

HABERSHAM COUNTY BOARD OF COMMISSION
EXECUTIVE SUMMARY

SUBJECT: Administration Building Site and Funding Options

DATE: November 14, 2016

RECOMMENDATION
 POLICY DISCUSSION
 STATUS REPORT
 OTHER

BUDGET INFORMATION:

ANNUAL-
CAPITAL- \$5,856,500-\$6,572,500

COMMISSION ACTION REQUESTED ON: November 21, 2016

PURPOSE:

To request Commission authorization on the location and funding method for the new Habersham County Administration Building.

BACKGROUND / HISTORY:

The County would like to combine the following offices into one facility:

Commission Offices, County Manager, County Clerk, Finance, Human Resources, Information Technology, Public Works, Planning and Development, Environmental Health, Tax Commissioner, Tax Assessors, Facility Maintenance, Elections and Registration, and possibly the UGA Extension Services office.

Combining these offices into one location will benefit the following:

- 1) Co-location of Departments to improve ease of communication and operation efficiency for County employees and citizens alike.
- 2) Consolidation with other county facilities, which will create a one-stop convenient location for citizens to receive a number of County services.
- 3) Accommodate future space needs, as the assessment of constructing a new building will ensure the flexibility and expandability of office space for future needs and growth.

The following has occurred regarding the construction of a new Administration Building:

- 1) Assessment: Precision Planning, Inc. has prepared a report which assessed the existing building's architectural and engineering systems. The detailed report illustrated that the 54 year old building is seriously deficient and that the mechanical, electrical, data, and fire protection systems all need to be updated in order to comply with code.
 - 2) Programming and Planning: Precision Planning, Inc. conducted a space program analysis to determine space needs for the aforementioned County offices. The study indicated that approximately 24,885 square feet of space is needed to house the offices and accommodate future growth in a single Administration Building.
 - 3) Development Options: The original assessment included five potential development site options. On September 19, 2016 the Commission voted to narrow the development options to the two options described in the following "Facts and Issues" section.
 - 4) Town Hall Meetings: The Commission has held 3 Town Hall Meetings and 1 additional public discussion meeting with the Republican Party in order for the public to review presentations and for the Commission to receive and respond to input regarding the proposed construction of a new
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Administration Building.

5) Funding Methods: Research on the available funding methods has been conducted and the various options available are reviewed below. Additional information is attached to this agenda item.

FACTS AND ISSUES:

Site Options

The Commission has voted to narrow the site options down to the following:

a) **Site adjacent to the courthouse on Stanford Mill Road:**

The available site area is approximately 2.7 acres and the site was previously graded during the development of the courthouse. A retaining wall is needed to provide sufficient space to accommodate a new building structure and parking for this site. The property is bound by a creek identified as a flood zone, and a flood zone evaluation is expected if this site is selected. The site has access to Clarkesville water, sewer, and power, and there is a storm drainage system in place from the courthouse site. An evaluation of access will need to be performed if this site is selected. Fiber optics are readily available as well as access to the county's data network, which is conveniently located in the new courthouse. This site will have approximately 343 feet of road frontage. The site will need deceleration lane improvements and other road improvements to Stanford Mill Road, including widening, in order to provide better vehicular access.

Estimated Costs

Site Improvements: \$472,500

Stanford Mill Road Improvements: \$500,000

Building Construction with FF&E: \$5,000,000

Deep Foundations or Soil Stabilization: \$250,000

Import Earth Materials: \$150,000

Site Retaining Walls: \$200,000

Total Estimated Cost: \$6,572,500

b) **Corner of Jacob's Way and Toccoa Hwy:**

This site is the least expensive option of all of the options originally presented. It will require placement of a septic system. This site provides the option of a campus for a number of county facilities, as it is next to the Aquatic Center, and close to road maintenance, fleet maintenance, and other facilities where county operations are located. Road improvements may be needed long-term to improve traffic flow.

Estimated Costs

Site Improvements: \$526,500

Building Construction with FF&E: \$5,000,000

Intersection Improvements: \$300,000

Septic System: \$30,000

Total Estimated Cost: \$5,856,500

The prices listed for each of these options include land development, parking, storm water improvements, furniture fixtures/equipment fees (FF&E), and necessary testing. If a traffic light is warranted at either site the estimated cost will be an additional \$100,000-\$140,000. The amounts listed are estimated without detailed design or reports to base them on.

Funding Methods

Additionally, the Commission needs to consider the following funding methods:

- a) **Installment Sales Agreement:** This option will require the creation of a Public Facilities Authority that will issue revenue bonds. The Commission would enter into an Intergovernmental Agreement for an Installment Sales Agreement to purchase the building from the Public Facilities Authority over a 20 year period. The estimated annual payment over that 20 year period is \$314,108 on \$5,000,000.
 - b) **Certification of Participation (Annual Appropriation Lease):** This option would authorize a multi-year lease/purchase agreement with either ACCG or the bank. ACCG or the bank would own the property and facility until all payments were made according to the lease agreement. The estimated annual payment over 20 years would be \$317,620 on \$5,000,000.
 - c) **General Obligation Bonds:** This funding method requires a voter's referendum. If it fails the County can be locked out from funding the construction of a new administration building from 1-4 years. The Estimated Annual payment, if approved by voters, would be \$313,298 on \$5,000,000 for 20 years.
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OPTIONS:

- 1) Approve construction of a new administration building at _____ site and using _____ as the funding method.
 - 2) Denial of the 2 presented sites and presented funding methods.
 - 3) Commission-defined alternative.
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RECOMMENDED SAMPLE MOTION:

I move to approve the new administration building be constructed at the _____ site utilizing the _____ funding method.

DEPARTMENT:

Prepared by:

Director _____

**ADMINISTRATIVE
COMMENTS:** _____

DATE: _____

County Manager

**Presentation to the
Habersham County Board of Commissioners**



**Administration Building
Cursory Engineering Review**

October 20, 2016



Cursory Engineering Review of Challenges



I. Develop Options Considered

Alternate Site – Adjacent to New Courthouse

Another Alternate Site – New Courthouse Front

Alternate Site – Jacob's Way Property



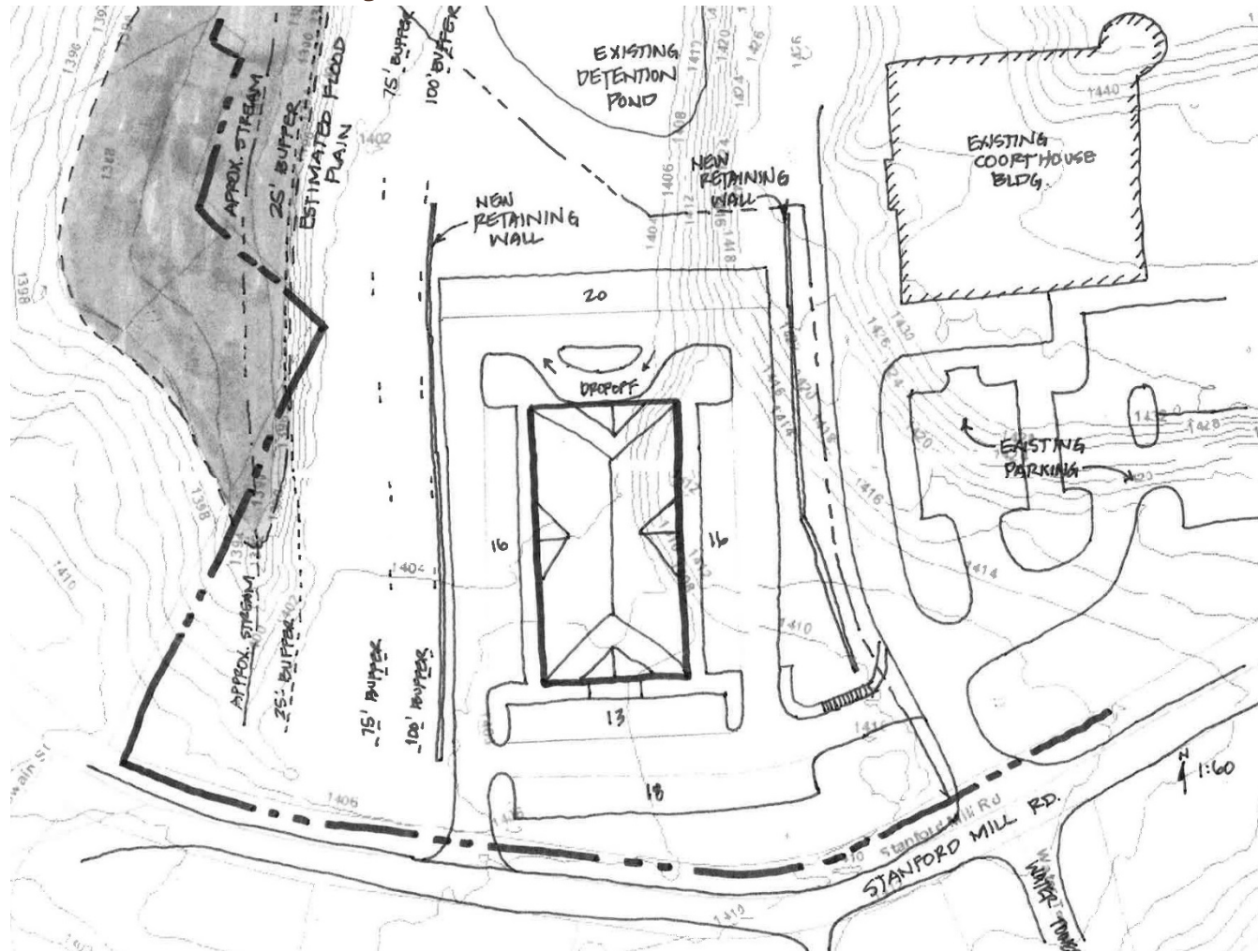
I. Cursory Engineering Review of Challenges

Alternate Site – Adjacent to New Courthouse



I. Cursory Engineering Review of Challenges

Alternate Site – Adjacent to New Courthouse



I. Cursory Engineering Review of Challenges

Alternate Site – Adjacent to New Courthouse

PROS

- Located Adjacent to New Courthouse
- Inside City Limits of Clarkesville
- Consistent with Adjoining Properties
- Share Parking with Courthouse
- Onsite Water & Sanitary Sewer
- Currently Developed for Improvements



Alternate Site – Adjacent to New Courthouse

CONS

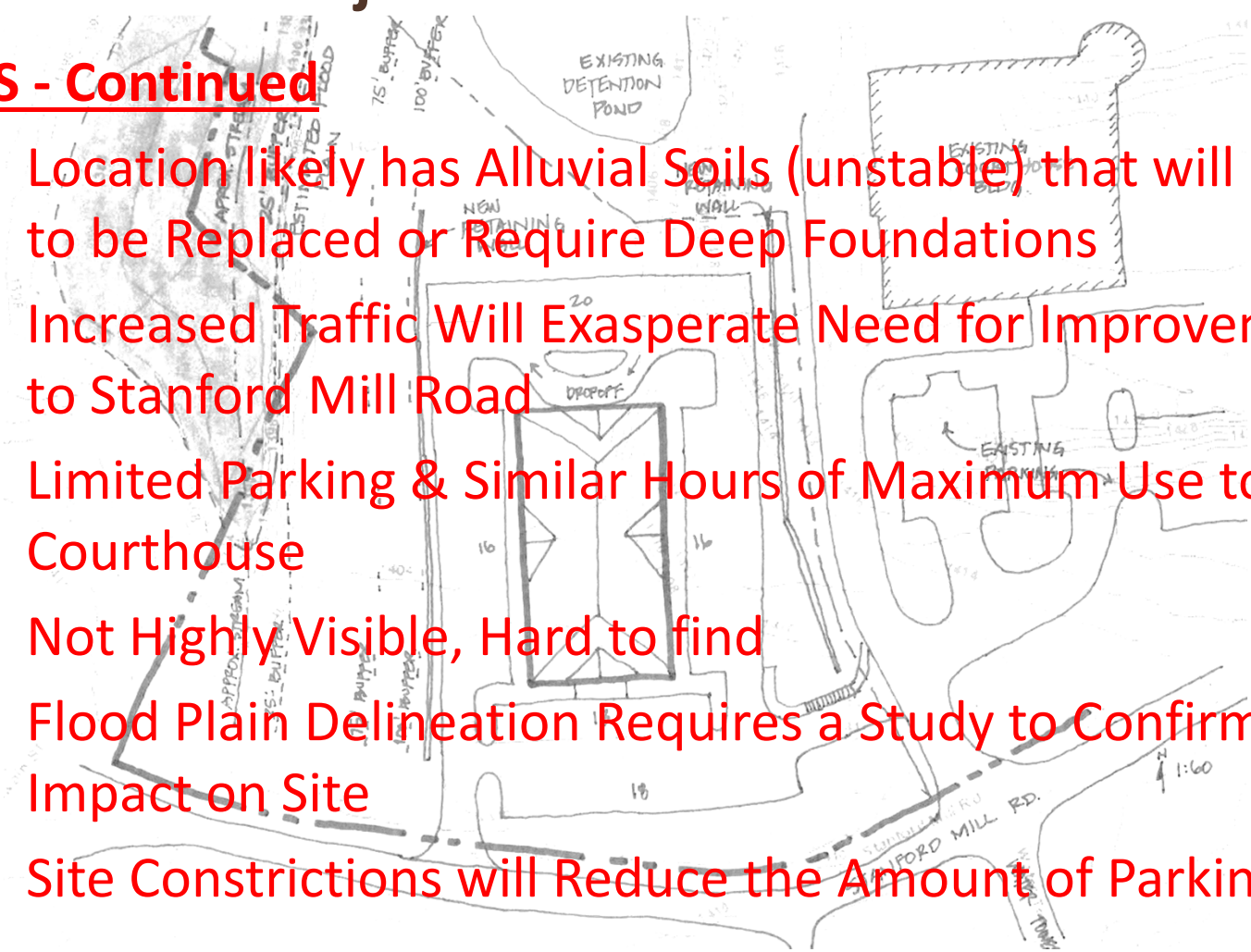
- 2.7- acres Available for Development Restricts Additional Uses / Expansion
- Bounded by Flood Plain, Stream Buffers, Existing Courthouse and Storm Water Management Pond
- Site Retaining Wall will be Needed to Transition to the Existing Development
- Proposed Building Elevation will be 20 ± feet Below Courthouse Requiring Stairs and Walls for Connection
- Existing Grades Are Below Existing Driveway & Road will Require Import of Structural Fill Soil Materials



Alternate Site – Adjacent to New Courthouse

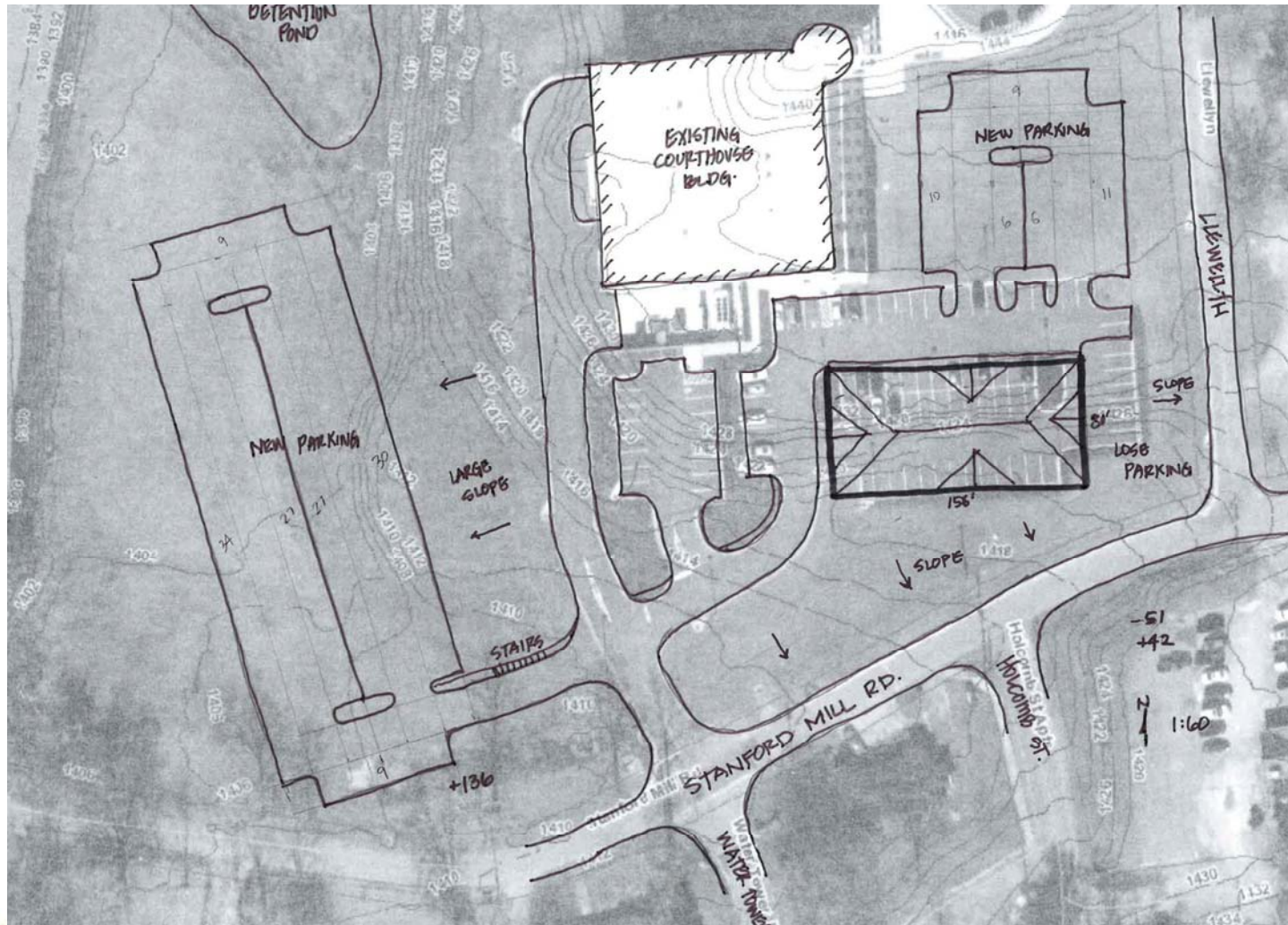
CONS - Continued

- Location likely has Alluvial Soils (unstable) that will Need to be Replaced or Require Deep Foundations
- Increased Traffic Will Exasperate Need for Improvements to Stanford Mill Road
- Limited Parking & Similar Hours of Maximum Use to Courthouse
- Not Highly Visible, Hard to find
- Flood Plain Delineation Requires a Study to Confirm Impact on Site
- Site Constrictions will Reduce the Amount of Parking



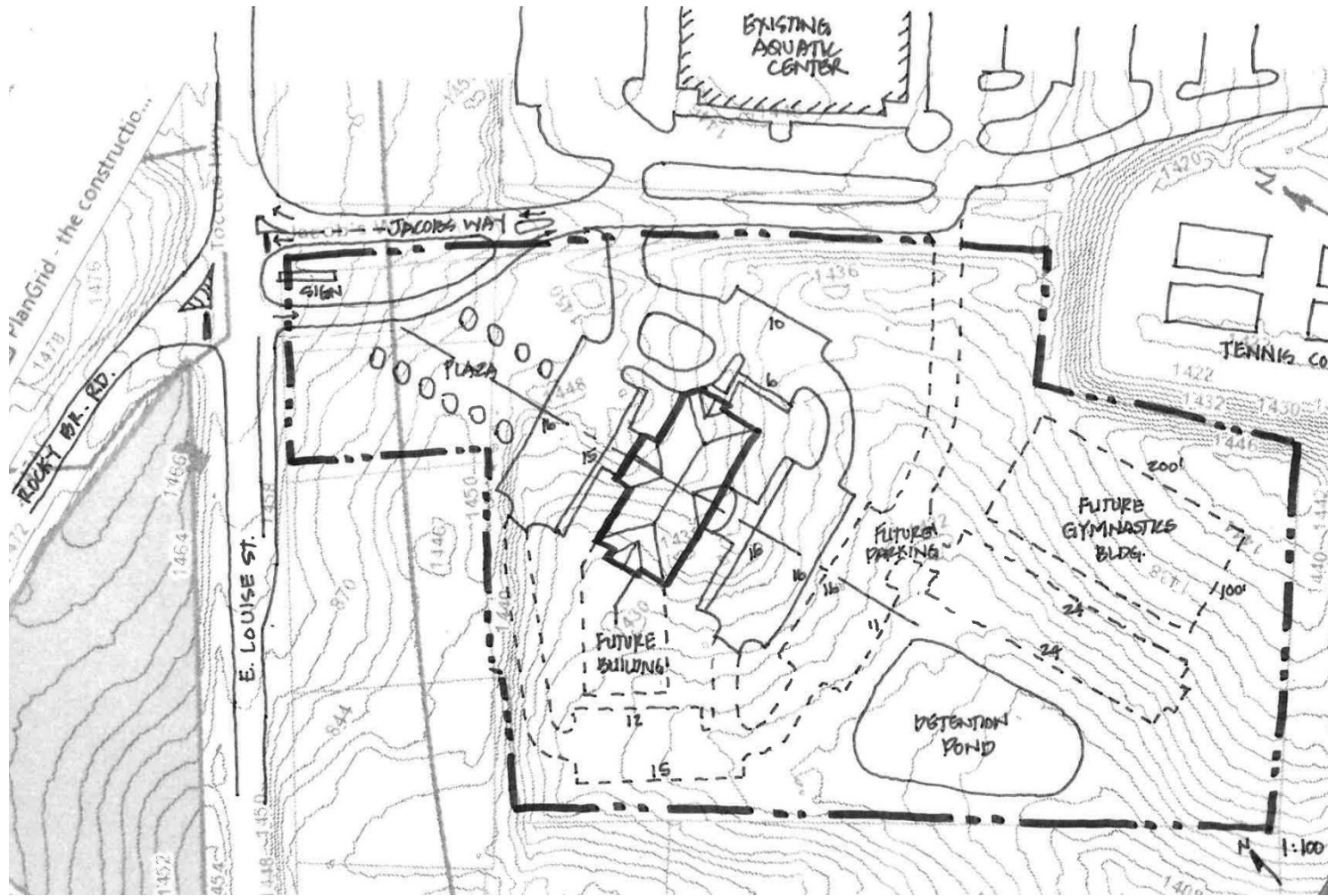
I. cursory Engineering Review of Challenges

Another Alternate Site – New Courthouse Front



I. cursory Engineering Review of Challenges

Alternate Site – Jacob's Way Property



Alternate Site – Jacob's Way Property

PROS

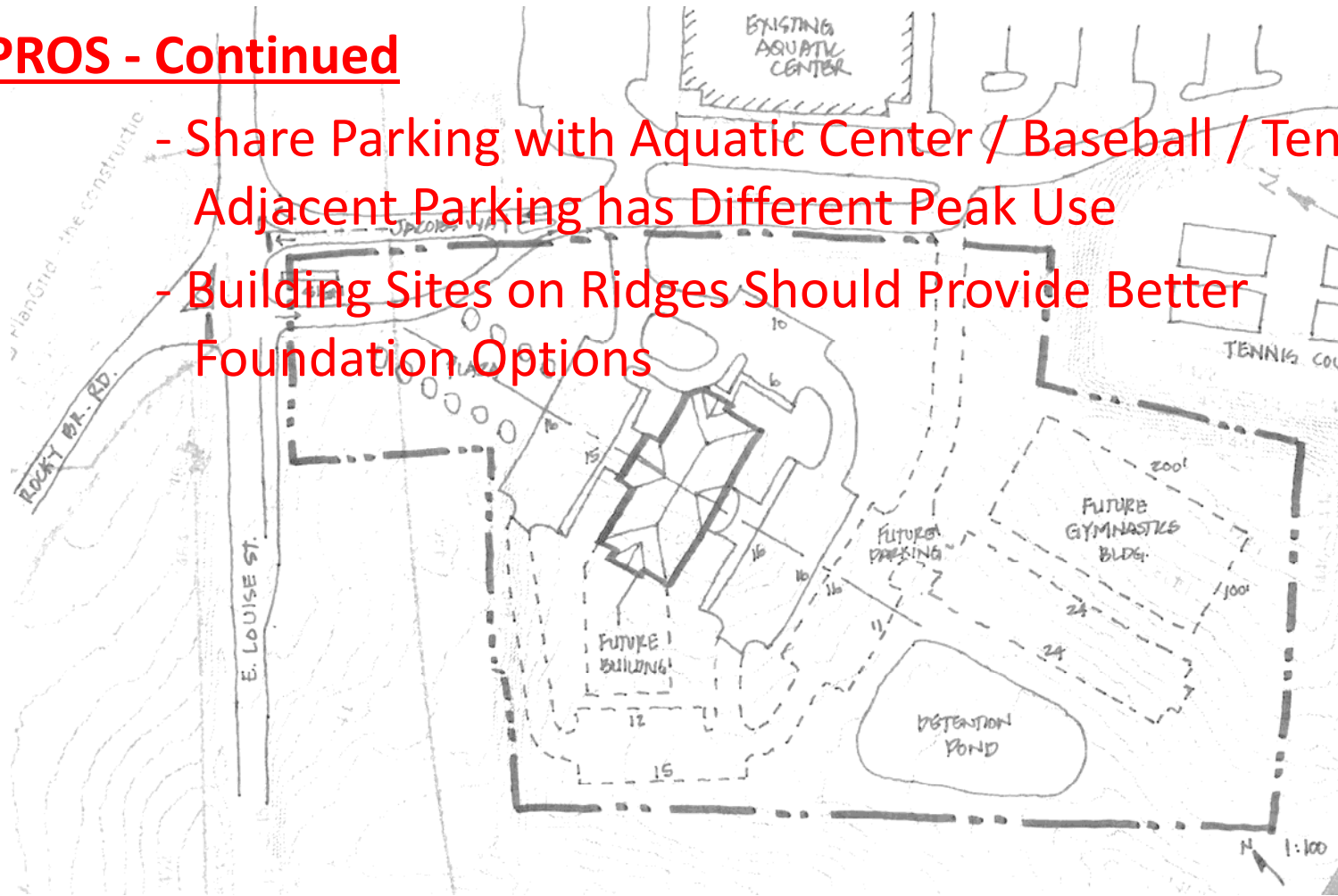
- Highly Visible
- Easy Road Access
- Most Cost Effective Option
- 7.57 Acres Provide Options for Additions / Expansions (Future Gym)
- Larger Property Provides Additional Room for Slopes Instead of Retaining Walls
- Larger Property Provides Opportunity to Balance Earthwork



Alternate Site – Jacob's Way Property

PROS - Continued

- Share Parking with Aquatic Center / Baseball / Tennis
- Adjacent Parking has Different Peak Use
- Building Sites on Ridges Should Provide Better Foundation Options



Alternate Site – Jacob's Way Property

CONS

- Outside of City Limits
- Requires On-site Sanitary Sewer (Septic) System or Sewer Extension to City Sewer
- Wooded Site Requires Clearing
- Increased Traffic Will Exasperate Need for Improvements at Jacob's Way Intersection with E. Louise Street / E. Louise Street is GA DOT Route 17





Order of Magnitude Cost for Challenges



II. Order of Magnitude Cost for Challenges

Alternate Site – Adjacent to New Courthouse

Site Improvements	\$472,500
Stanford Mill Road Improvements	\$500,000
Building Improvements	\$5,000,000
<i>Deep Foundations or Soil Stabilization</i>	<i>\$250,000</i>
<i>Import Earth Materials</i>	<i>\$150,000</i>
<i>Site Retaining Walls</i>	<i>\$200,000</i>
Total Improvement Cost	\$6,572,500*

* Amounts listed are estimated without detailed design or reports to base them upon



II. Order of Magnitude Cost for Challenges

Alternate Site – Jacob’s Way Property

Site Improvements	\$526,500
Septic System On-Site	\$30,000
Building Improvements	\$5,000,000
<u>Improve Intersection @ SR 17</u>	<u>\$300,000</u>
Total Improvement Cost	\$5,856,500*

* Amounts listed are estimated without detailed design or reports to base them upon



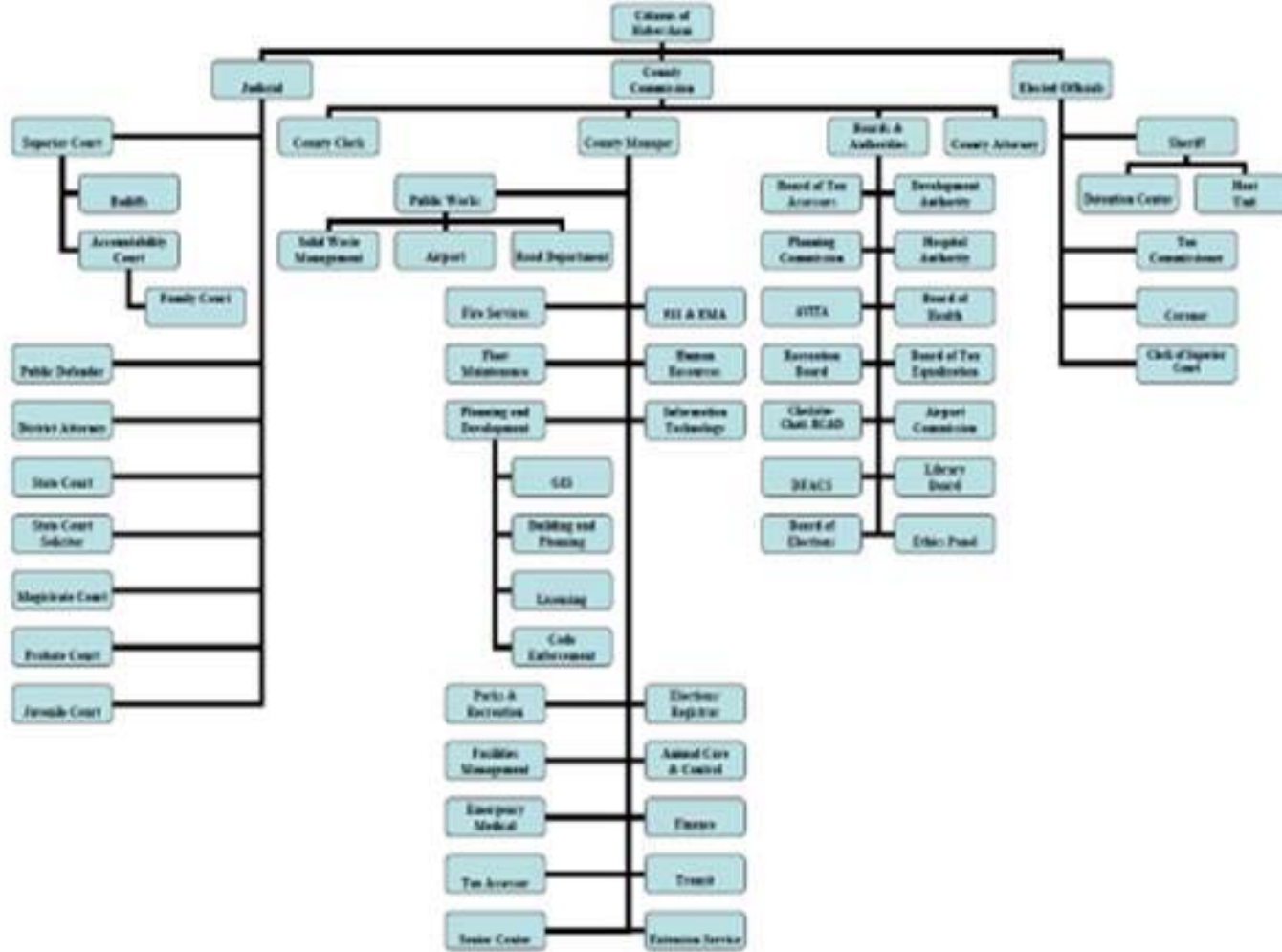
III. Next Steps

Next Steps...

1. Selection of Site Option from Commissioners
2. Prepare Selected Site Engineering Study



Habersham County Organizational Chart





Questions?



Habersham County (Georgia)
Financing Discussion of New Administrative Complex



	Certifications of Participation "Annual Appropriation Lease"	Intergovernmental Contract "Backdoor G.O. via Revenue Bond"	General Obligation Bond
A. Issuer:	ACCG	Authority with proper powers - No Development Authorities ^{1*}	Habersham County
B. Referendum Required:	No	No	Yes
C. Limitation on Amortization:	No legal limitation - Limitation based upon market conditions	50 years*	30 years*
D. Limitation on Deal Size:	Limit of \$25 million of outstanding lease purchase financings AND a limitation on the average annual payments of 7.5% of the governmental funds revenues for the preceding calendar year*	None	No more than 10% of the assessed value of all taxable property within the County*

Transaction characteristics based on a \$5 million project size -20 Year Amortization

E. Assumed Bond Rating:	One "notch" below County's G.O.Rating	County's G.O. Rating	County's G.O. Rating
F. Annual Debt Service:	\$317,620	\$314,108	\$313,298

*Per Georgia law

¹Unless a Constitutional Development Authority

Disclosures/Assumptions: The analysis above has been performed assuming level debt service. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits in the private placement market. The interest rate assumes a bank qualified designation. Actual results may differ, and Stifel makes no commitment to underwrite or privately place the transaction at these levels.

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