

Minutes of the Property Committee

The Property Committee of the McLean County Board met on Thursday, April 5, 2001 at 4:30 p.m. in Room 700, Law and Justice Center, 104 West Front Street, Bloomington, Illinois.

Members Present: Chairman Salch, Members Bostic, Hoselton, Selzer, Owens, Nuckolls

Members Absent: None

Staff Present: Mr. John M. Zeunik, County Administrator;
Mr. Terry Lindberg, Assistant County Administrator;
Ms. Martha B. Ross, County Administrator's Assistant

Department Heads/
Elected Officials

Present: Mr. Jack Moody, Director, Facilities Management;

Chairman Salch called the meeting to order at 4:32 p.m. Chairman Salch presented the minutes of the March 1, 2001 meeting for approval.

Motion by Hoselton/Owens to approve and place on file the minutes of the March 1, 2001 meeting of the Property Committee.
Motion carried.

Chairman Salch requested that, in the interest of time management, the Request for Approval of a Lease Agreement with the Child Support Enforcement Division of the State's Attorney's Office (agenda item A) and the Request for Approval of a Revised Lease for the Town of the City of Bloomington – Lease for Office Space in the 200 West Front Street Building (agenda item E), be considered concurrently. He then requested that agenda items B, C, F and G be considered in a second motion. Mr. Selzer asked how agenda item D would be addressed. Agenda item D is a Request for Approval of an Agreement with NICOR Energy for Natural Gas Service. It would be addressed in its own motion.

Motion by Selzer/Owens to approve the Chairman's request to address agenda items A and E in one motion and to address agenda items B, C, F and G in a separate motion. Motion carried.

Mr. Jack Moody, Director of Facilities Management, presented the Lease Agreement for the Child Support Enforcement Division of the State's Attorney's Office. He noted that the current lease expires in June 2001. The terms of the lease remain

the same as the current lease, with the exception of the dates of the term and a 5% increase in rent during the second year. The proposed increase would be \$7.25 per square foot as opposed to the current cost of \$6.90 per square foot.

Mr. Moody presented agenda item E, the Request for Approval of a Revised Lease for the Town of the City of Bloomington – Lease for Office Space in the 200 West Front Street Building. He noted that this lease was presented to the Board for its approval in January 2001.

Mr. Moody explained that the only difference between the lease that was submitted for approval in January 2001 and the present lease, is that an additional parking provision has been added. He noted that the amount proposed is \$1,500.00 per year, which breaks down to \$25.00 per month for each space. There are five (5) parking spaces. In this way, the cost of the parking spaces can be incorporated into the cost of the lease.

Motion by Bostic/Hoselton to Approve the Lease Agreement with the Child Support Enforcement Division of the State's Attorney's Office, and to Approve the Revised Lease for the Town of the City of Bloomington – Lease for Office Space in the 200 West Front Street Building. Motion carried.

Mr. Moody presented agenda items B, C, F and G, each in turn. He noted that, with respect to item B, there is one facility remaining in the County's roster of facilities which is without a fire alarm system. That facility is the ESDA/Rescue Squad garage, located in Normal behind the Fairview Building. He noted that the proposal submitted to the Committee delineated only the cost of the purchase of the equipment. County employees would install the equipment, thereby incurring no additional labor cost for its installation.

Mr. Moody explained that the funding for the project, in the amount of \$2,000.00, would come from the ESDA budget. Mr. O.B. Streeper, Chief of the Rescue Squad, has given his approval for the installation of fire alarm equipment. With the installation of this equipment, all County facilities will be protected with a fire alarm protection system.

Mr. Moody presented the Request received from the American Heart Association to use the north courtyard plaza of the Law and Justice Center on September 29, 2001 for the Annual Heart Walk.

He noted that the organization has used the grounds in past years and has demonstrated good stewardship.

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Mr. Moody noted that the Corn-on-the-Curb project will continue again this year, as it was very well received last year. The project will have six (6) new corn sculptures on display this summer, through October.

Mr. Hoselton asked whether the County incurred any liability if the corn sculptures are vandalized or destroyed. He asked whether the County insures the corn sculptures. Mr. Moody responded that the County has no such responsibility toward the sculptures. He noted that last year, after the sculptures were removed, the sod surrounding the base of each fixture was replaced and the area neatly repaired.

Agenda item G, explained Mr. Moody, is an annual request from the Elk's Lodge to utilize the County's Annex parking lot. The Lodge is presenting its annual Follies event on Friday, May 4, 2001 and can use the additional parking spaces. Mr. Moody remarked that since the event takes place on a Friday night, there would be no conflict with County employees' use of the space.

Mr. Owens asked, with regard to the installation of a fire alarm system at the Rescue Squad garage, how much the total cost would be. Mr. Moody responded that the total cost of the equipment alone would be \$2,130.00. Mr. Owens then asked whether the County currently maintained a contract with Simplex Time Recorder Co. Mr. Moody responded that there is currently a proposal with Simplex for the County to buy the equipment and receive the first year's monitoring free of charge. Mr. Jim Wahls and Mr. O.B. Streeper will then be billed monthly for the monitoring service. It is estimated that the annual monitoring fee would be \$48.00 per year.

Motion by Hoselton/Nuckolls to approve agenda items B, C, F, and G concurrently. Motion carried.

Mr. Moody presented agenda item D, which is a Request for Approval of an Agreement with NICOR Energy for Natural Gas Service. He noted that in July 1998 the County negotiated a contract with NICOR Energy for the purchase of natural gas for the eight (8) largest County facilities. That contract expires on June 1, 2001. Under the provisions of that contract, the County's rate for natural gas has been .266 cents per therm.

Mr. Moody stated that the Facilities Management Department is proposing to negotiate another two (2) year, fixed rate contract with NICOR Energy. The price would be the

cost of the gas that is paid by NICOR at the city gate in Chicago on April 17, 2001, the date of the McLean County Board meeting. He noted that natural gas rates are currently in the low 50s, and declining. However, the rates are predicted to increase in May 2001. Mr. Moody remarked that to lock in a fixed rate for the next two (2) years would be very beneficial in terms of cost containment for this volatile expense.

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Mr. Moody explained that at any time that the County's actual natural gas usage is more than the estimated amount for a particular facility, the County pays the City Gate rate per therm for the overage amount. In the event that the month's usage is less than the estimated amount, the excess product is sold back to NICOR and the County is given a credit on its bill. He noted that about two (2) months ago, the County received a credit of approximately \$10,000.00, due to the moderation of temperatures.

Based upon the advantageous cost containment provisions of the proposed Agreement with NICOR Energy, Mr. Moody asked the Committee to consider approval of the Agreement.

Mr. Owens asked whether April 17, 2001 would be the date that the County would learn what its fixed rate for natural gas service is for the upcoming two (2) years. Mr. Moody responded that, in the event that the Agreement is approved at the April 17th County Board meeting, he would then immediately contact NICOR to receive the cost of natural gas on that date. Such action will then determine the rate that will be applied to the life of the Agreement.

Motion by Bostic/Owens to approve the Agreement with NICOR Energy for Natural Gas Service. Motion carried.

Attorney John Schwulst has advised the County that, pursuant to the terms of his lease agreement, he wishes to renew the lease for his office space on the 5th floor of the 200 West Front Street Building. Mr. Moody explained that Attorney Schwulst first entered into the lease agreement on July 1, 1995, preceding the County's acquisition of the building. Mr. Moody explained that Attorney Schwulst's lease permits him three (3) options to renew the lease for an additional three year period. This renewal, as indicated by a letter of transmittal submitted in a timely fashion, is the second exercise of the option. The lease term for this option will expire on June 30, 2004. Mr. Moody stated that the full expiration of the lease instrument, following the exhaustion of all permitted renewal options is June 30, 2007.

Mr. Hoselton asked how Attorney Schwulst's lease compares with the other leases that the County holds. Mr. Moody noted that this is the longest lease that the County currently holds.

Chairman Salch asked whether this item required Committee action at this time. Mr. Moody responded that it is his custom to keep the Committee fully informed whenever transactions of this nature occur, even though there is no action required by the Committee at this time.

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Mr. Moody presented information on the Americans with Disabilities Act (ADA) Final Rule on Accessibility Guidelines for play areas for parks and recreational facilities. He explained that the new guidelines address new construction and alterations to play areas under Title II and Title III of the ADA. McLean County is subject to Title II, as it is a governmental body. He stated that Title II covers all state and local parks and recreation department playground sites, while Title III provisions address the facilities at day care centers with playgrounds, restaurants, malls, and amusement facilities with play areas.

Mr. Moody noted that he would continue to keep the Committee informed of other Final Rules as they become available. He noted that this ruling is likely the biggest change in the ADA since its inception in 1990.

Mr. Selzer asked under whose jurisdiction is the maintenance of the MetCom Building. He stated that it was his understanding that Mr. Bill Gamblin was the Administrator of the E-911 System, but that it is not clear who is responsible for the physical plant. He noted that the building has a number of windows that do not provide a high level of security. Mr. Selzer noted that the money spent to replace doors to the facility is important, but that such action does not fully secure the building.

Mr. Zeunik addressed the question by saying that Illinois law provides a structure and division of responsibilities in this instance. He explained that Illinois law dictates for what purpose the 911 surcharge of \$1.25 can be used. In terms of ultimate responsibility for building use in its entirety, Ms. Shawn Walker, Director of the Metro McLean County Centralized Communication Center (MetCom), is responsible. She communicates with the Facilities Management staff with regard to maintenance and operations.

Mr. Zeunik explained that the door replacement and installation was presented to the Property Committee in March 2001 because The Emergency Telephone Systems Board must file an application for approval of the Enhanced 911 System with the Illinois

Commerce Commission (ICC). Mr. Gamblin must appear before the ICC to testify that all requirements have been met. The door specification is an ICC requirement, and therefore, the request has been made in order to conform with the documentation that will be submitted to the ICC. Without meeting this requirement, a license to operate the Enhanced 911 System would not be granted, and therefore, it is a permissible expense for the \$1.25 surcharge.

Mr. Selzer stated again his concern regarding the level of security provided by the windows in the MetCom Building. He noted that unauthorized entry into the building might be easily accomplished.

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Mr. Moody reminded the members of the Committee that the first of four (4) scheduled tours of County facilities will be conducted on Thursday, April 26, 2001 at 2:00 p.m. The Committee will tour the Law and Justice Center, the 200 West Front Street Building, and the McBarnes Memorial Building.

Mr. Hoselton asked whether all the signs approved a year ago have been installed. Mr. Moody responded that they are in the current year's budget as a project.

Mr. Nuckolls asked whether the tour of the Law and Justice Center would include a tour of the jail facility as well. Mr. Moody responded that he has not yet spoken with Sheriff David Owens regarding a tour of the jail. He noted that the morgue would be included in the tour.

Mr. Zeunik remarked that since the Property Committee will ultimately address the issue of jail space and solutions to overcrowding, it would be important for the Committee to tour the jail facility. A tour of the jail would help to make the findings of the LZT Study more relevant to the members as well. Mr. Zeunik explained that the current jail facility may be expanded vertically to gain 104 additional beds. However, LZT is projecting a need for 250 new beds. However, the bed space is not the only issue that is under consideration. He remarked that the booking area, kitchen, laundry and other support facilities are not designed to handle even 104 additional inmates, let alone a potential 250 additional inmates. He explained that attending a tour of the jail facility allows the Committee members to later visualize how the various space increments are interrelated, and will promote understanding of how the LZT Study proposes to address the need for additional space.

Mr. Zeunik presented the proposed purchase of the 115 East Washington Building. He noted that under the Rules of the County Board, the Property Committee has two (2)

issues to consider. The first issue is that of the proposed change in use. One of the reasons that the purchase of an additional facility is being considered is the fact that additional space is needed to accommodate the projected growth of County offices.

Mr. Zeunik explained that, at the time the Law and Justice Center was constructed, it was designed to expand to the north, utilizing the space which is currently the plaza or courtyard. He noted that the current seven (7) story tower structure can be replicated, to the north, based upon the original plans of the building. He remarked, however, that one disadvantage of this option is the loss of green space at the entrance to the building, making the entrance area more congested. Another disadvantage is the cost of new construction. Mr. Zeunik stated that the current seven (7) story building cannot be expanded upward, as its structure was not designed to accommodate a taller facility.

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Most of the anticipated growth is expected to occur in offices and facilities that serve the Justice System, i.e. the Circuit Court Offices, the Circuit Clerk's Office, the State's Attorney's Office, the Public Defender's Office, the Court Services Office, the Sheriff's Office and the jail facility. In the absence of the non-justice offices in the Law and Justice Center, there would be sufficient space remaining in the building to accommodate the growth in the Justice offices that is projected over the next ten years. In this case, the only projected expansion yet to be addressed would be the expansion of the jail facility.

Mr. Zeunik stated that the 115 East Washington Street Building is projected to accommodate all of the non-Justice offices that are currently housed in the Law and Justice Center for the next 10-20 years. He noted that any projections beyond that could be injudicious, based upon the fact that the level of growth experienced in McLean County in the last ten years has far exceeded all projections.

Mr. Zeunik explained that the proposed purchase of the 115 East Washington Street Building, as a joint purchase with the City of Bloomington, would provide the ability for both the City and the County to locate complementary offices in adjacent locations. For example, the City's Building Department, the Planning Department, and the Code Enforcement Department can be adjacent to the complementary offices of the County.

Mr. Zeunik noted that, when the Law and Justice Center was originally built, it was designed to house the Courts and the Justice offices. The jail is located on the second floor and the Courts are on the third, fourth and fifth floors. However, when the building was expanded in the 1980's, the offices that experience a high volume of public traffic were located on the seventh floor. Among those offices are the County Clerk's Office, the Recorder of Deeds Office, the County Treasurer's Office, and the Supervisor of

Assessments Office. The acquisition of the 115 East Washington Street Building would provide an opportunity to move the high public traffic offices to a first floor mezzanine area, making them more easily accessible to the general public.

Mr. Zeunik presented the second issue for consideration, namely the cost of new construction. The jail will be the single largest expense. Currently, jail space may cost between \$185.00 to \$200.00 per square foot. The variable depends upon how secure the space is. The LZT preliminary projection calls for an addition of 250 cells. The McLean County Jail is currently licensed for 205 cells. He noted that, by factoring in not only new cells, but also the support areas that are required along with new cell space, expenses would increase dramatically. Mr. Zeunik explained that, knowing that the jail space will need to expand in the future, it would be more expedient to focus construction dollars on that project, rather than spend \$135.00 to \$150.00 per square foot for the construction of new office space.

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Again, Mr. Zeunik explained that the first decision that the Property Committee must address is whether to change the way the offices are configured in terms of the use of the present Law and Justice Center and the proposed 115 East Washington street Building. The second issue is that of making the actual purchase. Mr. Zeunik asked the Committee to consider the potential expediency of joining with the City of Bloomington in the purchase of the new building. Following the purchase, the City and the County would need to decide how the existing space is to be allocated between the two (2) entities, consider any changes or modifications in the building's design, perform any design and engineering work that would need to be performed in order to accommodate the offices, and then the Property Committee would need to make a final recommendation to the County Board. Once that has been accomplished, the actual contract awards would be made for any remodeling expenses in the new building.

Mr. Hoselton asked whether it is feasible to consider expanding the jail in the Law and Justice Center and utilize additional space in the 200 West Front Street Building. Mr. Zeunik responded that this option may be explored as a part of the LZT Study, however, there is not much available space remaining in the 200 West Front Street Building. He noted that, in the event that the 115 East Washington Street Building is acquired, there would be space in the 200 West Front Street Building vacated by the City of Bloomington Election Commission offices. He further noted that Court Services, would vacate its space in the 200 West Front Street Building and be relocated to the Law and Justice Center.

Mr. Zeunik explained that the potential utilization of freed space in the Law and Justice Center to benefit the jail, would need to be examined very closely. He noted that there may not be any space that is suitable for such a purpose. More specifically, the non-jail space, in its present form, is not built to the necessary specifications for use as a jail facility.

Mr. Owens asked what was the result of the Finance Committee's examination of the proposed building acquisition. Mr. Zeunik responded that the Finance Committee recommended two (2) actions to advance to the Executive Committee at its next regular meeting. Those are: to proceed with the purchase of the building jointly with the City of Bloomington, and to finance the purchase and remodeling expenses through the Public Building Commission.

Mr. Owens asked whether there would be an anticipated tax increase in order to purchase the new building. Mr. Zeunik responded that the estimated total cost to the County would be \$2,625,000.00. Using tax-exempt funding available through the Public Building Commission, with a ten year term, and a "AA" Tax-Exempt Interest Rate of 4.50%, the County's annual debt service payment is estimated to be \$317,458.76.

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Mr. Zeunik stated that the current annual operating cost of the 115 East Washington Street Building is unusually low, due to the fact that the building is not fully occupied at the present time. In order to estimate a rough projection of the operating costs, he stated that he used the operating expenses for the 200 West Front Street Building, which is a 75,000 square foot office building. The total square footage of the Washington Street Building is 120,000. Employing a factor of 1.6, applied against the total annual operating costs of the 200 West Front Street Building, nets a total estimated operating cost of approximately \$369,000.00 annually.

Mr. Selzer asked whether there are federal or state reimbursement funds available for jail space. Mr. Zeunik responded that there have been such funds available in the past. Illinois First dollars have been available for such a purpose. He remarked that federal monies are usually only available for consulting services work, not for "bricks and mortar" projects. However, the U.S. Marshall's Office and the Federal Corrections officials will enter into contracts for the lease of existing vacant jail space, which may provide additional income at the local level.

Mr. Selzer noted that, even though the acquisition of existing office space at the 115 East Washington Street Building would be less expensive than new construction of office space, the Committee should also consider the option of new construction. He suggested that such a facility could be located outside of town where sufficient land could be

acquired. Then the City of Bloomington and the County could share the space in the existing Law and Justice Center. Mr. Selzer opined that, at least in theory, it might be more cost effective to consider building a new combined court and jail facility, with ample space for parking, new Sheriff's Office, inmate services, and the like. Such a facility might also be jointly occupied by the City at some future point. Mr. Selzer noted that any arrangement that facilitates parking will be an improvement for both the City of Bloomington and the County.

Mr. Zeunik remarked that the LZT consultant who was responsible for determining the projections for the jail, underestimated the numbers of the jail population that would be needed in the future. The current jail can be expanded vertically, but the net gain would only be 104 beds. At the present location, there is insufficient space to build a large enough expansion to meet the projected needs. He explained that a "country site" may be proposed. This would entail the purchase of a large tract of land that would give the County the ability to expand the facility to meet future needs.

Mr. Zeunik stated that water and sewer systems are not provided beyond the corporate limits of Bloomington and Normal at this time. In the event that a "country site" is acquired, it would need to be within the city limits of either Bloomington or Normal, or could be annexed so that city water and city sewer could be provided. The utilization of a

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well for water supply and a septic system for sewer service would be inadequate for this purpose.

Mr. Zeunik remarked that the League of Women Voters is currently conducting an in-depth assessment of alternatives to incarceration. The results of the assessment may have an impact on the population of the jail at some future date, as well.

Mr. Owens asked, in the event that building on to the jail is an unavoidable choice, would a referendum be presented to the voters. Mr. Zeunik responded that Illinois law does allow the County to approach the voters, in the same manner as has been done in Peoria County, Woodford County and Tazwell County, and ask for approval of what is known as a Public Safety Sales Tax. Approval can be requested in increments of ¼ of 1%. However, the Public Safety Sales Tax is not applied to all of the items that the customary sales taxes are applied to. It is only applied to a certain mix of items.

The advantage is that the collection of a Public Safety Sales Tax would generate in excess of \$3.2 million per year. That amount can only be used for "bricks and mortar" projects for jail and sheriff's space, and for annual operating costs. It may also be

utilized, for example, to fund expansion of the State's Attorney's Office, since that office is part of the public safety area that is addressed by the Public Safety Sales Tax.

Mr. Zeunik explained that \$3.2 million in today's dollars, with 1.25 coverage on the debt service payment, would allow up to \$29 million of tax-exempt bonds to be sold, and would allow this bond issue to be secured without a levy on the property tax. It would, instead, be fully funded by the sales tax receipts.

Mr. Zeunik remarked that, since the McLean County area has become a strong retail center, one quarter of one cent sales tax would generally be preferable to County residents, rather than increasing property taxes. Additionally, the one quarter cent sales tax could be utilized for operating expenses. That is advantageous because the operating expense is ongoing and increases over time, whereas, the fixed cost of the debt service on the "bricks and mortar" portion of the project is a finite expense. The proposed use of a revenue stream, which has the potential to increase to offset climbing operating expenses, as opposed to relying on a tax levy, is strongly advantageous. He explained that the Public Building Commission (PBC) may issue Alternative Revenue Bonds, where the security for the bonds is the Public Safety Sales Tax, not the County's tax levy.

Mr. Selzer asked what is the square footage of the jail, or the total square footage of the Law and Justice Center Building including the jail. Mr. Zeunik responded that the total square footage of the Law and Justice Center is 297,000 square feet, inclusive of the jail. Mr. Selzer noted that \$29 million divided by \$180.00 per square foot, would roughly be the equivalent of 160,000 square feet. He asked whether that amount of space would be

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adequate for a new jail facility. Mr. Zeunik responded that it would not be adequate for a 250 bed facility including all of the necessary support services.

Mr. Selzer noted that, even with a reorganization of space in the Law and Justice Center, the lack of available parking is still a troublesome problem. Mr. Zeunik remarked that parking availability is better now than it has been in the past. The Lincoln Deck is available free of charge after regular business hours and there are spaces available after hours and on weekends adjacent to the Health Department facility in the 200 West Front Street lot.

Mr. Moody remarked that each floor in the Law and Justice Center is approximately 19,000 square feet. The Court System utilizes the third, fourth, fifth and sixth floors for courtrooms and various court offices. Mr. Selzer stated that the space utilization is approximately 160,000 square feet in this area. The \$29 million figure, in that regard, could only purchase an equivalent space, not a larger space.

Motion by Owens/Nuckolls to recommend to the Executive Committee approval of the proposed purchase of the 115 East Washington Street Building to be utilized for County office space For the non-Justice offices presently located in the Law and Justice Center.

Mr. Hoselton asked what the tax burden would be. Mr. Zeunik responded that, in the event that increasing the tax levy would be the option of funding selected, the cost of purchasing the building, renovating it, and paying the annual operating costs, would equate to an increase of \$15.18 per year on a \$150,000.00 home. He noted that with the jail and its ancillary areas, the Public Safety Sales Tax could be utilized, and it is a tax in which everyone participates. With the acquisition of the 115 East Washington Street Building, a “bricks and mortar” project can be avoided on the Law and Justice Center Building for non-jail space, and the Public Safety Sales Tax will allow for some property tax relief.

Mr. Selzer noted that the Law and Justice Center is not as accessible for the public as another location might be. Chairman Salch noted that it is difficult to look too far into the future in an attempt to plan for every eventuality.

Mr. Selzer stated that the Property Committee owes it to the full County Board to give them specific reasons as to why the acquisition of 115 East Washington Street location is recommended. He noted that the LZT Space Study is incomplete at this time.

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Chairman Salch asked whether the Committee would be amenable to utilizing some of Mr. Zeunik’s analysis in its recommendation. He asked whether the maker of the motion and the seconder of the motion would also be amenable to this idea. Mr. Owens and Mr. Nuckolls agreed.

Motion carried.

Chairman Salch presented the March, 2001 bills which have been reviewed and recommended for transmittal to the Property Committee by the County Auditor.

Motion by Selzer/Nuckolls to recommend payment of the March, 2001 bills as presented by the County Auditor. Motion carried.

There being nothing further to come before the Committee at this time, Chairman Salch adjourned the meeting at 5:38 p.m.

Respectfully submitted,

Martha B. Ross
Recording Secretary