



**MINUTES
WORK SESSION
FAIRFIELD COUNTY COUNCIL
September 20, 2018**

Present: Billy Smith, Douglas Pauley, Neil Robinson, Jimmy Ray Douglas, Dan W. Ruff, Mikel Trapp, Bertha Goins, Council Members; Jason Taylor, County Administrator; Davis Anderson, Deputy County Administrator; Tommy Morgan, County Attorney; Patti L. Davis, Clerk to Council.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80 (e), as amended, the following persons and/or organizations have been notified of the time, date and location of this meeting: The Independent Voice of Blythewood and Fairfield, The Country Chronicle and one hundred twenty seven other individuals.

I. CALL TO ORDER

Chairman Smith called the Work Session to order at 6:01 p.m.

II. INVOCATION

Council Member Ruff led the invocation.

III. 1st & MAIN PRESENTATION ON PROPOSED PROJECT

Chairman Smith gave an overview of the format for this Work Session. 1st & Main will be given the opportunity to present concerning the project, utilizing and leveraging investment thereby making this a better deal for Fairfield County. After this presentation, the Clerk will then begin drawing the previously submitted citizen questions. Some of the questions received are factual in nature while others are opinion based questions. Any factual questions will first be deferred to staff or to 1st & Main. After each question and answer, Council will then have time to discuss. For any opinion questions, Council will deal with these and discuss as Council desires to do so. Chairman Smith then turned the meeting over to Mr. Rory Dowling and Mr. Jordan Jones.

Mr. Dowling thanked everyone for coming out tonight and submitting questions as he understands this is a very important project for the community. He understands there are concerns and the need for more information, and hopefully tonight the citizens will receive more in depth information on the project, where we are with the project, why this project is being proposed and a little about 1st & Main.

- Mr. Dowling is the principal owner of 1st & Main Development, who is the owner of the building at present. Mr. Jones is the principal owner of J. A. Jones Ventures. Mr. Dowling and Mr. Jones have been working together for seven years and have formed a partnership on similar projects. They possess around 15 years of combined experience and currently have \$100M worth of development across North and South Carolina. Some projects were shown that 1st & Main is involved in at the present time. Mr. Dowling has ties to Winnsboro through several family members including his grandmother. He is very familiar with the building, and he has been interested in preserving the building for many years. Many of their projects have local ties

to communities, and they would also like this to be the first of many revitalization projects in Winnsboro and Fairfield County.

- What is being proposed is relocating the Fairfield County Government Complex to the Mt. Zion property, which would be about 45,000 square feet of space, in comparison to the current facility which has about 21,000 square feet of space. It would house the administration offices, Sheriff's Department, Parks and Recreation, potentially court/court offices for a temporary time, as well as additional community services. 1st & Main would own and develop the property for the County and lease it to them for an estimate of \$525,000 per year for a period of seven years to take it through the tax credit compliance period. This is an \$11M project, but the ability to use innovative financing techniques is what makes the project make sense on the financial side.
- The current existing government complex is deteriorating, and there has been a need for a new complex for quite some time. Right now, the County does not have the financial capacity to build a new government complex. 1st & Main is able to utilize historic tax credits and new market tax credits as leverage for financing tools to make the annual cost to the County significantly lower than the cost would be to build a new complex.
- The \$11M would include approximately \$5.5M in financing from tax credits. Three different tax credits are being explored, including state and federal historic tax credits and South Carolina abandoned building tax credits. These are sold to third party investors who can actually use the tax credits against their income, and there is already very strong interest from tax credit investors for this project. The building is not currently listed on the National Register. A preliminary approval has been received from the National Park Service for listing on the National Register, but there are two reasons why the final steps have not been taken to officially nominate it. One, approval needs to be received from SHPO/NPS for the design concept, and this is actively being sought at the present time. There is also money associated with getting the building nominated, so this would not be done until the designs are approved. The other reason is that if the building is listed on the National Register and the project does not go through as planned, this could prevent the County or the Town from demolishing the structure. The third tax credit being explored is the new market tax credit program. This is a federal subsidy geared toward community revitalization. This is a very powerful tool for these types of projects, and two LOI's have been received from entities who would want to make an investment in this project. The first is CAHEC from Raleigh, NC, and the other is Innovate Fund from Greenville, SC. CAHEC has provided equity for affordable housing projects, but they also have the CAHEC new market arm, which provides investment into these types of projects. Two examples of this include a charter school in Atlanta, Georgia and the 21C Museum and Hotel in Durham, NC. Therefore, this investment from CAHEC is not associated with their affordable housing arm. This is for a commercial project, and there is no intent for housing to be established with this project.
- There are many advantages of doing this project through the private sector as opposed to the County building it themselves. There will be over \$3.5M in savings to the County over a 20 year period due to the tax credits in the amount of over \$5.5M which would bring the actual loan down to \$4.5M to

\$4.7M. The County's lease payments will be tied over the seven year period to service the loan. If the County were to build a new building from the ground up and spend \$10M plus, they would be servicing that \$10M loan. Annual utility and maintenance costs would also be significantly reduced by a centralized location for services. This project also shifts the construction design and management risk to 1st & Main. Before building begins, the final cost will be listed in the agreement, and any overages at that point would be on 1st & Main. This will also preserve a historic landmark which could then become a tremendous asset that the community would be very proud of. Finally, this project would provide a centralized location for County services, as they are dispersed throughout the County at the present time.

- The timeline of this project would include:
 - Execution of redevelopment agreement and lease with preliminary figures. The annual number is anticipated to be lower, but the proposal contains conservative numbers at this point.
 - Obtain redevelopment approval from the National Park Service on the design. A conditional approval has been obtained from the State Historic Preservation. This is expected in the next 30 days, and it will then go to the National Park Service for their approval in November. At this time, if the agreement is in place with the County, the building will be registered on the National Register of Historic Places.
 - The building permit hopefully would be submitted in the first quarter of 2019. This depends on the new market tax credit application.
 - Final construction contract should be executed by April 2019 with closing on construction financing and breaking ground by June 2019. Timeline for construction is around 12-13 months, with the County being able to occupy the building the beginning of summer 2020.

IV. COUNCIL DISCUSSION OF CITIZEN'S SUBMITTED QUESTIONS

Chairman Smith thanked Mr. Dowling and Mr. Jones for the presentation. He also advised that there are a number of questions and only a certain amount of time to answer. For any questions that are not answered, the answers from staff based on fact and answers from 1st & Main will be provided to everyone who wishes after the meeting. The Clerk has some printed copies available tonight, and there is also a sign-up sheet if you wish to receive this by email.

The question and answer section of the meeting began around 6:20 p.m. and lasted through 7:56 p.m. with all submitted questions answered (see attached list of questions and answers).

At the conclusion of the question and answer section, Chairman Smith asked if any Council members had anything to add:

Vice Chair Goins thanked the citizens for attending tonight and for the submitted questions. She also thanked 1st & Main and the County staff. It is always a good thing to come together and share what is going on and how to move forward.

Council Member Ruff also thanked everyone for coming out and participating. He knows there is some division on this subject, but it will be worked out. His hope is that everyone can come together however it is decided in the end.

V. Adjourn

At 8:00 p.m., Chairman Smith adjourned the Work Session.

PATTI L. DAVIS
CLERK TO COUNCIL

WILLIAM B. SMITH, JR.
CHAIRMAN

Community Forum Questions and Answers from Staff and 1st and Main

Answers in red text are responses from County staff and are based on research and fact.

Answers in green text are responses from 1st & Main and are provided as necessary based on the questions posed.

- A. 1. Will the county conduct a day/week survey on the amount of in and out traffic at the current admin building, including employees and visitors?

The County could conduct a study, but currently 115 employees are expected to move to the new building. This counts all those employed at the current administration building, as well as, the JB Floyd Building, and Planning and Zoning office, which will be consolidated into the new facility. The sheriff's office has the most employees with over 50, but they work in shifts and are not all at the office at any given time. 45 visitors on an average day should come to the new Administration building based on sign in logs at front desks of the buildings to be consolidated.

- A. 2. What would be the viability of the school district using Mt. Zion for homes for teachers?

This was the original proposal from the developer but it was met with significant opposition from the Town and surrounding neighborhood. The Town refused to deed the property to 1st & Main without an agreement not to provide housing on the site

- A. 3. What will happen with the "statue"? Are stipulations in place to address the monument?

1st & Main is willing to do everything in our power and work with the community to remove the statue.

The statue is not part of the project area. It is on property that was retained by the town. However, we have had discussions with the Town and they would be willing to allow it to be moved. However, The State Heritage Act places severe restrictions on the removal or relocation of monuments such as this. A 2/3 votes of the General Assembly would be required to allow us to remove it. Staff has talked with our senator and expressed the desire to move it and concerns about the overly restrictive State Heritage Act. Staff has also talked with not only our County attorney, but other outside legal counsel on the matter. They have stated that the law is clear and ridged. A possible immediate option is obscuring the statue with vegetation, or erecting another suitable monument that could potentially address and balance the concerns caused by the existing statue.

- B. 1. Has the county reviewed the 2007 Winnsboro Master Plan and the 2018 Winnsboro Downtown plans for guides for a comprehensive plan coordination with new admin building?

Yes, we reviewed the 2007 Winnsboro Master Plan, and the Town did address Mt. Zion in that Plan. It was listed as an important site to consider in the redevelopment and revitalization of downtown Winnsboro. In fact, the Town made several earlier attempts at redevelopment. When the Town and the County began exploring the idea of repurposing the building as a new County Administrative office, a number of meetings were held to discuss the details. After presenting the town with detailed plans, the Town agreed that the project would indeed be a benefit to helping revitalize the downtown area. In addition, the Mt. Zion site has been identified in other strategic plans as a top redevelopment site that should be focused on as a catalyst to spur redevelopment.

- B. 2. What is the expected time frame to secure the tax credits?

1st & Main estimates that historic tax credits (both state and federal) will be secured by January 2019 (following the National Parks Service approval of the schematic designs – est. November 2019). 2019 New market Tax Credit allocations will be announced from February – April 2019.

- B. 3. What is the expected time frame to complete the contract?

Term of contract is 7 years.

- B. 4. What is the expected build completion time frame?

We currently estimate that the redevelopment will take 12 – 14 months from ground-breaking

- B. 5. If approved, when will construction start?

Currently estimating June 19, 2019

- B. 6. Will there be accommodations in the build plan for temp housing for court house remodel? How can the county afford to do this project and the courthouse? Wasn't a new courthouse quoted above \$20,000,000?

Yes, it is anticipated that we will have to use the building to hold Court and house other staff while renovations are done at the existing Courthouse. This will save the County a large sum of money that would have otherwise had to be spent on temporary relocation space. At this point the County cannot afford to do both a new administration building and a new Courthouse. Before the Nuclear Reactors were abandoned, the County was looking to construct a new courthouse. In fact, Council engaged Goodwyn, Mills, and Caewood to start preparing plans. Council and staff toured a number of facilities, all of which cost in excess of \$25 million dollars. At the time Goodwyn, Mills, and Caewood had stated that \$15 to \$20 million would be a minimum budget we should expect. We do have money in the bond set aside for the renovations required at the Courthouse. We cannot wait indefinitely to do those repairs. The longer we wait the more expensive they will be. In addition, if something such as a mold problem or anything else that may be unacceptable to SC Court Administration were to occur they could order the County to immediately begin the repair work.

With the reactors abandoned and the loss of the revenue they would have produced, the County cannot afford to pay out of pocket for a new administration building, nor can it borrow money. The public / private partnership (same model as the teacher village and the Providence Hospital) that allows the County to purchase the building through a lease arrangement, while also taking advantage of tax credits to lower the cost may be the only financially viable option.

- C. 1. Will 1st and Main manage the contractor RFP process or will the county?

1st & Main will manage all aspects of the redevelopment process. Since 1st & Main currently owns the building and plans to lease the space to the County, there will be no RFP (or public bid) process.

- C. 2. Will the city of Winnsboro participate in the process?

City has participated from the inception of the project. It would not have been possible had they not donated the property and pledged their support for its use as a County Administration Building. They have been consulted with throughout the process.

- C. 3. What happens at the third reading?

Is it public?

Will it be voted on then and there?

Will the vote be public?

Will we leave the hearing knowing the decision?

A vote to proceed or not... yes/yes/yes/yes

- D. 1. Are there restrictions to be put in place regarding the permitted use of the property? What actions are being set in place to include restrictions in the deed and covenants to ensure the property will never be utilized for low-income or disadvantaged or senior housing?

1st & Main is amenable to any deed restrictions requested by the County/Town pertaining to low-income/disadvantaged/senior housing

MOU and lease agreement between 1st & Main and county only contemplated the use of the property as a County Administration building. No other use is allowed. If the project does not move forward with the building being used for County Administration 1st & Main forfeit ownership of the site and it reverts to the County.

- D. 2. Will CAHEC (Community Affordable Housing Equity Corporation) or any affiliates be involved in financing the project? If so, what projects has CAHEC done that are not low income? What historic tax credits will they use if not "low income housing tax credits"?

CAHEC has expressed interest in providing New Market Tax Credit (NMTC) equity for this project. They are just one of several NMTC equity providers considering our project. Although a portion of CAHEC's work is focused on affordable Housing, their New Markets division has provided financing for a wide range of community revitalization projects across the SE, including:

- A new construction, 85,000 square foot medical school and community clinic
- The construction of a charter school for middle and high school students
- A new construction pediatric outpatient medical facility
- The adaptive reuse of a commercial building into a 125-room hotel and contemporary art museum
- A 1.5 million square foot new construction facility, housing a distribution center as well as retail and outlet stores

- D. 3. Will developer and county provide written assurances that project will not include any low income housing or low income community projects before, during or after completion of project, including any post default conveyance to a third party?

1st & Main is happy to provide these assurances

The project will be deed restricted and is currently contract restricted. The County commits and has previously committed to the Town prior to the Town making the property available that it would not be used for a government subsidized, low income housing project. Both the building and the site will be deed restricted.

- E. 1. Will developer and county provide written assurances there will be no exterior basketball courts, swimming pools or other exterior recreational facilities located on the project location?

There will be no exterior swimming pool, basketball courts or other built facilities, other than a possible expansion of the walking trail, improved parking, landscaping, and sidewalks.

- E. 2. Can the parking lot facing Bratton Street be moved to have the entrance on the adjoining side street, which would reduce traffic on Bratton Street?

Where will traffic patterns be located for school, for teacherage, any proposed traffic signals?

Could proposed entrance/exit for parking at project from Bratton Street be relocated to Gooding Street in order to reduce traffic flow on Bratton Street?

What impact will the construction have on the traffic flow on Bratton Street?

The location of the parking shown on the current site plans is preliminary and subject to further discussion

Yes, it could be moved. No traffic signal is contemplated. It would have some impact but should be short and temporary. The property is large enough to stage most of the activities and equipment on site, causing minimal disturbance.

- E. 3. What is the latest on the application to get Mt. Zion on the Historical Register?

National Parks Service (NPS) has previously determined (formally, earlier this year) that the buildings meet the needed criteria to be listed on the National Register. However, they must receive a formal nomination from the SC State Historic Preservation Office (SHPO). 1st & Main is waiting until the Part 2 Application (rehabilitation work approval) is approved by SHPO/NPS before submitting the nomination. This process is normal, has been recommended by our consultants, and is done for 2 main reasons:

1. Listing the building on the National Register of Historic Places could delay the process of demolishing the buildings, should an agreement between 1st & Main and County not materialize
2. The formal nomination process costs money and we don't want to spend this money until we have our rehabilitative plans approved

We expect to have Part II approval in November and will formally nominate the buildings for National Register listing then – the committee meets 3 times/year. As long as the property is listed on the National Register before the completion of the project, it qualifies for the historic tax credits.

1. The US Department of the Interior, which certifies properties for listing status in the National Register of Historical Places has said, the property "will likely be listed in the National Register of Historical Places if nominated by the State Historic Preservation Officer."

2. The SC Historic Preservation Office has said, "The property appears to meet national Register Criteria for Evaluation and will be nominated."

- F. 1. Is it not wise to wait until historic designation issue is settled?

See above.

- F. 2. What would it cost to renovate the current Admin Building?

Knowing that renovations were necessary, the County began looking at plans and engaging engineers in 2014. The cost was based on a phased approach to the renovations of the current administration building and had to include cost of temporarily relocating staff. Some minimal work was done to the exterior power supply as phase I on the existing building. Substantial work was to begin in Phase II. Phase II would require the relocation of all staff from the building. It was proposed they be housed in the HON building. The cost of this temporary relocation was bid out by the firm of Mead and Hunt. Seven bids were received, ranging from \$3,627,00 to \$4,300,000 million. At the same time the firm of Davis and Floyd were engaged to prepare estimates on the Phase II of the repairs to the existing building. These repairs consisted of just a new roof, HVAC system, and rewiring the building. The construction costs were set at \$3,159,488. Since these are older estimates we contacted the companies for revised cost estimates. They stated that we should add at least 10% to the cost. The total expected construction costs would be \$7,102,414. When you calculate the soft costs (design, project management, legal fees, moving costs, etc) at a typical rate of 20% the total project cost would be \$8,522,896.80. Again, this would be to do 15,000 of temporary space in a building the County does not own, and to do just the roof, HVAC, and wiring in the 23,350 square foot existing administration building.

- F. 3. When will the citizens have proof of at least 3 signed proposed bids on the cost for the renovation of the present county admin building?

We do have full bids on parts of the projects, which were the relocation and renovation of the temporary leased space in the HON Building. (7 Bids ranging \$3.6 to \$4.3 million). We also have engineering estimates from Davis and Floyd of \$3,159,488 to do Phase II on the existing building. Phase II would consist of replacing the roof, HVAC, and wiring in the building. This would not add any additional space or address any of the other needs of the building. As these estimates and bids are several years old the companies have advised that we add a minimum of 10% to the cost. The current total expected out of pocket cost would be \$8,522,896.80.

- G. 1. Can you explain why it would be easier to afford Mt. Zion renovation than the current building?

The lease financing option, as well as taking advantage of \$5.5 million through the various tax credit programs makes it financially viable for the County. It will also save the County a substantial amount of money that it would have otherwise had to spend on temporary relocation space. For all other options, the County would either have to pay out of pocket or borrow the money, neither of which the county can do. The County has no borrowing capacity, and should the county draw down its reserves to pay for the project it would put the county in a financially precarious position. We must keep our reserves healthy so that when economic development opportunities or other unforeseen expenses present themselves we have the ability to act.

- G. 2. If the Mt. Zion building is not renovated for the county administration, what will happen to it? Who will own the property if the deal falls through?

The County will own it, and it would likely be torn down.

- G. 3. What happens to the property in the event of a default by the county? What rights and remedies will Developer/other third party lender(s) have, and can project use be changed post default?

1st & Main (as landlord) will have default remedies typical of standard operating leases, as allowed by SC state statutes. In case of default, 1st & Main will still be mandated to operate the building within the guidelines of any use regulations previously established.

- G. 4. How do tax credits help you pay for something? How will the tax credits be utilized by the developer?

The tax credits currently being pursued for this project (historic, SC abandoned building, and New Market Tax Credits) are all available to the developer and can be taken against income tax. 1st & Main plans on syndicating/selling these tax credits to third party investors in order to raise upfront equity (~\$5.5M) for the project

- G. 5. What would the auditorium be used for if renovated?

Council Chambers & Community Event Space.

- H. 1. Who will be responsible for maintenance, upkeep, insurance and public liabilities while under the ownership of the developer?

The County will be responsible for all of these identified liabilities of occupying and operating the building.

- H. 2. What are the plans for the house next to the school?

Developer has the right to redevelop that in compliance with City Zoning, but plans have not been finalized.

- H. 3. Will county/developer provide extermination/removal services at project site prior to commencing construction? (Concern rodents/snakes will flee into surrounding neighborhood upon construction preparations.)

County and 1st and Main will explore need for extermination/removal services at project site prior to commencing construction.

- H. 4. Who actually owns the Mt. Zion property (the site of the proposed new County administration building project)?

The developer, 1st & Main.

- H. 5. Which properties are included?

3.2 acres bounded by Bratton, Gooding, Hudson and Walnut Streets.

- H. 6. What kind of lighting, fencing, landscaping, other improvements will be made to the project location?

There will be limited site lighting, minimal fencing, screening for waste container, new paving for parking, and front roadways. The County could also consider underground wiring, sidewalks, and enhanced landscaping.

- H. 7. Will there be any impact to the walking park located adjacent to the project location? Any change in use to the walking park contemplated pre or post construction.

There will be zero impact to the walking park

Proposals have been considered to expand the walking trail, add landscaping, improve site lighting, sidewalks, and install an outside amphitheater venue. These would have to be approved by the Town.

- I. 1. How much in taxes are you receiving from the Wal-Mart and Mack Truck properties?

Wal Mart- \$152,531.30 / year
Mack Truck- \$314,963.71 / year

- I. 2. Has council agreed on a max cost for a new county admin building complex (remodel the current building, start a new building, renovate the Mt. Zion building)?

- I. 3. What are the names of the owners of 1st and Main Development?

Are any of the owners of 1st and Main Development related to members of the Mt. Zion Society, our former state senator or the Friends of Mt. Zion?

Rory Dowling is sole owner. Rory is related to the late James Lyles Jr. Rory's grandmother, Lavinia Peltosalo (who still lives in Winnsboro), was James Lyles' sister. Rory's great grandfather.

- I. 4. How did 1st and Main become engaged with the project? Was it the principal's Winnsboro connection?

Rory has had an interest in seeing the building redeveloped for as long as he can remember. Given his numerous family connections to the area, he has been coming to Winnsboro regularly his entire life. Rory approached the Town and County upon learning that the Town was nearing plans to demolish the structure.

- I. 5. What is the exact cost to the county for the lease of the property at the end of the 10 years and the cost at that time to purchase the property?

The maximum cost to the County for the lease of the property and purchase at the end of the 7 year contract period is \$8,000,000. The contemplated agreements between 1st and Main and the County reference these values as "not to exceed." 1st and Main and the county also are working on strategies to decrease this cost and is confident that the total costs will be lower.

- I. 6. When will the citizens have proof of at least 3 signed proposed bids on the cost of building a new county admin building?

The developer 1st & Main offered a new construction scenario of \$9M (\$200 per sq ft) assuming financing options were available. With no historic tax credit available, the cost is at least \$3 million more. The county engaged Goodyn, Mills, & Caewood before the abandonment of the nuclear reactors. We also toured a number of facilities with them. No option they showed us was less than \$25 million. But at the time they told us that the \$15-\$20 million was the lowest cost we could expect. The County has looked at other construction projects such as the recently built Behavioral Health building in Winnsboro, the cost of that project came in at \$268 per sq ft. If you took that same number and multiplied it out by 40,000 square foot the cost would be \$10,720,000. Putting together a full set of plans and a bid package would cost at least \$200,000. Mead and Hunt was paid \$199,757 the last time a bid package and plans were prepared for a 15,000 square foot space.

- J. 1. What is the cost of renovating the Wal-Mart building for the purpose of housing the county admin building (3 bids)?

It would cost \$1.5M to purchase the Wal-Mart Building which is 116,000 sq ft. We only need 40,000 square foot. It would be problematic to deal with the excess space. The Wal-Mart building is a shell very similar to the HON building. The previous bids on the HON building came in at \$241.80 per sq. Using that number multiplied by 40,000 square foot ($\$241.80 \times 40,000$) you come up with \$9,672,000. If you then add back in the purchase price and include the soft costs (design, project management, legal fees, moving costs, etc) at a typical rate of 20% the total project cost would be \$13,106,400.

Also, using the Wal Mart building takes it off of the tax roll, costing the county \$152,531.30 in lost tax revenue per year. The building also currently serves as a draw to industry looking at it to use for manufacturing and distribution, which will help attract new jobs to the County.

- J. 2. Why not allow the citizens to vote on an issue this controversial and costly?

- J. 3. How can you guarantee that the quality of the neighborhood that we have enjoyed these many years will not be ruined?

How will this project enhance and not destroy what we currently enjoy?

Is this good for our community?

- J. 4. Does the Sheriff's Department need to be located in the building? (Concern over safety of walking trail)

Consolidation of county services is the most cost effective way to provide services and most convenient for the citizens. It also promotes critical communication between the county departments that leads to better operations.

- J. 5. If the tax structure fails and the project is not completed, could the demolished building area be improved?

- K. 1. Would it be possible to have new structures built in the future like a large bandstand gazebo along with any other ideas people may have to truly enhance the attractiveness of the park?

Yes. Proposals have been considered to expand the walking trail, add landscaping, improve site lighting, sidewalks, and install an outside amphitheater venue. These would have to be approved by the Town.

- K. 2. What are the other building remodel/relocation projected needs for the next 5 years? Can we incorporate all of the above in one plan?

The Courthouse, JB Floyd building, Magistrates, and Planning & Zoning office. We do need additional space for recreation and have been looking at working with both the school district and town with buildings such as the Old Armory and the old Fairfield Gym. Those projects would be perfect for using this same public-private model being used for the proposed new administration building. They could be renovated taking advantage of various tax credits. In fact, the teacher village that the school district is working on is using almost the same public private partnership model and similar to the model used with Providence Health. The Courthouse will need to be renovated, as well as the magistrates building. It is anticipated that the JB Floyd building may be sold. The Planning and Zoning office may be sold or demolished to improve parking or provide more green space.

- K. 3. What will become of the current admin building?

To be determined. We have had discussion on working with the developer for a reuse plan. We also could put it out and accept proposals from other interested developers or put it on the market to be sold.

- K. 4. What would be the cost to demo some of the old downtown buildings and build a new admin building there?

A concept similar to this was considered earlier on in the planning process, using some of the existing property that the County owns downtown. The County did not have enough property to make it work and would have had to purchase a number of other privately owned parcels. The bigger problem and cost came in dealing with some of the existing site conditions, especially in relation to utility relocation and roadway access. Currently this option is cost prohibitive.

- K. 5. What protections will Fairfield have against cost over runs?

1st and Main assumes all risks with cost over runs. The County will be executing a not to exceed lease agreement. If costs are above projections, the County's rent will not increase without Council approval.

- L. 1. Will developer use FEMA's tool kit code checklist to assist in selecting contractors?

1st and Main and its team have significant experience selecting general contractors for these types of historic renovations. It utilizes various best practices and will review this recommended resource.

- L. 2. What designs will be used to improve work practices and flexibility in new or remodeled building?

1st and Main has selected a design firm, Tise-Kiester Architects, which has significant track record of adaptively reusing historic buildings for new uses, such as office spaces. 1st and Main has involved the County's leadership in the proposed design of the uses for the various spaces. Tise-Kiester Architects have visited the property multiple times and been involved with several conversations with the County about how they currently operate and organize and how they would ideally operate and organize. All of this feedback has been integrated into the current design. The County will also have additional space to grow into, if needed.

- L. 3. What designs will be used to improve building safety?

Building safety is critical to the project. 1st and Main's architect, Tise-Kiester Architects, has significant experience designing office buildings and public facilities, including a jail. Tise-Kiester Architects has integrated best practices to ensure a safe work environment for all County Employees and visitors.

- L. 4. What designs will be used to improve energy efficiency?

1st and Main's architect, Tise-Kiester Architects, has significant experience designing energy efficient office buildings and public facilities. Tise-Kiester Architects will evaluate various energy efficiency strategies that fit within the project's budget. These could include interior storm windows, LED light bulbs, etc.

- M. 1. What are all the viable options for moving to Mt. Zion including size, components and cost of each option?

Staff has explored a number of other options reference the chart on last page.

- M. 2. Are there any property owners who own a substantial amount of property near the Mt. Zion building?

The Town, Perry Anne Renwick, Vern Amick, and the Hendrick Brothers are the largest adjoining land owners, with the Amick property at 10 acres, and Hendrick Brother at 31 acres being the largest. The others are less than 3 acres.

- M. 3. What is our maximum dollar exposure if the current deal falls through?

Current exposure is less than \$50k per MOU. If agreement moves forward, the exposure increases to \$175k

- M. 4. What is the financial footing of 1st and Main?

1st and Main has no history of bankruptcy or default and a proven track record of executing these types of projects.

- M. 5. What testimonials do we have concerning 1st and Main?

1st & Main is currently involved as owner and partner in over \$90M of mixed-use private development with another potential \$75M of development in the pipeline.

Most of the firm's projects have been public-private partnerships involving creative financing methods, including historic tax credits, New Markets Tax Credits, tax-incremental financing, Brownfields Tax Incentives, among others. Dowling has structured public-private partnerships through his work as a lead partner in the \$110M Hay Street Master Development in downtown Fayetteville, NC – a project that includes the adaptive reuse of the historic Prince Charles Hotel, a 120-room upscale hotel, and 90,000 SF office tower that will surround a new minor league baseball stadium

Rory also serves as Development Advisor to the Development Finance Initiative (an extension of the UNC School of Government). During his time at DFI, Dowling has managed and advised on projects representing over \$250M of potential development including the adaptive reuse of two prominent historic structures into hotels, master developing 20-acres of riverfront property for a mixed-use town center, and the adaptive reuse of an historic hotel into student housing above retail.

County Staff also visited Durham North Carolina to tour a number of buildings that had been renovated by the developer. Staff was quite impressed by the buildings. They were renovated to high standard, creating vibrant public spaces, which were alive with activity.

- M. 6. What are the differences in this agreement and the previous council's committing us to debt?

Under this financing method, much of the debt/cost to the County is greatly reduced due to the tax credits. We are getting a \$12M project for \$7M. We are using tax credits to create equity and to reduce the amount of the bond that would have to be used toward this project, and avoid depleting county reserves.

N. 1. Why create more vacant buildings?

We will hope to accept proposals and sell off or tear down anything we vacate in our consolidation of services under one roof. We do not want to create vacant buildings. We will work to accept proposals and bids on the JB Floyd building, to get it into private tax paying, productive use. Other properties such as the small planning office building downtown may be demolished to either improve the green space or add additional parking downtown.

N. 2. Why would you pay 3 times the cost to restore Mt. Zion versus current admin building?

Question is inaccurate in its assumption. Cost on total current administration building project (renovating HON building and existing admin building) equals \$8,522,896.80 to replace the roof, HVAC, and wiring, ending up with 23,350 square foot of permanent space. Mt. Zion cost, after tax credits, is expected to be \$7,375,000 total for 45,200 square foot of permanent space for County offices, as well as, public events space. On a square footage basis the Mt. Zion project is much cheaper.

N. 3. If the county has never owned the Mt. Zion Property, why should the county be responsible for demolishing it if it is not renovated?

Contractual arrangement between the Town, the developer, and the County has its ownership reverting to the County.

N. 4. What does council view as the most profound objections to the Mt. Zion plan and how does council plan to address those objections?

N. 5. What would be the cost to demolish Mt. Zion?

Previously estimated around \$250,000

Administration Building Options

(Comparison if traditional financing were available)

Facility	Cost to County ⁶	Space (SF)	Site Costs ⁷	Const. Costs (Per SF)	Const. Costs Total	Soft Costs ⁸	Est. Total Cost ⁹	Tax Credits / Grant Funds
Hospital ¹	\$ 13,243,961.28	41,508	\$ 1,200,000	\$ 241.80	\$ 10,036,634	\$ 2,007,327	\$ 13,243,961	N/A
Walmart ²	\$ 13,106,400.00	40,000	\$ 1,500,000	\$ 241.80	\$ 9,672,000	\$ 1,934,400	\$ 13,106,400	N/A
HON Building ³	\$ 8,522,896.80	15,000	\$ -	\$ 241.80	\$ 3,627,000	\$ 725,400	\$ 4,352,400	N/A
Existing Building ⁴		23,350	\$ -	\$ 148.84	\$ 3,475,414	\$ 695,083	\$ 4,170,497	N/A
New Construction ⁵	\$ 13,400,000.00	40,000	Unk	\$ 268.00	\$ 10,720,000	\$ 2,680,000	\$ 13,400,000	N/A
Mt. Zion	\$ 7,375,000.00	45,253	\$ -	\$ 225.00	\$ 10,181,925	\$ 2,693,075	\$ 12,875,000	\$5,500,000

Footnotes:

- ¹ Cost data from lowest bid in 2015 for HON retrofit used as a comparison. Contingency may need to be increased for environmental concerns
- ² Cost data from lowest bid in 2015 for HON retrofit used as a comparison. Lost tax revenue needs to be considered at \$152k/yr. The extra space not renovated would be in excess of 60,000 sf and would either need to be demolished or partially renovated for storage space.
- ³ Cost data from lowest bid in 2015 for HON retrofit used. The renovation of the HON building needs to be in concert with the existing Admin building.
- ⁴ Engineer estimates from September 2017 plus 10% increase as advised by engineering firm. The renovation of the HON building needs to be in concert with the existing Admin building.
- ⁵ New construction uses the most recent comparable (Behavioral Health Building) but does not include acquisition or site work costs for unknown location
- ⁶ Financing charges are not included as financing options are not a possibility for the County with its current debt limit. The costs are for basic comparison
- ⁷ Site costs include land acquisition and development costs (site clearing, grading, and demolition)
- ⁸ Soft costs usually include design fees, management fees, legal fees, taxes, insurance, and moving costs. Normally account for 30% of construction cost. A 20% soft cost was assumed for the hospital, Walmart, HON, and existing building. A 25% soft cost was assumed for new construction given the increased management requirements. The Mt. Zion project was already costed at a 26.45% soft cost.
- ⁹ Estimated total cost refers to the addition of the known site costs, construction costs and soft costs