

Memorandum

TO: County Commissioners  
FROM: Pam Jones, Director of Purchasing and Central Services  
RE: History of County Campus Acquisition  
Date: May 18, 2009

The following is a chronology of the development of the new County Campus on West Margaret Lane. It is provided in response to a Commissioner request.

2000—2006: County conducted Space Needs Study defining the operational space needs for all County departments in 2000. This analysis was updated in 2004 and again in 2006.

June 19, 2006: Pursuant to NCGS 143-318.11 (a) (5) "to discuss the County's position and to instruct the County Manager and the County Attorney on the negotiating position regarding the terms of a contract to purchase real property for county offices" the Board met in closed session on June 19, 2006, to consider three options for developing a county campus. By a vote of 4-1, Commissioners approved a letter of commitment for the campus property on South Churton and West Margaret Lane in Hillsborough, with several contingencies.

October 3, 2006: In closed session and pursuant to NCGS 143-318.11 (a) (5) the Board discussed the terms of a contract presented by the County Attorney to acquire the County campus.

October 17, 2006: Pursuant to NCGS 143-318.11 (a) (5) the Board met in closed session and the County Attorney reviewed revised terms of the contract to acquire the county campus. Contingencies included in the contract involved the approvability of the project with the Town, funding availability and the delivery of acceptable contract documents from the Construction Manager at Risk, who would construct the three buildings on the campus. The Board agreed the terms of the contract as presented were acceptable and they would allow the County Attorney to prepare the item to go forward for public hearing on November 2, 2006.

November 2, 2006: Public Hearing was held on the County acquiring the County Campus property on S. Churton Street and West Margaret Lane. Following the public hearing, the Board voted to acquire the properties, assuming the contingencies of the contract could be met.

March 27, 2007: Upon recommendation of the Library Director and staff, the Board of Commissioner contracted with Phillip Barton to provide interior space planning for the new library.

May 22, 2007: Public input sessions were held for the Library interior design. Three sessions were held for staff, the Library Task Force and the Public on this date. Resulting comments were incorporated into the final design submitted by Mr. Barton.

June 26, 2007: The County Campus Purchase and Sale Agreement and Construction Manager at Risk (CMR) Contract were approved with the following contingencies:

- Design contracts for buildings would be borne by the County consistent with State Law;
- The Gateway Center property would be acquired contingent upon the developer successfully closing a deal with Weaver Street Market for the first floor of the Gateway Center;
- All regulatory approvals could be obtained for the proposed facilities;
- The CMAR could satisfy the criteria of his loan underwriter.
  - Note: The County was required to make no progress payments during the construction of the County Campus project. The first payment was made in February 2009 when the Gateway Center was purchased. Payments for the Library and office buildings are anticipated after July 1, 2009.
- The County could obtain LGC approval and underwriting approval of debt structuring within the County's policy of 15% of General Fund with 7% annual growth.
- Execution and delivery of contract documents from the CMR with his construction contractors. (Note: CMR required to follow public bidding regulations in the selection of contractors to carry out the work.)
- The developer must submit evidence of a clean bill of environmental health on all properties.

June 11, 2007: BOCC approved professional services contracts for the design of the office building and library.

January 15, 2008: BOCC considered modifications to the contract as requested by the developer. While none of the modifications changed the project cost, the developer reserved the right to increase cost if the bids for the project were substantially beyond the original estimate. Programming of the office building and library had taken longer than the developer anticipated, but were necessary to ensure the designs were vetted by the County and would ultimately yield a facility usable for the long-term.

October 21, 2008: The Board approved an additional \$445,569 for sustainable design elements to be added to the buildings. While basic sustainable design features were included in the design of the buildings originally, the contract provided that the County would pay for additional sustainable design elements it deemed appropriate. The buildings were designed with energy efficient HVAC systems however the County opted to look for even deeper long term savings

since HVAC is a primary energy consumer in a building. The installation of the four-pipe systems approved by the Board not only added an expected eight years to the life of the systems, but recouped the capital cost in a very respectable 8.9 years.

April 7, 2009: The Board approved an additional \$225,788 to install emergency generators for the office building to ensure continued operations of the County's data center during power outages. The office building also contains several conference rooms which could serve emergency response needs if power were available. An emergency generator was not included in the original proposal, but is prudent given the occupancy of the building.

Total cost of the expanded County campus is budgeted at \$25,700,000, which includes all development and construction costs, as well as costs to upfit and furnish the Gateway Center offices, the office building and the Library. The Gateway Center property was purchased as of February 23, 2009 pursuant to the contract. The office building and library are scheduled for completion in Summer 2009.