

Minutes of the Property Committee Meeting

The Property Committee of the McLean County Board met on Thursday, September 5, 2002 at 4:00 p.m. in Room 700, Law and Justice Center, 104 West Front Street, Bloomington, Illinois.

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

Members Absent: None

Other Board Members Present: 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; Mr. Bill Gamblin, Administrator, E-911; Ms. Jackie Dozier, County Auditor

Others Present: Mr. Greg Koos, Director, McLean County Museum of History; Mr. Jeff Koerber, Historical Architect, Wiss, Janney, Elster Associates, Inc., Chicago, Illinois; Mr. Gene Asbury, Architect, Paul Young and Associates; Mr. Paul Young, Architect, Paul Young and Associates; Mr. Mike Sparks, The Farnsworth Group; Mr. Jim Gleason, GRH Engineering

Chairman Salch called the meeting to order at 4:03 p.m.

Chairman Salch presented the minutes of the August 1, 2002 meeting. Hearing no corrections or additions to the minutes, Chairman Salch declared the minutes of the August 1, 2002 meetings of the Property Committee to be approved as submitted.

Chairman Salch announced that Mr. Bill Gamblin was en route to the meeting, but would be slightly late. Therefore, the Committee would proceed to the second agenda item and welcome Mr. Gamblin upon his arrival.

Mr. Jack Moody, Director, Facilities Management, presented the results of the bid process for the master elevator maintenance contract for Fiscal Year 2003. Two companies submitted timely bids: KONE Elevator Co., Peoria, Illinois; and, ThyssenKrupp Elevator Co., Peoria, Illinois.

KONE's comprehensive bid was in the amount of \$56,599.00. ThyssenKrupp's bid was in the amount of \$81,936.00. The contract will begin on January 1, 2003.

Mr. Moody stated that there is one existing contract included in the bid which covers the three (3) passenger elevators and the sidewalk elevator for the Government Center Building. This contract term will expire June 30, 2003. He noted that KONE's bid for Fiscal Year 2003 reflects the contract term and price for the period from June 1 through December 31, 2003 for service at the Government Center.

Mr. Moody explained that KONE, formerly known as Montgomery Elevator, has been the service provider for other elevator units within the County and KONE has provided good service. He recommended approval of the bid submitted by KONE for elevator service and maintenance for Fiscal Year 2003.

Motion by Selzer/Owens to recommend approval of the bid submitted
by KONE, Inc. for elevator service and maintenance for Fiscal Year 2003.
Motion carried.

Mr. Moody presented the report by The Farnsworth Group on the proposed design for the exterior of the Health Department Building, located at 200 West Front Street, adjacent to the Law and Justice Center Building. He introduced Mr. Mike Sparks, Architect, The Farnsworth Group, who presented to proposed design and provided material samples for examination by the Committee.

Mr. Sparks noted that the project is now in the design development stage. The project will not be ready to move forward into the construction document stage until the proposed design is approved. He explained that the proposed design is similar to that of the Law and Justice Center Building. Farnsworth Group representatives met with representatives from Centria, which is the company that manufactured the exterior panels for the Law and Justice Center. The panels on the Law and Justice Center are vertical, measuring two feet in width, and are covered by a vertical rib. The Health Department Building would also have that same configuration, but in a slightly different color and depth.

Mr. Sparks noted that one objective in the renovation was to emulate the look of limestone in the building's exterior. Centria manufactures a panel that has a limestone-like finish that would be applied vertically to the exterior. There would also be a horizontal band located around the top of the building.

Mr. Sparks passed around a sample of the panel material. Mr. Hoselton asked what is the gauge of the panel material, noting that the gauge is an important factor. Mr. Sparks explained that the gauge to be utilized in the renovation has not yet been determined.

Mr. Owens asked how many spans per section would be utilized. Mr. Sparks responded that only one span per section would be needed, since each span measures 60 feet. Mr. Sparks explained that the existing panels and insulation backing would be removed. The backing is placed over gypsum backing. Beneath that layer is the metal studs that frame the building and support the interior finish. It is currently thought that those studs are inadequate as supports, but that they can be reinforced in such a way that they may remain intact and utilized for the attachment of the new system.

Mr. Selzer asked what covers the current studs. Mr. Sparks responded that the current material is a combination of gypsum sheeting and plywood. The plywood was used as a replacement for the gypsum each time moisture damage forced the removal of gypsum sections.

Mr. Selzer asked whether the exterior panels are currently just attached to the studs. Mr. Sparks responded that the panels are still attached to backing, either plywood or gypsum, in some areas. However, the remaining backing as well as the exterior panels would both need to be removed in order to place the new exterior material and support it properly from underneath.

Mr. Sparks explained that over time, the gypsum has been invaded by moisture and is deteriorating. Additionally, the insulation is delaminating where it is glued onto the sheeting and is peeling off. Mr. Sparks recommended that the exterior panel material and the underlying insulation, plywood and gypsum all be removed, down to the stud level. The studs can then effectively be inspected to determine whether they are adequately fastened and not rusted, and whether or not they would need to be reinforced. During this process, the condition of the insulation that was installed during the Health Department renovation would be assessed to determine whether it has been damaged by moisture.

Mr. Sparks stated that he had an updated cost estimate, and would provide another update with construction documents. In the estimate, there is an allowed contingency for the work that is proposed.

The windows are also an issue for repair. Options available are: leave the windows alone; replace the windows completely; or, deglaze the window system from the outside, which would require removal of the window panels. It is estimated that a complete replacement of the window system would cost between \$500,000 and \$750,000, and would create considerable disruption to the entire building. Mr. Sparks noted that a more appropriate option would be to deglaze the window system from the outside, remove the metal covers and take out the glass panels. The glass would then need to be reinstalled and reglazed from the exterior. The panels are currently glazed from the interior.

Mr. Nuckolls asked what the cost would be for Mr. Sparks' recommended option. Mr. Sparks stated that he can provide a cost estimate on this part of the job. O'Brien Glass, the original vendor, could likely provide more firm budgetary figures.

Mr. Owens asked about the life of the windows if they were to be reglazed. Mr. Sparks remarked that it would be difficult to pinpoint how long the windows in the building would last following reglazing, but he estimated that 20-25 years would be a reasonable expectation, provided that the seals remain intact.

Mr. Sparks noted that, following inspection, it is possible that some of the original glass panels would need to be replaced if their seals have failed. cursory inspections by representatives from both Kawneer Windows and Vistawall Windows have revealed that the glass window panels appear to be in good condition. Mr. Selzer asked for confirmation that a cursory inspection would not be adequate to determine the actual condition of the windows. Rather, the true condition of the window system throughout the building could only be revealed by removing the exterior panels from the building and assessing the condition of the windows and their seals, as located behind those exterior panels. Mr. Sparks responded that water has invaded several areas of the building, and the true condition of any portion of the building can not be fully assessed until the exterior panels are removed to allow a more thorough inspection.

Mr. Hoselton asked whether a vapor barrier was installed in the existing wall. Mr. Sparks responded that there is no existing vapor barrier, although the insulation has acted as a barrier, to its detriment. Mr. Selzer asked whether there would be a specific vapor barrier installed during the renovation. Mr. Sparks responded that there would be one installed.

Mr. Owens commented that the sunroom area is leaking. He asked whether the leaking was due to the exterior panels leaking. Mr. Sparks explained that the moisture invasion into the sunroom would be addressed by putting a new metal roof and insulation over the sunroom area. Such action should also assist with temperature control in that room. Mr. Moody explained that the moisture observed in the sunroom is from the panels leaking four stories above the sunroom.

Mr. Moody asked Mr. Sparks to address the existing weep holes that were placed for moisture control. Mr. Sparks stated that the existing weep holes have been caulked and sealed, which causes invading moisture to move to the inside of the building.

Mr. Nuckolls asked what warranty is available with the window deglazing. Mr. Sparks responded that a warranty for an existing system is still being investigated by Mr. Marty O'Brien of O'Brien Glass. He will inquire with Vistawall as to the availability and provisions of a warranty on the retrofit of an existing system. Mr. Sparks commented that there should be at least a 1-2 year warranty available for the work.

Mr. Sparks explained that water penetration is a problem because of the failure of the seals, rather than of the windows themselves. Once the windows are properly sealed, the invasion of water into the building should substantially cease, if not cease completely.

Mr. Owens asked whether Mr. Sparks would construct the bid qualifications. Mr. Sparks responded that once the Committee approves the design, the construction documents can be prepared. He stated that the target date for the bid opening could be set at November 19, 2002.

Mr. Hoselton stated that only one manufacturer has been consulted for the exterior paneling. He noted that Centria is a high quality company. However, there are a number of other manufacturers who make the type of panels the County wants, at a more cost-effective price. He noted that other companies may offer a galvanized aluminum panel, which may be more cost-effective. At present, the cost estimate for the Centria panel is for \$28.00 per square foot. Mr. Sparks noted that this price is higher than originally anticipated. He had focused on materials that Centria offered in order to honor the Committee's suggestion that the Health Department Building match the Law and Justice Center Building. The final process will be open to several bidders.

Mr. Sparks commented that it would be most efficient to bid the entire job as a general contract with all of the work combined. It is a job that will require good coordination between the various individual jobs. Additionally, the building will need to be weatherproofed during inclement weather, while the work is ongoing. A significant amount of coordination between various subcontractors will be necessary in order to protect the building and still complete the work.

Mr. Selzer asked whether suggestions from the contractors could be accepted. Mr. Sparks remarked that the construction documents would need to reflect a high degree of definition so that portions of the job could be bid as like comparisons. If that isn't done, the bids received will not be easily and fairly comparable.

Mr. Selzer asked whether the attempt to match the exterior of the Law and Justice Center Building is significantly increasing the cost of the project. He stated that if that were the case, he would prefer to entertain other, less expensive options. Mr. Sparks stated that other panel systems and their costs could be explored. A vertical rib pattern is one possible option. However, 1 1/2 to 3 inches of insulation would need to be removed, and the only other insulation available is what is in the studs. If that has become wet, it has likely been rendered ineffective.

Mr. Owens asked whether any County projects have ever been done without the use of a general contractor. Mr. Zeunik noted that the additions to the Law and Justice Center were completed by assigning sub-contractors to the general. However, the County has only used general contractors.

Mr. Owens asked whether the contingency amount of 10% is to be utilized for a general contractor. Mr. Sparks responded that the contingency is to provide for unknown conditions, such as cost overruns or unexpected expenses.

Chairman Salch stated that the Committee needs to approve the proposed design so that the architects can proceed with the next stage. Mr. Owens asked whether approval of the design includes stating what type of panels are preferred. Mr. Sparks stated that the specifications for the panels will be kept open for other manufacturers. Mr. Owens asked whether the difference in paneling costs could be attributed to the color of the panels. Mr. Sparks explained that the difference in cost is attributed to many things, such as: color of the panels; difference in the gauge of the metal; and, the difference in the way the metal panels fit together.

Mr. Owens asked whether the Committee could request prices on different sizes of panels that various companies may offer. Mr. Sparks noted that alternates and substitutions can be included.

Mr. Selzer remarked that the present cost is stated at \$28.00 per square foot. He stated that this is the high end of the cost spectrum for this project. He asked what the low and mid range would be. Mr. Sparks commented that Centria would engineer the entire project as it related to the panels. However, they would not work with the windows. The high cost that Centria is quoting is likely due to the fact that they would handle the job very comprehensively.

Mr. Selzer asked if there were panels on the market for a low end price. Mr. Hoselton remarked that what Centria has done is to include the price of both the product and the cost of the labor in their quote. He stated that they often hire subcontractors to perform the work, and therefore, may have a different pricing structure for the job in its various stages. Mr. Sparks commented that subcontractors must be certified in order to install a Centria product. If subcontractors can meet the requirements for certification, then they may be hired to do installations.

Mr. Hoselton remarked that when the original insulation was installed, it was butted to the exterior panels without the addition of any metal flashing and caulking, to protect the interior from water invasion.

Motion by Selzer/Bostic to recommend approval of the design to replace the exterior envelope of 200 West Front Street Building, as presented, and instruct The Farnsworth Group to prepare the construction documents.

Mr. Owens asked whether the windows or the panels would be done first. Mr. Sparks responded that the windows would be done after the panels. The window should be sealed prior to the removal of the weatherproofing on the building. Mr. Owens then asked whether the new panels could be installed during one year, and the windows be installed the following year. Mr. Sparks declined that option, because the jobs would need to be done in more close timeframe than that. He stated that the job would also cost more in the long run by waiting a year between jobs.

Mr. Hoselton stated that he wanted additional latitude for other contractors. He stated that Centria is an expensive company and those costs should not be taken at face value.

Mr. Selzer asked whether he should amend his motion. Chairman Salch responded that if the construction documents are written correctly, there will be a provision for substitutions, as long as those substitutions are equal. Mr. Sparks noted that if the specifications are written too loosely, exposure is created that may result in unequal products or inferior products. He noted that the preferred method is to model specifications around a particular product, but allow other products to try to match it.

Mr. Hoselton requested a roll call vote on the motion. Chairman Salch called the roll. The votes were cast as follows:

Mr. Nuckolls	“Yes”
Mr. Selzer	“Yes”
Mr. Hoselton	“No”
Ms. Bostic	“Yes”
Mr. Owens	“Yes”

Chairman Salch declared that the motion carried.

Chairman Salch asked whether there was a timeframe when he would return to present information to the Committee. Mr. Sparks stated that he would like to have construction documents available and ready by October 21, 2002. Mr. Moody stated that the next regular Property Committee meeting would be October 3, 2002. Mr. Sparks remarked that documents could be available for the Committee’s review by October 21st, and they are scheduled to go out for bids on October 22nd. He asked whether he could bring documents to the Administrator’s Office, prior to October 21st, for the Committee to review as their schedules permit. Once the Committee grants its approval, the documents could be placed out for bids.

Mr. Selzer asked whether the Committee must approve the construction documents before they go out for bids. Mr. Zeunik stated that the Committee must approve the documents before the bid process can begin. Mr. Selzer then asked whether the Committee could approve the documents at a Stand-Up meeting. Mr. Sparks again stated that he would like to make the documents available to the Committee at the Administrator’s Office for examination.

Chairman Salch stated that Mr. Sparks should contact Mr. Zeunik when the construction documents are ready.

Mr. Moody presented the report by Wiss, Janney, Elster Associates, Inc. (“WJE”) on the exterior envelope of the Old Courthouse. He introduced Mr. Jeff Koerber, Architect, who reported some of the firm’s findings.

Mr. Koerber stated that during the onsite investigation of the Old Courthouse building, it was found that some areas remain in the same general condition as they were one year ago. However, some areas have deteriorated, but may not need the depth of repair as was originally thought. For the most part, the total repair cost has remained steady when compared to the cost estimate from one year ago.

The discussion of costs in the report does not provide as much detail as the discussion of stress conditions. One provision that is heavily stressed is the need to complete the work in phases. It could be possible to do all the work in one construction season, but that may be too disruptive to the occupants of the building.

Mr. Selzer asked whether a Special Property Committee meeting could be called to discuss the report and any subsequent action in depth. He noted that because the item is listed as an Information Item on the Committee’s agenda, no action can be taken at this meeting anyway. He stated he would like to talk with the building’s tenant and explore financing options before making any decisions.

Mr. Owens asked whether a special meeting would interfere with the special budget meetings that will be held during the month of October. Mr. Zeunik remarked that the Recommended Budget for Fiscal Year 2003 would be presented to the County Board on October 15th. Any special meeting should be held between October 15th and the November Board meeting. Mr. Owens requested that a special meeting to specifically examine the issues surrounding the Old Courthouse be scheduled, so that the Committee is free to utilize the available time on this one subject. He suggested that Mr. Greg Koos, Executive Director, McLean County Museum of History, be present to participate in the special meeting.

Chairman Salch noted that the purpose of presenting the report as an information item at the September meeting was for the Committee to provide WJE with guidance for future action. Mr. Koerber stated that the Committee’s questions and comments could be given to Mr. Moody, who could then forward them to Mr. Koerber, so that they may be addressed.

Chairman Salch asked the Administrator’s Office to coordinate a date and time for a special meeting of the Property Committee to specifically address results of the report prepared by WJE on the Old Courthouse.

Mr. Owens asked when the budget will be presented to the Board. Mr. Zeunik commented that the Recommended Budget for Fiscal Year 2003 will be presented to the full Board on October 15th.

Mr. Selzer noted that the issue should be placed on the special meeting's agenda as an action item so that any discussion that results in a decision may be acted upon at that time. He noted that some repairs may need to be addressed out of the current budget, making a discussion of phasing the repairs more pertinent.

Mr. Owens asked whether the Property Committee should prepare to meet jointly with the Finance Committee with regard to the proposed repairs to the Old Courthouse. Mr. Hoselton stated that at this stage in the process, the Finance Committee does not need to meet jointly with the Property Committee.

The Committee requested that the special meeting not be scheduled on a Tuesday. Mr. Koerber requested that the meeting not be scheduled on a Thursday. Chairman Salch asked that Ms. Martha Ross, Recording Secretary, poll the members of the Committee for a date and time that would be appropriate for the majority of the members to meet in session to discuss the proposed repairs to the Old Courthouse. She will coordinate the Committee's schedule with that of Mr. Koerber and provide notice to all participants of the date, time and location for the special Property Committee meeting.

Mr. Bill Gamblin, Administrator, E-911 System, presented a brief report regarding a meeting he attended in Springfield, Illinois on this date. He stated that the meeting addressed Homeland Security issues and funding that may be forthcoming from the Federal government.

Mr. Gamblin stated that he had been notified that the Illinois Commerce Commission (the "ICC") expects the draft of Part 725 modifications to be moved out of that office at the end of October. It would then be submitted to the joint commission known as JACAR. JACAR may retain the draft for as long as necessary. However, as long as the language in the draft is acceptable to the commission, approval is timely anticipated.

Chairman Salch reported that Mr. Owens requested that Agenda Item 3(D)(1)(a) be removed from the agenda at this time.

Mr. John Zeunik, County Administrator, presented a request for approval of the HVAV mechanical, fire safety, electrical and plumbing improvements that have been recommended by the firm of Paul Young Architects and GHR Engineers, for the Government Center Building. He noted that all Property Committee members have now had an opportunity to tour the building to

view and inspect the systems in question, and inquire of the architects and engineers regarding specific concerns they may have.

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Mr. Zeunik noted that the Committee's packet of information contains much of the information that was previously presented. Also included is a letter from Mr. Bob Rush, Chairman, Public Building Commission (the "PBC"), and a new fact sheet which summarizes much of the pertinent information concerning the Government Center Building. The packet also includes an updated Term Sheet, which reflects a major change, that of the cost of the asbestos removal. The PBC has agreed to pay 100% of the total cost for the asbestos removal. The total cost would include the engineering, the contractor's abatement work, and the ongoing air quality monitoring.

Mr. Zeunik stated that the PBC has also successfully negotiated with National City Bank for the Bank to vacate its space in the basement of the Government Center Building. This will allow for the City of Bloomington (the "City") and the County to fully utilize that space. The personnel currently located in the basement are expected to be relocated within 4-6 weeks.

Mr. Asbury presented four proposed layouts for the new County Board meeting room in the Government Center. He presented illustrations for each scheme. In scheme one, the furniture arrangement was rotated at a 90 degree angle from its original placement. Access to the room by the public is still not well regulated with this scheme, as patrons are expected to converge from two directions, rather than one.

In the second scheme, the furniture was rotated 180 degrees. That arrangement created a difficult sight line problem due to the placement of a structural column in the room that cannot be moved or removed.

The third scheme returns the furniture to its original position, and provides for structural changes in the hallway, especially from the south. This scheme funnels public patrons to the seating area without passing through the Board's meeting area.

The fourth scheme moved the janitor and the restroom across the hall from its previous location. That move provided for more efficient access to the public seating area. Mr. Asbury stated that his firm recommended this scheme as the most appropriate.

Mr. Selzer commented that with scheme four, the noise from the overhead mechanical units would be diminished for the Board, but may not have significant impact on the spectators.

Mr. Hoselton stated that the Committee should give its verbal approval to the fourth scheme, also identified as Scheme F, as presented by Mr. Asbury.

Mr. Selzer referred to provision of the Fact Sheet on page 16 of the Committee's packet. He stated that he supports the estimates given in Option 1 for renovation costs and total costs projected for the Government Center Building.

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Motion by Selzer/Nuckolls to recommend approval of Option 1 regarding renovation costs and total costs, as presented in the Fact Sheet published in the Committee's packet.

Mr. Selzer stated that Option 1 is an appropriate option. Mr. Hoselton remarked that necessary telephone work is addressed in Option 1, and the sprinkler systems have been brought into line with current requirements.

Mr. Owens asked whether the funding for either options could have been accomplished in one of three ways: a tax rate increase; presentation of a referendum to the voters; or, a refinance of the debt on the Law and Justice Center Building. Mr. Zeunik responded that an increase would have to be funded by the Public Building Commission's sale of additional bonds. That would result in a 20 year issue that would be amortized over a period of 20 years. Therefore, there would be both the first bond issue which was sold last year, plus a second issue. Together, both issues would create a new payment that would be amortized over 20 years.

Mr. Zeunik noted that, with regard to the second issue, the County always has the option to choose another financing method besides the PBC. However, for a project of this size, the only other financing method available would be referenda. That referenda would ask the voters to approve additional taxing authority for a project such as the renovations to the Government Center Building. However, with that option, a decision would be postponed until the next general election.

The third option available to the County to fund Government Center renovations would be to restructure the financing and coupons on the debt service schedule in such a way that there would be no additional impact to the taxpayer. That is to say, the debt service that is on the current tax bill which would be currently due and payable, the portion of the County rate that is attributable to debt service, would not increase.

Mr. Zeunik demonstrated that Option One and Option Two show different figures for Annual Debt Service Payments for a term of 20 years at 5.50% interest. He provided an example using a principal balance of \$2,850,000.00 for Option One, and a balance of \$2,750,000.00 for Option Two. Of these amounts, the County's share for Option One would be an additional \$117,629.00, and \$113,501.50 for Option Two. In the County's \$20 million plus tax levy, these amounts could easily be absorbed without an increase. That would be accomplished by making adjustments in other County levies.

Mr. Owens stated that the current outcry from the voters is that taxes are already too high. The issue of tax caps was also the source of heated debate. He stated that, in view of the current mood of the taxpayers, a tax rate increase should not be considered. Mr. Zeunik commented that the County's tax rate increased only 1.5 cents from one and a half years ago. This was less of an

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increase than originally projected, with the increase attributed to the Government Center financing and the new tax levy for the Cooperative Extension Service.

Mr. Owens recommended that the option that would not cause the tax rate to increase should be approved. Mr. Selzer stated that, in the event that a referendum was approved, then the asbestos abatement costs could not be paid by the PBC, and those costs would then revert to the County to bear. He noted that decisions on the financing is not within the purview of the Property Committee.

Mr. Selzer stated that he would amend his motion to include approval of Option One. He then noted that he would prefer to withdraw his motion if Mr. Nuckolls would withdraw his second. Mr. Nuckolls agreed.

Mr. Selzer noted that Option One includes a disconnection of the kitchen equipment. He noted that he would like the kitchen equipment to remain connected, so that it could be utilized in the future.

Motion by Selzer/Owens to recommend approval of Option One, for the proposed renovations to the Government Center Building, as submitted, with the stipulation that the kitchen equipment remain connected potential use in the future. Also moved is recommendation from the Property Committee to the Finance Committee to avoid an increase in the total property tax rate in order to finance the renovations.

Chairman Salch stated that before he calls for the vote on the motion, he would honor a request from a citizen who had asked to address the Committee. In order to do this, the Committee rules would need to be suspended to allow a three minute time period for the speaker.

Motion by Owens/Bostic to suspend the rule to allow one private citizen to address the Committee in Open Session. Motion carried.

Mr. Fred Noyse, 106 South Mercer, Bloomington, Illinois addressed the Committee. He stated that it was gratifying to see a cooperative effort between the City of Bloomington and the County. He further stated that a price of \$3,000,000.00 for the purchase of the Government Center Building seemed reasonable. However, The Pantagraph reported that the building was actually purchased by outside investors for \$1.6 million. He stated that he was curious about who the outside investors were, and researched the details of the transaction records in the

Recorder of Deeds Office. He noted that there was a mortgage taken out on the property by the purchasers, which implied that an appraisal was also done prior to the approval of financing. He noted that the City and County then purchased the building for \$3.5 million, making a substantial profit for only holding the building for a period of 12 months.

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Mr. Noyse stated that the profit made by the investor group upon the sale of the Government Center Building jointly to the City and County seemed quite high. He noted that the higher purchase price, combined with the initial renovation cost figure made the cost of the building much higher than was originally thought. He noted that the renovation costs continue to rise, and are now considerably higher than earlier estimates. The recent discovery of asbestos, along with the need for upgrading the plumbing and other aspects of the building, should not have been a surprise, as a building that age should be expected to have asbestos and require some updating.

Mr. Noyse remarked that he went onsite to view the building for himself. He noted that a large portion of the building was glass, which would have initially indicated a need for very efficient heating and air conditioning. He stated that he later learned that there were other problems associated with the building that were known.

Mr. Noyse remarked that both the City and the County have building inspectors on staff. He commented that any of those inspectors could have conducted an inspection of the premises, prior to purchase, and noted the deficiencies that would need to be addressed. The offer to purchase the building could have been reduced, based upon the inspection findings, had there been an inspection.

Mr. Noyse stated that he could not envision the purchase of a commercial building without employing the services of an attorney, a realtor, an appraiser, an inspector, and a loan officer. Commercial buildings additionally require an environmental assessment performed. He asked the Committee to address the escalation in the purchase price. He remarked that the Government Center Building would have been a good buy at the price of \$1.5 million, which was offered to the County two (2) years ago. He asked why that offer was not accepted, and the building was later purchased for a significantly higher amount. He suggested that the County could have more clearly defined its space needs and then located a property that lent itself more closely to those needs, rather than retrofitting a building such as the Government Center.

Mr. Selzer stated that the local newspaper has not done a good job of communicating the timeline of developments with regard to the Government Center Building. There has also been inadequate communication regarding the adherence by the County Board and its Oversight Committees to a sound analysis of what the building needs. He noted that the building could not have been purchased on the open market for \$1.5 million. Rather, as a government entity, the County must adhere to a bid process prior to purchase. He further noted that the purchase is properly reported in the Recorder's Office. However, the Recorder's Office does not record a bundled purchase by the investor group that made the purchase.

Mr. Selzer noted that the County employed the firm of LZT Associates to conduct a space study to determine the County's space needs for the future well prior to the building's purchase. He stated that the quote to add on to the Law and Justice Center Building, as reported in the April Minutes of the Property Committee Meeting
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2001 County Board record of proceedings, was \$8.5 million, which did not include additional parking space. The Government Center Building purchase price included a minimum of 100 parking spaces. The average cost to add on was \$150 per square foot for new construction. The improvements which the County and City are making are worth \$70 per square foot.

Mr. Selzer stated firmly that the Board and its Oversight Committees have followed all reasonable and judicious paths toward the ultimate purchase of the Government Center.

Chairman Salch asked whether there were any further questions or comments regarding the motion presently before the Committee. Hearing none, Chairman Salch conducted a roll call vote and stated that the Chairman would vote:

Mr. Owens	"Yes"
Ms. Bostic	"Yes"
Mr. Hoselton	"Yes"
Mr. Nuckolls	"Yes"
Mr. Selzer	"Yes"
Chairman Salch	"Yes"

Motion carried.

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

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Motion by Hoselton/Owens to recommend payment of the 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 5:30 p.m.

Respectfully submitted,

Martha B. Ross
Recording Secretary

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