager.

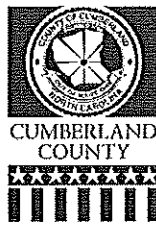
SECOND: Commissioner Keefe

VOTE: PASSED (2-1) (Commissioners Edge and Keefe voted in favor; Commissioner King voted in opposition)

5. OTHER ITEMS OF BUSINESS

Commissioner Edge asked the status of alterations in the county attorney's office. Al Brunson, Facilities Maintenance Manager, stated the renovations are scheduled to be completed the weekend of April 13, 2012.

MEETING ADJOURNED AT 9:25 AM.



ENGINEERING & INFRASTRUCTURE DEPARTMENT

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 Telephone (910) 678-7636 • Fax (910) 678-7635

MEMORANDUM TO FACILITIES COMMITTEE - JUNE 7, 2012 AGENDA

TO: FACILITIES COMMITTEE

FROM: JEFFERY P. BROWN, PE, E & I DIRECTOR

THROUGH: JAMES LAWSON, ASSISTANT COUNTY MANGER

SUBJECT: JCI GUARANTEED ENERGY SAVINGS PROJECT ANNUAL REPORT

DATE: May 31, 2012

BACKGROUND

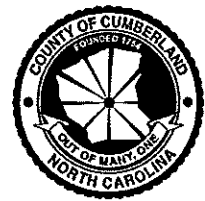
In November 2004, The Board partnered with Johnson Controls, Inc., to install energy conservation measures in select county facilities through a guaranteed energy savings contract. The conservation measures included energy efficient lighting retrofits, water conservation measures, energy efficient motor replacements, new chiller/cooling towers, boilers, and heat exchangers, and new HVAC controls. The work was completed in January 2006. The cost of the work will be paid back over 12 years through the energy savings guaranteed by JCI. As a part of the continued services provided by JCI, they monitor the energy usage and savings for the duration of the guarantee period (12 years).

Mr. Chuck James, JCI Performance Assurance Specialist, will present the results of the report. A copy of the report for calendar year 2011 will be provided to the Committee at the time of the presentation.

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JAMES E. MARTIN
County Manager

AMY CANNON
Deputy County Manager




JAMES E. LAWSON
Assistant County Manager

OFFICE OF THE COUNTY MANAGER

5th Floor, New Courthouse • PO Box 1829 • Suite 512, • Fayetteville, North Carolina 28302-1829
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MEMORANDUM

TO: FACILITIES COMMITTEE
FROM: JAMES LAWSON, ASSISTANT COUNTY MANAGER 
DATE: MAY 31, 2012
SUBJECT: UPDATE REGARDING BOARD OF ELECTIONS BUILDING

BACKGROUND

At the February 2, 2012 Policy Committee meeting, Management presented alternatives regarding the future use of the building located at 301 E. Russell Street, which currently houses the County Board of Elections. Management suggested that the building could be used to house either the County Training Center, or the Veterans Services Office. The County Human Resources Office has outgrown its space and has temporarily relocated its training staff to vacant offices in the Probation and Parole Office until other provisions are made. Veterans Services is seeking to find a location that would better accommodate veterans seeking assistance. Many veterans voice their concerns about the current location and are discouraged from coming to office for assistance. The chief complaints are lack of privacy, and inconveniences associated with parking, walking distances and accessibility, particularly for disabled veterans.

Another alternative discussed during the February 2nd Committee meeting was the sale of the building, since it could be an attractive property for commercial use. Commissioner Keefe directed staff to conduct an evaluation of the property's commercial potential before recommending action to the full Board of Commissioners.

CONSIDERATIONS

In response to the request, we have sought input from Tom Keith, an experienced local commercial real estate appraiser regarding the marketability of the building. In addition, our County Tax Administration Office has conducted an analysis of the commercial property sales in and around the downtown area.

The following are key points from the information gathered:

- The subject building is a brick structure, in excellent condition, with a fairly new roof that was installed in 2009.
- In general, the building is in a desirable location, on a highly visible corner lot, in close proximity to the County Courthouse, a building heavily utilized by the public.
- The physical layout of the subject building has an open area, along with individual office spaces and ample storage areas, providing flexibility for up-fitting and adaptive re-use.

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- Because of its proximity to the Courthouse, the building would probably generate its greatest interest from the legal community, and likely more interest in purchasing versus leasing.
- At approximately 4,860 square feet, the available office space is sufficient to comfortably house a legal practice, as well as many other commercial office operations.
- In Mr. Keith's opinion, the demand from the legal community for downtown property has declined to some extent, since a great deal of research can now be conducted online versus having to come to the Courthouse, as was the typical practice up until approximately 10 to 15 years ago with the rise of the internet.
- Based on sales data provided by the tax office, there are a few buildings/spaces that sold in or near the downtown area. Properties located on Hay Street, Maxwell Street, Robeson Street and Donaldson Street sold at an average of \$125.502 per square foot.
- There is an office building located at 308 Person Street built in 1915 that is currently listed for sale at \$649,000. At 5,714 total square feet, the cost per square foot is \$113.58. According to tax records, it last sold in April 2006 for \$520,000. The current tax value assessed from the last revaluation is \$576,147.
- The current tax value for the County's building at 301 E. Russell Street is \$427,450.
- A key factor to consider is the value of the proceeds that could be potentially generated from the sale of this building as compared to the value of retaining the building for needed County office space, especially with challenges created by shortages in available facilities. Further, consideration should be given to costs we could incur for up-fitting/renovating or procuring other available space (such as the E. Newton Smith Center) to house County operations in need of space.

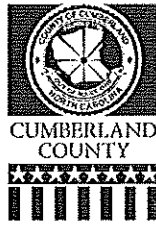
RECOMMENDATION

Consider the following options for the building located at 301 E. Russell Street:

- 1) Retain property for internal County office space needs, or
- 2) Place the building on the market for sale or lease.

cc: Management Team

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MEMORANDUM TO FACILITIES COMMITTEE - JUNE 7, 2012 AGENDA

TO: FACILITIES COMMITTEE
FROM: JEFFERY P. BROWN, PE, E & I DIRECTOR
THROUGH: JAMES LAWSON, ASSISTANT COUNTY MANGER
DATE: May 31, 2012
SUBJECT: STATUS OF E NEWTON SMITH BUILDING

BACKGROUND

When the new public health building was constructed it was determined that the E Newton Smith Public Health Building would be renovated to relocate various departments to this location in an adaptive reuse effort of the existing facility. It was decided that the Board of Elections along with the Pharmacy would be located on the first floor while a portion of the second floor would be used to house the new Wellness Program and employee Acute Care Clinic.

The following items have been completed to date within the specified areas:

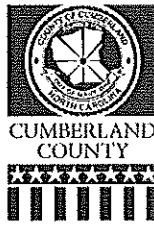
- HVAC upgrades have been completed with the exception of cleaning and sealing some existing duct.
- All areas have been equipped with computer and phone drops.
- Painting is complete.
- Carpet and VCT have been installed.
- Pharmacy shelving is complete.

The following items remain to be completed:

- Install new ceiling tiles.
- Final inspections from the City of Fayetteville.
- Signing the interior of the building.
- Security installation and updates.
- Changing out the exiting locks.
- Through cleaning of the building.

All renovations will be completed in order for the Board of Elections, Pharmacy, Wellness and Clinic to be fully operational in their allotted space by July 1st.

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MEMORANDUM TO FACILITIES COMMITTEE - JUNE 7, 2012 AGENDA

TO: FACILITIES COMMITTEE
FROM: JEFFERY P. BROWN, PE, E & I DIRECTOR
THROUGH: JAMES LAWSON, ASSISTANT COUNTY MANGER
DATE: May 31, 2012
SUBJECT: STATUS OF DETENTION CENTER EXPANSION PROJECT

BACKGROUND

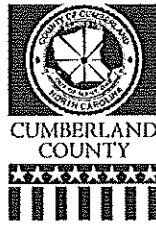
At the April meeting it was reported by Mr. Stanger that subcontractor bids were to be received in May and that the Guaranteed Maximum Price (GMP) would be developed and presented to the Board of Commissioners in early June for approval.

Unfortunately this was unable to occur due to not having final approval from all the regulatory agencies involved in reviewing and approving the construction drawings. The County received comments back from the Department of Health and Human Services on May 1st and Mosley Architects submitted their responses on May 15th. The County has also received comments from the Department of Insurance and their comments have been addressed by the architect. Moseley submitted revisions to the City of Fayetteville on May 25th and I have communicated directly to the City the urgency in getting these plans reviewed and approved.

A weekly conference call with the CM and Architect has been established and has been occurring for the past three weeks to discuss issues as they arise to ensure that they are getting handled in a timely manner. This process will continue until such time it is determined that the conference call is no longer needed.

Final construction drawings are anticipated to be completed within the next two weeks which will allow the project to be advertised for bids. The CM will then develop the GMP and it will be presented to the Board of Commissioners at the August 6th meeting for approval.

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MEMORANDUM TO FACILITIES COMMITTEE - JUNE 7, 2012 AGENDA

TO: FACILITIES COMMITTEE
FROM: JEFFERY P. BROWN, PE, E & I DIRECTOR
THROUGH: JAMES LAWSON, ASSISTANT COUNTY MANGER
DATE: May 31, 2012
SUBJECT: MAINTENANCE OF COUNTY PARKING LOTS

BACKGROUND

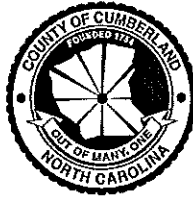
The overall conditions of some of the County's parking lots are in immediate need of repairs. The County needs to establish a preventative maintenance program to address parking lots at County facilities similar to what was completed for roofs in previous years. The first step that has to be taken is to complete a comprehensive inventory to include an overall condition rating of all parking lots that the County is responsible for maintaining. Once the inventory has been completed, then a plan can be developed which prioritizes all the parking lots based on the overall condition rating. This condition rating would take into account the amount of potholes, block cracking, alligator cracking, striping appearance and other things. With this information, the County can develop and implement a Capital Improvement Plan (CIP) to address parking lots on a yearly basis.

During the process of developing this plan, there will be deficiencies identified that will need corrective actions immediately to prevent the identified problems from getting worse. In order to address these deficiencies, some level of funding needs to be appropriated. For this reason, the Department is requesting that \$100,000 be appropriated for repairs of identified problems.

RECOMMENDATION

Approve the recommendation of Management and Staff for a budget revision to establish a line item in the amount of \$100,000 to be used for making critical repairs within parking lots at County facilities as they are identified by the E & I Department.

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OFFICE OF THE COUNTY ATTORNEY

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(910) 678-7762

**MEMO FOR THE AGENDA OF THE
JUNE 7, 2012 MEETING OF THE FACILITIES COMMITTEE**

TO: Facilities Committee; Co. Manager; Dep. Co. Manager
FROM: Co. Atty. R.M.
DATE: May 31, 2012
SUBJECT: Request of New Century Solar, LLC, for an Easement Agreement

BACKGROUND:

The county attorney has prepared this memo in order to explain and summarize a 17 page agreement which New Century Solar, LLC, has requested the county to sign. New Century Solar, LLC is making the presentation to the committee.

New Century Solar, LLC, has again requested an easement to install solar panels on the roofs at the New Century Elementary School and library to generate electricity to be supplied to the electric grid. The members of New Century Solar, LLC, are Robert Ferris and Eric Lindstrom of the architectural firm, SFL+A. This firm was the architect for the school project.

This same request was considered by the Board of Commissioners on September 19, 2011. The Board took no action as reflected in the following excerpt from the minutes:

Commissioner Keefe stated as chair of the Facilities Committee, he was not comfortable taking action at this time due to the differences in what was presented, what was intended in the present document, and until such time as the county would not be held responsible for rooftop maintenance costs. Mr. Moorefield advised under the present document, the county would remain responsible for maintaining the roof at what he feels would be an additional cost to the county. Commissioner Faircloth stated the new information negates the vote he made at the Facilities Committee meeting in favor of the solar panels. The consensus of the board was to take no action.

The county attorney advised the attorney for New Century Solar, LLC that the county would require the following terms:

- (1) Termination of the easement if the roofs are destroyed by any casualty;
- (2) Roof maintenance;
- (3) Removal and re-installation of the panels to accommodate any maintenance or repair not performed pursuant to the agreement; and
- (4) Removal of the panels with the roof returned in good repair in the event the system is abandoned without the intent to continue to generate electricity.

The county attorney advised the attorney for New Century Solar, LLC that the county would require any maintenance or removal to be the obligation of a public utility company because a newly formed LLC is essentially judgment-proof.

New Century Solar, LLC has provided an easement agreement which addresses the terms the county attorney advised the county would require as follows:

- (1) As to destruction of the roof, Section 13(c) requires the county to give written notice of its intent to restore or not restore the roof within 90 days of the event causing the building to be damaged. This is acceptable.
- (2) As to roof maintenance, Section 13(b) states New Century Solar, LLC will be responsible for any roof puncture, leak, malfunction or any other event which is caused by the system and requires repairs to the property, including the building. It is not clear that this includes the damage to the roof. New Century Solar, LLC, is a newly formed LLC. The county attorney advises against accepting this maintenance being the obligation of this LLC.
- (3) As to removal for roof maintenance by the county or the school system, Section 13(c) states the LLC will be responsible for the removal and replacement upon 120 days advance notice, except in the case of an emergency, and the removal will not exceed 20 days. The county attorney advises against accepting this removal being the obligation of this LLC.
- (4) As to removal of the solar panels if the system is abandoned, section 13(f) states that the LLC will have this responsibility. The county attorney advises against accepting this removal being the obligation of this LLC.

The other material terms in the agreement are summarized as follows:

Section 1(a): Initial term is 20 years with grantee having the right to renew for additional 10 years.

Section 1(b): No compensation during first 20 years; \$5,000 annually for first 5 year renewal; \$7,500 for second 5 year renewal; \$10,000 for each year thereafter, although there is no right to this renewal.

Section 1(e): Grantee may assign its rights and obligations to third parties.

Section 4(c): Grants additional right to install and operate inverters and any additional equipment necessary to generate and transmit electrical power anywhere else on the property.

Section 4(d): Grants additional right to connect to any electric transformer on the property.

Section 4(f): Prohibits planting of any trees or constructing any improvements on the property which would interfere with the receipt of sunlight.

Section 6(b): Gives New Century access to and the use of the building's electric power and high-speed internet.

Section 6(c): States the parties will determine whether placement of the system on the roof will void the roof warranty. Robbie Ferris should already know the answer to this serious question.

Section 12: Creates an obligation for the county to maintain the roof in such a way that it supports the electrical generating system.

Section 13: Creates an obligation for county to pay for any damage to the system caused by the willful misconduct of its agents, employees, contractors, invitees or representatives.

Section 15: Requires county to carry commercial general liability insurance in amount of coverage not less than what it carries with respect to other similar properties it owns.

Section 16: Requires county to defend and indemnify grantee for any claims made against grantee which are proximately caused by county's ownership of the property.

Section 24: States that if county defaults on any of its obligations, damages which may be sought by grantee include loss of tax benefits, including any interest and penalties thereon, derived from the system.

Section 27(e): States that the county is assuring there are no hazardous materials contaminating the property.

Section 27(f): States that the county cannot receive or make any use of the electrical output.

Section 34: Provides that grantee may designate some materials as trade secrets and county must comply with certain conditions before disclosing those trade secrets; however; nothing has been designated as a trade secret.

Section 35(g): States the agreement has been negotiated by the parties. The county attorney advises it has not.

SUMMARY:

The installation of this system on this roof creates the potential that any roof maintenance will become more difficult. The LLC has agreed that it will be responsible for the repairs caused by the system and for removal of the panels if necessary for other repairs. The LLC is newly-formed and has no assets other than this system which will be fully encumbered by financing. The LLC has the right to assign all of its obligations to another entity. These circumstances

create the potential for additional maintenance costs to be borne by the school system with county funding. The agreement further creates potential liabilities and obligations on the county which otherwise do not exist. Finally, although the county's bond counsel has indicated this transaction does not impair the financing associated with this school, the county attorney advises that the county should receive a formal opinion from bond counsel in that regard. There is no compensation to the county or the school system to off-set any of these actual or potential costs. Some of these conditions must really be met by the school system and the school system needs to be a party to this agreement for that reason.

RECOMMENDATION:

The county attorney advises against entering into this agreement for the reasons stated in the summary above.