

Commissioners' Journal
June 20, 2017

The Geauga County Board of Commissioners met for a work session on June 20, 2017 at 8:00 a.m. in the Commissioners' Chambers located at 470 Center Street in Chardon, Ohio.

It is declared and determined that all formal actions of the Board of County Commissioners concerning and relating to the adoption of all resolutions that were adopted in this meeting, and that all deliberations of the Board of County Commissioners that resulted in such formal action were open to the public and were in compliance with all legal requirements, including section 121.22 of the Ohio Revised Code.

The President of the Board, Ralph Spidalieri opened the meeting at 8:02 a.m. with the following in attendance: Commissioner Spidalieri, Commissioner Claypool, Commissioner Lennon, County Administrator David Lair, Clerk Christine Blair. The audience included Director of Administrative Services Linda Burhenne, Budget Director Anne Rasic, Buildings and Grounds (Maintenance) Director Glen Vernick and Amy Patterson from the Maple Leaf.

In April 2017 the Board of Commissioners sent a request for proposal to several agencies to conduct a feasibility analysis regarding the construction of new county office facilities. Responses were received from North Coast Capital Consultants, Richard L. Bowen and Associates, Incorporated, MS Consultants, Incorporated and K2M Design.

On June 13, 2017 the Board held a work session to review the proposals that had been submitted by each of these companies and during that meeting, they decided to hold an additional work session to invite each of the companies in to answer a series of questions about which they wanted further information.

The following questions were sent to each of the four companies. Each was scheduled for a brief 10-15 minute presentation period:

- 1. Describe potential options that could be utilized by Geauga County to finance a new county facility. What financing arrangements have you used in the past with other government offices?*
- 2. What is your experience preparing feasibility studies for government offices? Provide an example of a feasibility study that you have conducted in the past and the outcome of that study. How much did the plan change between feasibility to execution?*
- 3. What is your approach to handling PR during the process? How will you support the Board in conveying the message to other elected officials and citizens of Geauga County?*
- 4. Geauga County owns several properties that may eventually be sold as part of this project. A solid and realistic estimate of the value of these properties will affect the decision making process. What methods will you utilize to develop these estimates? Give an example of other projects in which such property valuations were key to the process?*

K2M Design, Incorporated

Real Estate Analysis Lead Michael Cantor, with Allegro Real Estate appeared before the Board while President of K2M Design, Scott Maloney, joined the Board via the phone to present their responses.

Mr. Maloney explained the methods of finance, that included traditional general bond, Port financing, USDA, and private investment options that include the design-build-ownership model where operation management are done privately and the building is either rented or a rent to own option to the county. There was discussion regarding port financing and the carrying costs of the financial layer that deals with the strength of the government. Ms. Maloney explained that Allen County is the most similar in size and scale to Geauga County that they have done (and provided with their proposal) that the departments are in direct alignment. It was noted that they are currently working on their second project with Allen County, along with the example of a project that they had done about five years ago in the Keys in Florida. That was also a comparable plan that the company moved forward on the 1st of 7 projects that were included. Mr. Maloney stated that they would build alignment with the Board and then develop a general overall course of action, then hold key stakeholder meetings during the master planning process, then bring the other Elected Officials into the process and build a consensus to provide presentations. There was a brief discussion regarding other key factors outside of public relations. Mr. Cantor explained that Allegro handles the property portion, in regards to knowing the value of the buildings before making decisions, adding that they use a Broker Opinion of Value unless an appraisal is required. Mr. Cantor stated that an MAI appraisal take

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a look backward on the value, noting that the Broker Opinion looks forward on demand. Mr. Cantor used Cuyahoga County and American Greetings as examples of property valuations they had done. Commissioner Lennon inquired about repurposing the buildings, to which Mr. Cantor explained that usually, if it's a one or two story building an option to repurpose would be to include retail locations on the 1st level with multi-family on the second level. Mr. Cantor provided the idea of repurposing the Courthouse as a museum or a Bed n Breakfast.

Richard L. Bowen and Associates, Incorporated

Principal in Charge, LEED AP, Allan Renzi, Project Architect Robyn Wolf, and Special Properties Group, Industrial Properties (CBRE) David Wolf appeared before the Board to present their responses.

Mr. Ford explained that the options for financing are pretty wide open, citing the option of doing Bonds based on the county credit rating. He added that it is difficult to determine what the right financing option would be until a plan is in place, and that getting the county assets on someone else's balance sheets, or long term, using someone else's capital is another option. Cuyahoga County was given as an example for their new office building. Discussion took place regarding a P3 (Public-Private Partnerships) option of financing that includes getting value for the current buildings, along with options like a Developer Lead, Design Lease building projects, giving examples of the FBI, the IRS, SSA, and that they had started the 3rd District in Cleveland. It was noted that local and county projects usually finance with traditional bonds, that State and Federal go P3A and that currently the capital markets are still awash with investment funds. Mr. Renzi explained that they had worked with Portage County on the Kent Municipal Courthouse that included Feasibility, Site Selection, and Design-to-Build. Other examples noted included Bedford Court and COTA (Central Ohio Transit Authority) that started with the Feasibility study and then hired them to be architect and engineer. COTA is now on the fourth phase of the project.

Mr. Renzi explained that regarding public relations, they are very proactive and take a hand on approach, being sensitive in the process to help sell the idea to the public. They will hold meetings, conduct surveys, and provide public meetings along with the stakeholders. Mr. Renzi stressed the importance of internal coordination that all the departments. Mr. Renzi stated that since the last meeting, they had brought on CBRE who handles the financing part of the project. Mr. Wolf explained the two levels of valuation that include the MAI appraisal for the value of property and the Broker Opinion of Values. Mr. Lennon stressed concern over being in the early stages of the process and if everything they included in their proposal relating to the cost was necessary, to which Mr. Renzi responded by stating that when they would present the feasibility that these pieces are all part of the puzzle that offsets the expense and that they could work on the pricing to develop a plan and scope together.

MS Consultants

Vice President, Architecture K. Anthony Hayek, Director, Construction Services, David Mosure, and Director of Finance, Grants and Funding Alex Beres appeared before the Board to present their responses.

Mr. Beres spoke about total price to consolidation, including equity, the sale of existing assets, utilizing the CIC to sell assets which all minimizes the amount to be financed. Mr. Beres briefly talked about P3 arrangements, Port Authority Financing, CIC, lease back arrangements, tax financing and the bond market. Mr. Beres said MS is currently working with a county on a complete county fairgrounds rebuild.

Mr. Mosure discussed a project they did for the Boardman Fire Station which is currently under construction. Initially, it was to be done on their existing site however the plan wouldn't fit so they had to find a new location that would allow the facility to be built to meet their current needs. The Fire Department made adjustments to those needs to fit in the budget and plan. It was noted that the original site location was sold and that the pricing on the project had come in a half million under the estimate. Mr. Mosure also gave the example of a current project for the Austintown Municipal building that includes consolidating several departments that were scattered around. MS looked at location to repurpose rather than doing a total new construction.

Mr. Mosure explained that they would assess the need, to determine if the solution might be a brand new facility, or moving to combine into one facility. Mr. Mosure stated that to move

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forward, the Board needs a buy-in of leadership along with staff, asking how facilities can function better, assessment of technology needs, equipment changes that look 50 years forward, then begin taking it to the community along with approaching the issue of finance. Mr. Mosure also talked about other items of need, energy use, ADA accessibility, staffing needs and how they are managed.

Mr. Beres addressed the question about property, explaining valuation would be based on the local commercial market value of the facilities, the land / location, noting that a sale price is only what someone is willing to pay. Mr. Mosure stated that they obtain an opinion to determine if the property is worth saving / keeping or not. Mr. Lennon asked about repurposing, to which Mr. Mosure stated that they are currently working on a 12 story former office building to create a 12 story hotel, Double Tree, along with student housing at YSU. Mr. Beres added that redevelopment projects have recently become more attractive which makes it more of an option.

***As the work session progressed into the time the regular session would have started, other members of the public and departmental staff arrived in the audience.*

North Coast Capital Consultants

Managing Director Barry Miller, Esq., Project Director, NV5 Mark Seifried and Senior Project Manager, NV5 Mark Lenart appeared before the Board to present their responses.

Mr. Miller went over a list of financing options that included Bonds, Taxes, Property Taxes, Private Developer, Build and Lease, Port Authority Bonds, USDA Program (grants / loans), TIF Revenue Bonds or partnering with a Private Developer. Mr. Miller talked about the option of creating a Community Authority, but that requires the need for control of 1,000 acres. Mr. Miller stated that they had done several feasibility studies, including for a new municipal center for Aspen Colorado that included the police and fire departments. For the City of Brighton, they repurposed a facility to use as a city hall. Mr. Lenart provided a sheet that included their scope of services that had been included in the full proposal, but outlines a time frame of about six weeks, as they like to take a straight forward approach. Mr. Lenart gave the example of doing this study with Key Bank across 14 different states.

Mr. Miller stated that they would support the Board in getting the message out, assist with public outreach, hold town hall meetings, and explain the benefits and advantages of the project. Mr. Lenart stated that there is a process to follow for public property in that, if it has significant value, a market broker would need to be involved. The Board would need to consider if they wanted to keep and renovate to repurpose, noting the Courthouse. Also, it is a unique facility and they would need to maximize the value of the property. The Board would need to consider what the impact would be on the Chardon Community.

BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD

Motion: by Commissioner Spidalieri to adjourn the meeting at 9:15 a.m.

Geauga County Board of Commissioners

Ralph Spidalieri

Walter M. Claypool

Timothy C. Lennon

Christine Blair, Commissioners' Clerk

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