

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

BOCC Regular Work Session
March 11, 2014
Meeting – 7:00 p.m.
Link Government Services Center
200 South Cameron Street
Hillsborough, NC

- | | | |
|---------------|----|--|
| (7:00 – 8:00) | 1. | Cedar Grove Community Center Project Update |
| (8:00 – 9:15) | 2. | Space Study Follow-Up to November 12, 2013 BOCC Work Session |
| (9:15 – 9:45) | 3. | Presentation of Manager’s Recommended FY 2014-19 Capital Investment Plan (CIP) |

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: March 11, 2014

**Action Agenda
Item No. 1**

SUBJECT: Cedar Grove Community Center Project Update

DEPARTMENT: Asset Management Services
("AMS"), Department of
Environment, Agriculture,
Parks & Recreation ("DEAPR")

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

Available Electronically

PowerPoint Presentation located at
<http://orangecountync.gov/AssetMgmt/index.asp>

INFORMATION CONTACT:

Jeff Thompson, (919) 245-2658
David Stancil, (919) 245-2522

PURPOSE: To:

- 1) Receive an update regarding requested information from the Board of County Commissioners during its November 12, 2013 work session;
- 2) Confirm the project plan as approved in the FY2013-14 Capital Investment Plan; or
- 3) Provide new direction to staff.

BACKGROUND: At the November 12, 2013 Board work session, County staff and the project designer, MBAJ Architecture, presented the schematic design of the Cedar Grove Community Center for the Board's comment and feedback. Staff and the designer also presented a cost benefit analysis of the "mothball" option of the two classroom wings.

This presentation was the capstone event of the work performed by the designer; staff and the Resident Advisory Work Group through the summer and early fall of 2013. This group worked in a diligent, thoughtful and productive manner to achieve consensus on a schematic design for the Board's review, comment, and, hopefully, authorization to move forward with construction document preparation and construction bidding in the spring-summer of 2014.

The following joined Commissioners Barry Jacobs and Renee Price as members of the Resident Advisory Work Group:

Melinda Bradsher

Jacqueline McConnell-Graf

Sucovis Hester

David Ogburn

Brenda Vanhook

Luther Brooks

Nancy Graves

Vivian Herndon Latta

Clifford Rogers

Hattie Vanhook

Sue Florence

Malcolm Hester

Sheila Vanhook McDonald

Roger Traynham

Cumilla White

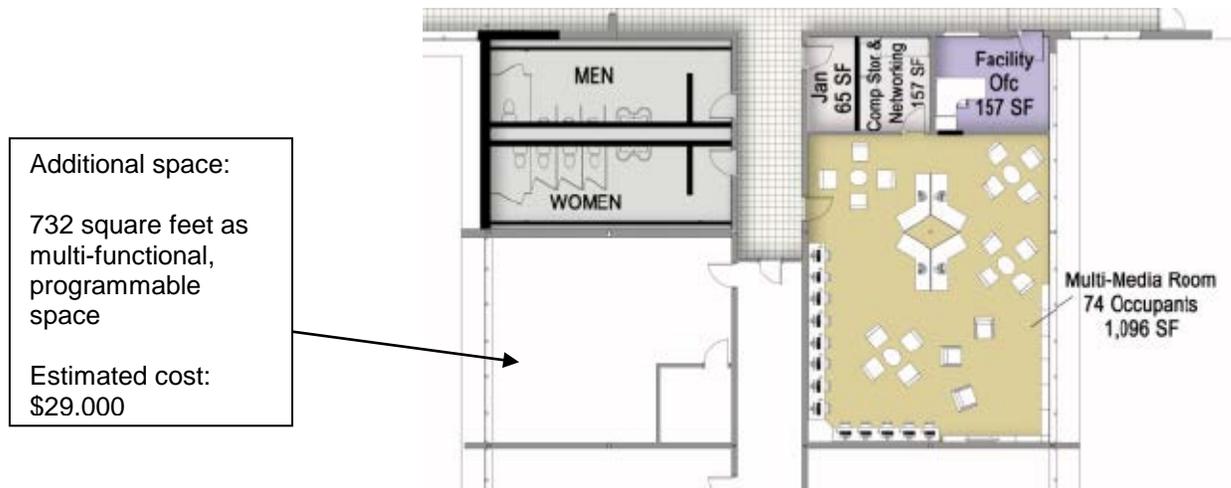
During and after the presentation on November 12, the Board provided thoughtful feedback and guidance to staff and asked for the following additional information with regard to the Community Center project and the existing classroom wings. After receiving Board feedback during this work session, staff will schedule a public meeting with the area residents and other interested persons with regard to programming needs and interests.

1. Status of bus service and associated parking (“Park & Ride”, “Kiss & Ride”) at the Cedar Grove Community Center

Orange County Planning confirms that bus service to the Cedar Grove site is the first service planned to be launched as part of the 5 year bus service program. The design and installation of the planned transit shelter and amenities (signage, schedules, etc.) can be coordinated with the Community Center design should the BOCC choose to move forward with the project. The BOCC should see the final bus service plan for approval in April 2014.

2. Cost-Benefit of including the additional classroom upfit and including it within the Community Center project.

The Board asked for the impact of including the following area previously outside of the scope of the project as part of the Community Center plan. The cost of the additional upfit for 732 square feet of multi-functional, programmable space is estimated at **\$29,000**.



3. Further cost-benefit analysis of classroom wings.

The Board may recall the “mothball” cost-benefit analysis from the November 12, 2013 work session. The estimated mothball “base” cost for 21,000 square feet of the classroom wings in order to protect the space for future use is **\$608,700**. This estimate includes \$28,800 for the design. The scope of the work includes restoring the building envelope systems (roof, windows, masonry) and providing adequate heating and cooling to preserve the internal areas. The annual utility cost to maintain this condition is estimated between \$3,000 and \$6,000.

The Board asked for clarification with regard to the base “mothball” option to be expanded into a **conditioned storage option** or a **fully programmed space option**. **Both options would require the full base “mothball” investment.**

Option A – Conditioned Storage. Should the area be upfit for conditioned storage, a more **extensive fire alarm system** would need to be installed at an estimated additional cost of

\$15,000. For bulk, palletized storage, an **oversized door** could be installed at the north wing entrance, allowing for cargo truck/lift gate deliveries into the north wing entrance. This feature could be installed for an estimated cost of **\$10,000.**

Option B – Fully Programmed Space.

The cost to convert the wings to fully programmed space involves major investments in the septic system upgrade to allow for the additional required wastewater flow as well as the interior space upfit (to include an expansion of the proposed Community Center HVAC system) that would provide comfortable office, meeting and services areas necessary for programmable space.

Septic Upgrade: MBAJ Architects and their engineering sub-consultants reviewed the construction documents and state that the system as designed is adequate for up to 7,000 gallons of daily flow. Full capacity design is estimated not to exceed **\$800,000**, which includes adequate contingency for unforeseen conditions.

This system was originally conceived and designed for the Board’s consideration for installation from the early 2000s through 2009. The Board chose not to pursue the additional 7,000 gallons of daily flow to support the rapidly declining occupancy and programming of the facility.

Upfit: A full occupancy upfit is estimated at \$100 per square foot. The estimated full cost for this upfit, which includes the expanded Community Center HVAC system, is **\$2,100,000.**

FINANCIAL IMPACT: The Board approved the FY2012-17 Capital Investment Plan (“CIP”) that included \$250,000 in FY 2012-13 for deconstruction of sections of the facility in preparation for the future use on the site. The Board also approved \$2.0 million in FY2014-15 for the design and construction of the new facility that, when combined with the \$250,000 authorized in FY 2012-13, brings the total project capital budget to \$2,250,000. The following illustration outlines the costs associated with the alternatives discussed:

Option A – Storage Use, additional classroom space (No septic upgrade)

	Estimated Cost	Current Revenues	Appropriations	Surplus/(Deficit)
Cedar Grove Project	\$2,000,000	\$2,250,000	\$2,250,000	\$250,000
Classroom Wing “Mothball” Design Fee	\$28,800	\$0	\$0	(\$28,800)
Classroom Wing “Mothball” Estimated Construction Cost*	\$579,900	\$0	\$0	(\$579,900)
Classroom Wing Storage Upgrade Estimated Cost	\$15,000	\$0	\$0	(\$15,000)
Palletized Storage Opening	\$10,000	\$0	\$0	(\$10,000)
Additional Classroom Space Upfit Estimated Cost	\$29,000	\$0	\$0	(\$29,000)
Totals:	\$2,662,700	\$2,250,000	\$2,250,000	(\$412,700)

*Annual operating costs for storage option are estimated between \$3,000 and \$6,000

Option A would require an additional appropriation of approximately \$412,700 for the project.

Option B – Program Use (Septic upgrade)

	Estimated Cost	Current Revenues	Appropriations	Surplus/(Deficit)
Cedar Grove Project	\$2,000,000	\$2,250,000	\$2,250,000	\$250,000
Classroom Wing "Mothball" Design Fee	\$28,800	\$0	\$0	(\$28,800)
Classroom Wing "Mothball" Estimated Construction Cost	\$579,900	\$0	\$0	(\$579,900)
Classroom Wing Upfit Cost (est. \$100 per square foot)	\$2,100,000	\$0	\$0	(\$2,100,000)
Septic System Upgrade Estimated Cost	\$800,000	\$0	\$0	(\$800,000)
Additional Classroom Space Upfit Estimated Cost	\$29,000	\$0	\$0	(\$29,000)
Totals:	\$5,537,700	\$2,250,000	\$2,250,000	(\$3,287,700)

*Annual utility and custodial costs for occupied, programmed space are between \$3.50 and \$4.50 per square foot.

Option B would require an additional appropriation of approximately \$3,287,700 for the project.

RECOMMENDATION(S): The Manager recommends the Board:

- 1) Receive an update regarding requested information from the Board of County Commissioners during its November 12, 2013 work session;
- 2) Confirm the project plan as approved in the FY2013-14 Capital Investment Plan; or
- 3) Provide new direction to staff.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: March 11, 2014

**Action Agenda
Item No.** 2

SUBJECT: Space Study Follow-Up to November 12, 2013 BOCC Work Session

DEPARTMENT: Asset Management Services

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

- A) Board-Adopted Framework for Iterative, Continuous Space Study
- B) Executive Summary from Follow Up Report to November 12, 2013 Space Study Report

INFORMATION CONTACT:

Jeff Thompson, 919-245-2658
Wayne Fenton, 919-245-2628

Available Electronically

- C) *Follow Up Report to November 12, 2013 Space Study Report*
<http://orangecountync.gov/AssetMgmt/index.asp>
- D) *Work Session PowerPoint Presentation*
<http://orangecountync.gov/AssetMgmt/index.asp>

PURPOSE: To receive and discuss follow up to the space study presented at the Board's November 12, 2013 work session and to provide guidance and recommendations to the County Manager and staff in anticipation of the FY2014-15 goals, planning, and budget processes.

BACKGROUND: During the May 21, 2013 regular meeting, the Board of County Commissioners received a space study update report for review and comment. The abstract for this item can be found at <http://orangecountync.gov/occlerks/130521.pdf>, Item 8-b.

The Board requested that these presented space study initiatives: 1) return for the Board's review and continued discussion in anticipation of the Board's annual planning, prioritization, budgeting, and decision making processes; and 2) be delivered within a framework conducive to iterative, continuous study over time.

The Board adopted study framework is illustrated in Attachment A entitled "Board-Adopted Framework for Iterative, Continuous Space Study". The framework is founded in the original 2001 framework and guiding principles as well as the major space study framework update in 2005.

As part of this framework, the County engaged ECS Carolinas, LLP of Raleigh, NC to work with County management and its departments in developing baseline information and ongoing analysis and benchmarking tools in the areas of space utilization and facilities assessment. This information was provided to the Board at its November 12, 2013 Work Session. The abstract for this item can be found at <http://orangecountync.gov/occlerks/131112.pdf>

Attachment C, "Follow Up to November 12, 2013 Space Study Report" is provided electronically (hard copies available upon request) and responds to the Board's request that staff provide/return with additional information regarding:

- Options, costs and considerations for use or disposition of financially stressed facility assets
- Options, costs and considerations for use of available unused/underutilized space
- Availability and use of storage space by County departments and agencies, and identified needs

Attachment B is the Executive Summary from the Report provided at Attachment C.

Attachment D entitled "Work Session PowerPoint Presentation" is also provided electronically and outlines the talking points of the work session presentation. Hard copies of the presentation are available upon request.

FINANCIAL IMPACT: There is no financial impact related to receipt of this report. There may be financial impacts related to Board decisions regarding the long-term occupancy and use of referenced facilities.

RECOMMENDATION(S): The Manager recommends the Board receive and discuss the space study follow up information and provide guidance to the Manager and staff in anticipation of the FY2014-15 Capital Investment Planning process.

Space Study Framework (BOCC adopted on June 18, 2013)

1. Purpose:

The purpose of this space study framework is to provide staff a Board adopted set of guidelines to systematically inventory, assess, and manage County facility needs on a continuous basis. Specifically, the framework addresses:

- a. Space inventory (facility report updated May 2013)
- b. Projected space requirements through 2020 (*short term; extended from original target of meeting needs up to 2010 in 2005 space study update*)
- c. Projected space needs that may fall beyond 2020 time frame (long term; extended from original target of meeting needs up to 2010 in 2005 space study update)
- d. Identified space issues that may affect quality of service to County customers
- e. The systematic gathering, review and management of departmental space needs that impact services (i.e. service trends, locational needs, technology, growth and/or contraction)
- f. The presentation of options and recommendations to the Board that prioritize, optimize, manage, and ultimately meet County space needs in a reasonable and useful manner

2. Guiding Principles:

- a. Board Adopted in 2001:
 - Co-location of departments with similar functions and/or those that serve the same customer base
 - Consolidation of County operations to as few sites as may be practicable in an attempt to gain operational efficiency and customer access
 - Owning facilities in which County operations are located, as opposed to leasing, except where there exists a compelling business reason to do so
- b. Additional Guiding Principle Board Adopted in 2005:
 - Building and maintaining facilities and spaces according to sustainable practices and high performance building standards (Board adopted Environmental Responsibility Goals)
- c. Suggested Principle for Board Adoption in 2013:
 - Evaluation of the relative cost and benefit of facilities use where those facilities are stressed –“fully and/or practically depreciated”. This principle is necessary in order to manage the facility to its highest and best use while planning and providing for the potentially displaced space need.

3. Basis of Study:

The study will include a review of the use of all County buildings, along with a description of the space needs of each County department and other users of County buildings (e.g. District Attorney).

These assessments will serve as a fundamental work product and will form the basis for the scope of the study:

- a. **Management and Staff Assessment and Input. The Metrics of this Assessment are as follows:**
 - i. Management evaluation and comment
 - ii. Staff evaluation, collected and documented by the user questionnaire established in 2001
- b. **Physical Assessment and Inventory. The Metrics of this Assessment are as follows:**
 - i. Physical report (staff and consultant)
 - ii. Maintenance and utility report (staff)
 - iii. Identification of stressed and under-utilized assets
 - iv. Valuation of stressed and under-utilized assets through a Net Present Value Calculation (staff)
- c. **Departmental Space Needs Programming housed within stressed or under-utilized assets (staff and consultant)**

4. Scope of Study:

The scope of the study will be based upon the before-mentioned Basis of Study data, analysis, and conclusions and will be framed by:

- a. **Space needs required no later than 2020; as well as beyond 2020 – based upon:**
 - i. management and staff assessments,
 - ii. facility assessments,
 - iii. identified stressed or underutilized assets,
 - iv. identified Board, management, and departmental needs;
- b. **Board adopted strategic planning initiatives**

5. Options and Recommendations:

The criteria and decision factors for recommended space study action that are suggested for Board adoption are as follows:

- a. Making decisions based upon the before-mentioned guiding principles:
 - Consolidation
 - Centralization
 - Ownership
 - Sustainable building operation and programming
 - Cost and benefit analysis
- b. Minimizing under-utilized spaces
- c. Formulating reasonable, defensible courses of action for stressed facilities
- d. Providing exceptional facilities for County service delivery
- e. Meeting longstanding, publicly supported needs
- f. Recognizing, anticipating, and planning for growth (and contraction) trends

6. Timeline and Horizon:

Staff will recommend space need prioritization, scheduling and funding sources to the Board for comment and adoption each fall prior to the annual Capital Investment Planning process.

This space study framework is recommended to be fully updated every 5th year, with annual status reports to be presented to the Board each fall before the budget season. These updates may serve as a vehicle to recognize and address the trends and strategic directions and receive Board guidance outside of the budget process.

This space study framework will be used for a systematic study of County facility space needs in 2013.

Executive Summary

At the request of the BOCC during the November 12, 2013 work session, Asset Management Services (“AMS”) staff:

- Reviewed options for use of unused and under-utilized space in several County buildings, including the financially stressed Environment and Agriculture Center (EAC);
- Identified options for future use of the spaces; and
- Developed cost estimates for the work necessary to prepare spaces for use.

Each space has a number of options for future use, with varying associated costs for each.

AMS also developed more specific recommendations and options for the Board’s review concerning storage space utilization.

Stressed Asset/Under-Utilized Space.

The EAC on Revere Road was identified as a stressed asset by ECS Carolinas in the evaluation previously performed for the County. If this facility is to remain in use beyond the next four to five years, significant improvements will be required, estimated at \$1,433,000 (Plus upfit costs if layout is to be modified - see table below).

Another facility where significant investments would be required for occupancy by staff is the former Cedar Grove school/future Cedar Grove community center, if classroom wings were to be occupied. Should the Board decide to retain these wings, basic costs will be incurred for any future use, in order to meet building and fire code requirements. However, additional investment would be necessary if staff were to be relocated to the facility, due to current limits on the septic system.

Underutilized but very “healthy” space exists at the Government Service Annex, currently used to house elections equipment. This space could be upfit for use as offices rather than storage, as is currently the case for much of the building. Storage is not the highest and best use of this facility; it would serve much better as an office building, and could support office and collaborative uses in its current state. Investment will be required beyond the next four to five years to replace the existing HVAC system, and to address issues associated with the building being partially within the flood plain, if it is to remain in use.

Similarly, other underutilized but healthy spaces exist at the Whitted Center (approximately 2,565 assignable square feet) and Link Center (approximately 4,680 assignable square feet). Both would require basic renovations to create office and/or multi-functional space.

The tables below provide an overview of options for the Board to consider regarding potential uses of these facilities (equipment and/or staff) and associated cost estimates for each. The Board may choose to:

- 1) Continue to maintain the existing facilities and uses “as is” and commit the resources to maintaining them, even in an inefficient manner; or

- 2) Entertain maximizing the utility of the available spaces at their highest and best uses; or
- 3) Arriving at a blended strategy of both #1 and #2 above.

Input, guidance and direction provided by the Board at the February 13, 2014 work session will be used to identify associated costs for years six through ten of the CIP for preferred options, and to begin the necessary planning to develop these options.

Table 1

Department Relocation Options

Department	Current Location	Assignable Square Footage	Occupant Count	Relocation Options (Available assignable square footage)					
				Cedar Grove +/- 12,128 SF	Whitted Ctr 2,565 SF	GSA 4,875	Link GSC 4,680 SF	Blackwood Farm TBD SF	EAC 10,960 SF
DEAPR									
Support Svcs & Dir	EAC	3,741	5	Yes	Yes	Yes	Yes	Yes	N/A
Natural & Cultural Res	EAC		3	Yes	Yes	Yes	Yes	Yes	N/A
Soil & Water	EAC	717	5	Yes	No	Yes	No	Yes	N/A
Cooperative Ext	EAC	4,968	10	Yes	No	Yes	No	Yes	N/A
Farm Svc Agency	EAC	1,532	4	Yes	No	Yes	No	Yes	N/A
Elections *	GSA	4,875	4	No	No	N/A	Yes	No	Yes

* Elections assignable square footage at GSA includes storage space dedicated for election equipment and supply storage.

Table 2

Estimated Costs to Develop Available Space

Location	Upfit \$/SF	Max SF	\$ Total	Other costs					Estimated \$ Total
				Septic system	HVAC	Floodplain	Roof	Paving	
Cedar Grove	\$100.00	21,000	\$2,100,000	\$600,000					\$1,208,700
Link GSC	\$175	4,680	\$819,000						\$819,000
Whitted Center	\$80	2,565	\$205,200						\$205,200
GSA	\$80	4,875	\$390,000		\$350,000	\$400,000			\$1,140,000
Blackwood Farm	\$6,000,000 (Yr 6-10)								\$6,000,000
EAC *	\$80	10,960	\$876,800		\$663,000		\$560,000	\$210,000	\$2,309,800

*Should EAC be reconfigured for interior use (office, multi-purpose, controlled storage, etc.).

Systematic County storage programming and utilization.

The Board may recall that County storage practices are de-centralized and somewhat inefficient relative to overall space utilization within the County.

Since the November 12, 2013 report to Board, AMS staff surveyed County departments regarding their current storage practices, the regulatory requirements for retention of their department's records, and other storage needs and preferences. Thirty-six surveys were completed by twenty-one departments (multiple surveys were submitted for departments with multiple divisions and/or that have multiple locations). The following information was summarized from the completed surveys:

- Fifteen departments make use of the “off-site” conditioned storage lockers located at the EAC on Revere Road for records storage;
- Three departments store items in the unconditioned space at 510 Meadowlands Road;
- Twenty departments indicated that there are regulatory requirements for records retention for records for their departments;
- Fifteen departments indicated that they routinely retain records beyond the required retention period for their department/agency, primarily for historical reference and institutional memory;
- Eighteen departments indicated that electronic storage of at least some of the records they are required to retain is acceptable (would have additional unbudgeted cost implications for IT scanning project);
- Seventeen agencies indicated that off-site storage of required records is acceptable;
- Several departments currently use office space for storage of records, equipment, etc.

Recommendations/Next Steps

Asset Management Services staff is preparing a written policy for presentation to the Board for review and potential adoption for storage of records and other items requiring storage that will ensure:

- Frequently accessed records and other items needed to be housed “locally” will be stored within departments; infrequently accessed records and items will be efficiently stored in designated off-site storage locations;
- Designated office space is not used for records or equipment storage;
- Regulatory requirements for records retention are met;
- County needs and wishes for the identification and retention of records with historical significance are maintained beyond regulatory requirements, where applicable;
- Records that will not be maintained for historical reference are routinely destroyed and/or recycled at the end of the required retention period.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: March 11, 2014

**Action Agenda
Item No. 3**

SUBJECT: Presentation of Manager's Recommended FY 2014-19 Capital Investment Plan (CIP)

DEPARTMENT: Financial Services

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

Attachment A. Year 1 (FY 2014-15)
Recommended Projects

UNDER SEPARATE COVER

*Attachment B. Manager Recommended
FY 2014-19 County
Capital Investment Plan*

Available Electronically

<http://orangecountync.gov/finance/budget.asp>

INFORMATION CONTACT:

Michael Talbert, Interim County
Manager, (919) 245-2453
Clarence Grier, Financial Services,
(919) 245-2453

Paul Laughton, Financial Services,
(919) 245-2152

PURPOSE: To receive the Manager's Recommended FY 2014-19 Capital Investment Plan.

BACKGROUND: For over 20 years, the County has produced a Capital Investment Plan (CIP) that establishes a budget planning guide related to capital needs for the County as well as Schools. The current CIP consists of a 5-year plan that is evaluated annually to include year-to-year changes in priorities, needs, and available resources. Approval of the CIP commits the County to the first year funding only of the capital projects; all other years are used as a planning tool and serves as a financial plan.

Capital Investment Plan – Overview

The FY 2014-19 CIP includes County Projects, School Projects, Proprietary Projects, and Special Revenue Projects. The Proprietary Projects include Water and Sewer, Solid Waste Enterprise Fund, and SportsPlex projects. The Special Revenue Projects include Economic Development and School related projects funded from the Article 46 (1/4 cent) Sales Tax proceeds. The Article 46 Sales Tax was approved by the voters in the November 2011 election, and became effective April 1, 2012.

The CIP has been prepared anticipating continued slow economic growth of between 1-2% annually over the next five years. Many of the projects in the CIP will rely on debt financing to fund the projects.

County Capital – Highlights

The County Capital section includes five (5) new projects in Years 1-5 that were not part of the FY 2013-18 CIP. These projects include the following:

Cedar Grove Community Center Library Kiosk – includes \$180,000 in Year 2 (FY 2015-16) to provide patrons an automated material kiosk at the Cedar Grove Community Center providing 24 hour electronic access for checking in and out materials.

Parking Lot Improvements – includes repair, resurfacing, and/or replacement of asphalt and concrete parking areas, including necessary curb and gutter systems at the following locations: \$120,000 in Year 2 (FY 2016-15) at 501/503 W. Franklin Street; \$510,000 in Year 4 (FY 2017-18) at Link Government Services Center/Annex and the District Attorney building; and 3 additional properties (\$2,750,000 in Years 6-10).

Life Safety – ADA – provides \$25,000 in Year 1 (FY 2014-15) for the installation of automated access doors at West Campus and the Seymour Senior Center; \$25,000 in Year 2 (FY 2015-16) for fire alarm system improvements/replacement at the Historic Courthouse; \$60,000 in Year 5 (FY 2018-19) for elevator improvements at the Historic Courthouse; and additional fire alarm system design and installation at 4 locations (\$65,000 in Years 6-10)

Historic Rogers Road Neighborhood Community Center – During FY 2012-13, the Board of Commissioners approved the establishment of a capital project for the construction of a Historic Rogers Road Neighborhood Community Center with funds of \$650,000. For Year 2 (FY 2015-16), \$3,025,000 is recommended, which represents the County's 43% share of the Sewer Concept Plan costs to serve 86 parcels.

Park and Recreation Facility Renovations and Repairs – provides funding each of Years 1-5 for the scheduling of planned renovations and repairs to facilities; a total of \$900,000 is included over these five years.

The County Capital section also includes two (2) new projects in Years 6-10 that were not part of the FY 2013-18 CIP. These projects include the following:

Main Branch Library Remodel – the need for an upfit and re-design of the Main Branch Library was identified both in the County Space Needs Study and the 2012 Community Needs Assessment portion of the Library's strategic plan. To accommodate current and future users, the library must make better use of the existing space by focusing on maximizing its flexibility and adaptability. Includes a total of \$1,200,000 in Years 6-10 for design, construction, and equipment/furnishings.

Court Street Annex – includes \$100,000 in Years 6-10 for the replacement of the main distribution panel and electrical circuits throughout the building to meet modern standards.

Other Major County projects include the following:

Cedar Grove Community Center – includes \$2,000,000 in Year 1 (FY 2014-15) for construction and adaptive reuse of the former Northern Human Services Center. Final Board decisions regarding use or disposition of the classroom wings will determine the finalized design and cost estimates for the project.

Southern Orange Campus (Future Planning) – Design services of \$400,000 are included in Year 1 (FY 2014-15), with site development infrastructure work of \$3,600,000 in Year 2 (FY 2015-16) for campus buildings not associated with the existing Southern Human Services Center (SHSC). Expansion of the existing SHSC is included in a separate CIP project.

Southern Human Services Center Expansion – includes expansion of the existing SHSC, contingent upon approval of the Special Use Permit (SUP) modification that will guide use of this site. Funding of \$6,650,000 is included in Year 3 (FY 2016-17) for this expansion, which includes a Dental Clinic.

Southern Branch Library – funding of \$600,000 was approved in FY 2013-14 for possible land purchase; Design and engineering work of \$525,000 is included in Year 2 (FY 2015-16), and construction costs of \$7,000,000 and \$755,000 in equipment and furnishings are included in Year 3 (FY 2016-17). Note: this project moves up one year from the current CIP.

Proposed Jail – total project costs of \$30,000,000, with site related planning costs of \$500,000 recommended in Year 2 (FY 2015-16), architectural/engineering costs of \$500,000 in Year 3 (FY 2016-17), with the construction of a new 250 bed jail recommended in Year 4 (FY 2017-18) at an estimated cost of \$29,000,000.

Emergency Services Substations - funding for this project will enable the construction of 4 new co-built EMS stations and 2 stand-alone substations in geographical areas across the County that will help reduce response times, which averaged 9:45 at the end of 2013. Year 2 (FY 2015-16) includes \$1.2 million for 2 co-builds, one with the Town of Chapel Hill in the Glen Lennox area, and one with the Town of Hillsborough in the Waterstone development area. Year 3 (FY 2016-17) includes \$1.2 million for 2 additional co-builds, one with the Town of Chapel Hill in the Weaver Dairy/Martin Luther King area or Franklin Street/Elliott Road area, and one with the Town of Hillsborough in a northern location yet to be identified. Also, includes \$1.5 million in Year 5 (FY 2018-19) and in Years 6-10 for stand-alone substations. Note: there is a map of the current and proposed substations included in the CIP document.

Blackwood Farm Park – includes \$147,400 in Year 1 (FY 2014-15) for amenities such as trail construction, parking, restrooms, dock, signage, disc golf, and security cameras. Park construction is included in Year 4 (FY 2017-18), with \$5.6 million for the construction of an Agricultural, Environment, and Parks Center, including a permanent parks operations base, included in Years 6-10, pending final decisions from the Board regarding the Space Needs Analysis Study.

Eurosport Soccer Center (Phase II) – This represents an investment in the current facility, with \$141,000 included in Year 1 (FY 2014-15) for restrooms and other current facility improvements; \$425,000 in Year 3 (FY 2016-17) for possible land acquisition for future

expansion; and \$4.6 million in Years 6-10 for the construction of new artificial turf fields, parking, restrooms/equipment building, equipment, and stormwater controls.

Lands Legacy Program – includes \$2.4 million over a two-year period (\$400,000 in Year 1 and \$2,000,000 in Year 2) for continued conservation and protection of the County’s most critical natural and cultural resources. Note: Prior 2001 Bond authorization of \$2.4 million lapsed in 2010, so new financing is recommended in Years 1 and 2.

Millhouse Road Park – The recommended budget for this project reflects a possible Town of Chapel Hill/County partnership concept for this project. Funds of \$100,000 for design, engineering, and preconstruction costs are recommended in Year 3 (FY 2016-17), with Park construction funds of \$6,400,000, including a soccer field complex, walking trails, and other amenities, in Year 4 (FY 2017-18). Note: this project has been pushed back two years from the current CIP to be consistent with the Town’s Parks and Recreation Master Plan.

Special Revenue Projects (Article 46 Sales Tax Proceeds) – Highlights

The Special Revenue section includes anticipated revenue from the Article 46 (1/4 cent) Sales Tax, with 50% of the proceeds for Economic Development initiatives and 50% for Education (allocated by the ADM count of the two school districts). In FY 2013-14, proceeds are estimated at \$2,732,000, with 1.5% growth assumed in subsequent years. A summary is provided within the Special Revenue Projects section of the document listing the recommended uses of these proceeds.

Proprietary Projects – Highlights

Water & Sewer Utilities:

Buckhorn Economic Development District (EDD) – Phase 2 Extension (Elford Sewer to Mebane) - reflects funds of \$4,300,000 in Year 1 (FY 2014-15) for construction of this project; this represents an increase in previous anticipated costs due to revised estimates for design and construction; this continues to fit into the long range strategy to ultimately turn over the operation of the Elford sewer system to the Town of Mebane.

Hillsborough EDD - reflects funds of \$150,000 in Year 1 for design and easement purchase, and \$1,000,000 in year 2 (FY 2015-16) for construction of water and sewer infrastructure in this EDD. Note: this project has moved up several years due to projected growth and economic activity in the Hillsborough EDD area.

Eno EDD - includes \$1,750,000 in Year 5 (FY 2018-19) for the construction work in this EDD. Note: based on recent feasibility studies to provide sewer service to this area, this project has been pushed back several years from the current CIP.

Buckhorn-Mebane EDD Phases 3 and 4 - includes \$2,500,000 in Year 3 (FY 2016-17) for the Buckhorn-Mebane Phases 3 and 4 construction projects. Note: this project has been moved back one year from the current CIP to allow for the completion of Phase 2 prior to starting Phases 3 and 4.

The Water & Sewer section also includes two (2) new projects in Years 1 and 2 that were not part of the FY 2013-18 CIP. These projects include the following:

Economic Development Infrastructure – this project reflects the FY 2013-14 funding of infrastructure for the Morinaga Company, which consists of design for the extension of water, sewer and roadway infrastructure to the site from surrounding existing utility system and construction of the water and sewer extension. This project is funded by \$250,000 from Article 46 Sales Tax proceeds, and \$750,000 in CDBG funds. This new project also includes \$50,000 in Year 1 for EDD zones right-of-way-accesses, and \$50,000 in Year 1 for public-private participation in EDD zones and rural broadband related access.

Economic Development Utility Extension Project(s) – provides funds of \$250,000 in Years 1 and 2 for future economic development projects that are currently being considered, but have not been finalized. If no project develops in the coming year, which requires utility extension, the funds would be available for future years as needed.

Solid Waste:

Sanitation - includes funds of \$2,428,283 in Year 1 (FY 2014-15) for Solid Waste Convenience Center (SWCC) improvements at the Eubanks Road site (the cost has increased by approximately \$1.1 million from the current FY 2013-18 CIP due to the movement of the scale house operations and associated site improvements, extending water and sewer to the site, additional stormwater structures, purchase of two additional stationary compactors, and a larger household hazardous waste building). Year 1 also includes \$206,944 for the replacement of a Hook Lift truck; Year 2 includes \$495,000 for SWCC improvements at the High Rock Road site; and Year 3 includes \$340,000 for SWCC improvements at the Ferguson Road site. Years 6-10 includes \$212,028 for SWCC improvements at the Bradshaw Quarry site.

Recycling Operations – the current FY 2013-14 includes the purchase of 2 rural curbside trucks and the purchase of 19,500 urban recycling carts, at a total cost of \$1,602,139. Year 1 (FY 2014-15) provides for the purchase of 7,000 rural carts, as well as the replacement of two trucks. Year 2 (FY 2015-16) provides for the purchase of 2,000 additional rural carts.

Note: the Solid Waste Management Department has instituted a re-build program for its heavy pieces of equipment (not trucks) rather than being replaced. Re-building, or overhauling, is significantly less expensive than replacing with new equipment, thereby extending its life and reducing costs. Results of this re-build program are reflected in reduced equipment costs shown in the CIP, when compared to the current CIP.

SportsPlex – includes funding in Year 1 (FY 2014-15) for a Mezzanine addition at the pool area to include dedicated member change areas and lockers, workout rooms, and a senior/adult cardio strength center. Year 2 (FY 2015-16) includes funding of \$1,900,000 for a new building addition that would house an indoor turf field for soccer, lacrosse, senior walking, running, Kidsplex functions, and youth/adult flag football leagues. A second new building addition includes funding of \$900,000 also in Year 2 for a second new building addition that would house a regulation sized high school/college basketball court, including bleacher seating, for youth and adult basketball leagues, court based fitness programs, volleyball, and Kidsplex activities. Projected revenue from these new projects would generate enough funds to cover the additional annual debt service needed for these projects.

School Projects – Highlights

Chapel Hill-Carrboro City Schools – Based on the Schools Adequate Public Facilities Ordinance (SAPFO) most recent November 15, 2013 projections, the following new schools/additions would be needed: *Middle School #5* to open in FY 2020-21; *Elementary #12* to open in FY 2020-21; and *Carrboro High School Additions* to open in FY 2023-24, and these funding impacts are reflected mostly in Years 6-10. Pay-As-You-Go (PAYG) funds are estimated are estimated at a 1.5% annual growth rate and the Lottery Proceeds are held constant throughout the 5-year CIP period.

Orange County Schools – Based on the SAPFO's recent November 15, 2013 projections, the following new schools/additions would be needed: *Elementary #8* to open in FY 2023-24; and *Cedar Ridge High School Classroom Addition* to open in FY 2022-23. 1.5% annual growth in PAYG funds and constant Lottery Proceeds are assumed throughout the 5-year CIP period.

Note: Funds to address both school systems' Facilities Assessment Report needs are not included in the Recommended CIP. The Reports reflected needs totaling approximately \$330 million for both school systems. The size and timeframe of a future Bond Referendum and/or Alternative Financing that could possibly address facility needs has not yet been decided by the Board of Commissioners.

Appendices – Highlights

County Debt Service and Debt Capacity – Based on the Manager's recommended funding, the County's annual debt service as a percent of the General Fund budget would remain under the 15% Debt Service Policy throughout the 5-year CIP period, but given the funding scenarios currently in the CIP for Years 6-10, it would reach 15.44% in Year 6 (FY 2018-19) and rise to a high of 19.15% in Year 8 (FY 2021-22).

Water and Sewer Projects Debt Service (to be paid with Article 46 Sales Tax proceeds) – based on the current allocation for debt service for Economic Development initiatives, the accumulated amount of revenue earmarked for debt service is adequate to cover debt service payments through the 5-year CIP period.

Active County Capital Projects – also included in the Appendices section is a list of all currently active County Capital projects reflecting available balances as of February 26, 2014.

FINANCIAL IMPACT: There is no immediate financial impact associated with the presentation of the FY 2014-19 Capital Investment Plan. It is a long-range financial planning tool with a financial impact in FY 2014-15, if the first year of the CIP is approved by the Board of County Commissioners with the adoption of the Annual Budget.

RECOMMENDATION(S): The Manager recommends the Board receive the presentation of the Manager's Recommended FY 2014-19 Capital Investment Plan and provide direction to staff in preparation of the April 10, 2014 Budget work session.

**Orange County CIP - Year 1 (FY 2014-15) Recommended Projects
Fiscal Years 2014-19**

	Fiscal Year 2014-15
Appropriations	
County Capital Projects:	
<i>Cedar Grove Community Center</i>	2,000,000
<i>Southern Orange Campus (Future Planning)</i>	400,000
<i>HVAC Projects - Geothermal</i>	202,500
<i>Roofing Projects</i>	179,010
<i>Information Technology</i>	500,000
<i>Register of Deeds Automation</i>	80,000
<i>Life Safety - ADA</i>	25,000
<i>Viper Radio System</i>	500,000
<i>Communication System Improvements</i>	122,000
<i>Blackwood Farm Park</i>	147,400
<i>Conservation Easements</i>	250,000
<i>Eurosport Soccer Center Phase II</i>	141,000
<i>Lands Legacy</i>	400,000
<i>New Hope Preserve/Hollow Rock Public Access</i>	125,000
<i>Facility Renovations and Repairs</i>	256,500
Total County Projects	<u>\$ 5,328,410</u>
Special Revenue Fund (Article 46 Sales Tax)	
Economic Development:	
<i>Debt Service on Infrastructure</i>	836,490
* <i>Buckhorn EDD Phase 2</i>	
* <i>Buckhorn-Mebane EDD Phase 3 & 4</i>	
* <i>Efland Sewer Flow to Mebane</i>	
<i>Infrastructure (Utility Service Agreement w/ Mebane)</i>	50,000
<i>Collaborative Outreach</i>	20,000
<i>Small Business Loan Pool</i>	200,000
<i>Collateral Materials</i>	20,000
<i>Innovation Centers</i>	100,000
* <i>"Launch Chapel Hill" Incubator</i>	
<i>Agricultural Economic Development</i>	60,000
<i>Business Investment Grants</i>	100,000
<i>Total Economic Development - Article 46 Sales Tax</i>	<u>\$ 1,386,490</u>
Chapel Hill Carrboro City Schools:	
<i>Technology - Student Access Computing Devices</i>	426,345
<i>Facility Improvements at Older Schools</i>	426,345
<i>Total Chapel Hill-Carrboro City Schools</i>	<u>\$ 852,690</u>
Orange County Schools:	
<i>Technology - 1:1 Initiative (District-wide)</i>	533,800
<i>Total Orange County Schools</i>	<u>\$ 533,800</u>
Total Article 46 Sales Tax	<u>\$ 2,772,980</u>

Proprietary Capital Projects**Water & Sewer Utilities:**

Economic Development Infrastructure	100,000
Economic Development Utility Extension Projects	250,000
Efland Sewer Flow to Mebane	4,530,000
Hillsborough EDD	150,000
Total Water & Sewer	\$ 5,030,000

Solid Waste:

Sanitation - SWCC Improvements (Eubanks Rd); Truck replacement	2,635,227
Recycling Operation - Purchase of Rural carts; 2 Truck replacements	814,059
Total Solid Waste	\$ 3,449,286

Sportsplex:

New Facilities Projects:

Major Expansion - Phase 1 (Pool Mezzanine)	950,000
Pool wall reglaze	125,000
Tilt up Panel (exterior wall system)	100,000
Total Sportsplex	\$ 1,175,000

Schools Capital Projects**Chapel Hill Carrboro City Schools:**

Long Range Capital:

Pay-As-You-Go Funds	2,290,782
Lottery Proceeds	828,944
Total	\$ 3,119,726

Orange County Schools:

Long Range Capital:

Pay-As-You-Go Funds	1,434,067
Lottery Proceeds	507,336
Total	\$ 1,941,403

Total School Projects**\$ 5,061,129****Total Appropriations****\$ 22,816,805****Revenues/Funding Source**

Transfer from General Fund - County	1,218,810
Transfer from General Fund - W & S Utilities	
Transfer from General Fund - Schools	3,724,849
Transfer from Other Capital Projects	207,600
Solid Waste Fund Balance	643,003
Sportsplex Fund Balance	225,000
Lottery Proceeds	1,336,280
Register of Deeds Fees	80,000
Grants & Contributions	250,000
Grants - Solid Waste Fund	75,000
Article 46 Sales Tax Proceeds	2,772,980
Article 46 Sales Tax Proceeds - Water & Sewer	500,000
Financing:	
Debt Financing - County Capital	3,572,000
Debt Financing - W & S Utilities	4,530,000
Debt Financing - Solid Waste	2,731,283
Debt Financing - Sportsplex	950,000

Total Revenues

\$ 22,816,805