

OLD COURTHOUSE COMMITTEE MEETING
OCTOBER 14, 2008

Present: Commissioner Milissa Holland
Commissioner Elbert Tucker
Mick Cuthbertson, City of Bunnell
Faith Alkhatib, County Engineer
Sally Sherman, Deputy County Administrator
Craig Coffey, County Administrator

Absent: Mary Ann Clark, Flagler Historical Society (Note: Ms. Clark had arranged for a replacement but that individual was not able to attend due to illness.)

The courthouse is within the Bunnell CRA. The CRA board could legally take on the project and use their funds. It was also mentioned they currently have no funds and are unlikely to in the future.

Mr. Coffey covered the options for the project. Both options addressed additional investigation, mothballing, and subsequent redevelopment, as well as on-going operational costs during mothballing (see options 1 and 2 attached). Mr. Coffey also laid out how the financing and operational costs of the annex could be managed by floor (see sheet 3 attached).

Courthouse rehabilitation would be done more for sentimental reasons than practical reasons. Due to the increasing cost per square foot of the courthouse renovations and the small amount of square footage available, it will not cash flow to pay back the rehabilitation costs.

Regarding the annex square footage, it was noted that a building this size will not be able to be built in the future at the costs currently being projected for rehabilitation. The same square footage for public space would likely cost four times as much.

Mr. Coffey noted that the County may be able to fund the mothballing of the building from various funds but does not have the funds for the renovations. He stated that we would likely borrow funds for the renovations and pay for it from government tenants. Possible occupants mentioned for the first floor included the Sheriff, Bunnell library branch and other state agencies (Probation Office, WIC, etc.).

Commissioner Tucker inquired if it would help in the costs to move the good HVAC unit from the 2nd floor to the 1st floor since that is the best unit. Craig reported that could be a possibility, but the entire building needs to have the wiring updated, technology wiring installed, and other code issues remedied (some of which the County has been grandfathered in on in the past).

Mr. Cuthbertson suggested selling the library property and using those funds (approximately \$300,000) for the renovations to the courthouse. Craig noted this was another good idea but the property might be more valuable as future parking for the courthouse tenants.

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Mr. Tucker feels getting the Sheriff committed to going into the building would be a spur to get other tenants (for the first floor). He also inquired about the possibility of using some of the first floor for offices for state agencies that are unfunded to the counties and where the county is currently paying office rent (ex: Guardian Ad Litem).

Commissioner Holland feels we can save the old courthouse by rehabilitating the first floor of the annex.

It was suggested that the first floor renovation costs be confirmed; build a tenant list for the first floor; mothball remainder of the building; apply for grants for renovations of courthouse portion of building.

Mothballing	\$ 950,000	(see breakdown above)
First floor	<u>\$ 800,000</u>	
Total	\$1,750,000	

Renovating only the annex portion would involve sealing off the courthouse portion of the building for security and safety until it is ready to utilize at a later date.

All agreed to the following:

- ↓ Mr. Cuthbertson will present to the City of Bunnell Council to authorize the county to do the permitting for any renovations to the building but the City of Bunnell will maintain the site plan.
- ↓ Craig will work on mothballing financing plan.
- ↓ County will approach a local bank for financing of first floor renovations.
- ↓ Structural evaluation of the building (testing for termite, lead, asbestos, etc.) will be first step no matter what else is done to the building and would be presented first to the BOCC.
- ↓ It was agreed that public safety is most important so the structural evaluation needs to be performed no matter what else is done.

Commissioner Holland requested Craig take to the Board of County Commissioners (BOCC) to approve cost for structural evaluation of the building.

At the next committee meeting, a general plan of action will be presented to the committee.

Future meetings will be scheduled once the structural evaluation is completed.

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Option 1- Restoration of Main Courthouse and Annex

Step 1 - Additional Evaluation

Engineering	\$45,000
Termite Treatment	\$40,000
Misc. Testing - Asbestos/Lead/Other	<u>\$15,000</u>
Estimated Costs	\$100,000

No Major Problems - Move to Step two
Major Issue - Reevaluate

Step 2 Mothball

HVAC Annex	\$335,000
Courthouse Repair Roof	\$375,000
Misc. Repair	<u>\$140,000</u>
Estimate Costs	\$850,000

Step 3 Future Use/Rehab

Courthouse By Floor	\$2,500,000	\$1,250,000 per floor
Annex by Floor	\$2,400,000	\$ 800,000 per floor
Contingency	<u>\$ 600,000</u>	
Estimated Costs*	\$5,500,000	

* Costs could vary significantly over time.

* Does not take into account any major issues uncovered in final investigation or special design considerations required such as secretary of Interior guidelines.

Rough Estimates **Net 43,500 s.f.**

\$950,000 to Mothball
\$6,500,000 total to Complete

Monthly Mothball Operating Expenses

Insurance	\$ 3,000
Electricity	\$ 6,000
Misc.	<u>\$ 1,000</u>
Total	\$10,000

Option 2- Restoration of Main Courthouse and Demolition of Annex

Step 1 - Additional Evaluation

Engineering	\$45,000
Termite Treatment	\$40,000
Misc. Testing - Asbestos/Lead/Other	<u>\$15,000</u>
Estimated Costs	\$100,000

No Major Problems - Move to Step two
Major Issue - Reevaluate

Step 2 Mothball and Demolition

Demolish of Annex/Repair Exterior	\$ 540,000
Courthouse Repair Roof	\$ 375,000
Misc. Repair	<u>\$ 135,000</u>
Estimate Costs	\$1,050,000

Step 3 Future Use/Rehab

Courthouse By Floor	\$2,500,000	\$1,250,000 per floor
Contingency	<u>\$ 500,000</u>	
Estimated Costs*	\$3,000,000	

* Costs could vary significantly over time.

* Does not take into account any major issues uncovered in final investigation or special design considerations required such as secretary of Interior guidelines.

Rough Estimates Net 11,230 s.f.

\$1,150,000 to Mothball
\$4,200,000 to Complete

Estimated Monthly Mothball Operating Expenses

Insurance	\$ 1,800
Electricity	\$ 3,200
Misc.	<u>\$ 500</u>
Total	\$ 5,500

Potential Development of Step 3 in Phases

Step 3 Future Use/Rehab

Courthouse By Floor	\$2,500,000	\$1,250,000 per floor	\$135,000 P@I	5,500 net s.f.
Annex by Floor	\$2,400,000	\$ 800,000 per floor	\$ 85,000 P@I	10,750 net s.f.
Contingency	\$ 600,000			
Estimated Costs*	\$5,500,000			

Sheriff Rent for 4,000s.f. is \$4,700 per month or \$1.175 per s.f., per month
Sherriff Rent is \$57,000 per year

Estimated Annual Operating Expenses per Floor - Annex

Principal and Interest	\$85,000
Insurance	\$ 8,000
Maintenance	\$10,000
Misc.	\$ 2,000
Total	\$105,000

Based on this rent potential per annex floor is \$151,575 or \$14.10 s.f. per year
\$12s.f. is \$129,000

Estimated Annual Operating Expenses per Floor - Old Courthouse

Principal and Interest	\$135,000
Insurance	\$ 6,000
Maintenance	\$ 7,000
Misc.	\$ 2,000
Total	\$150,000

Based on this rent potential per old Courthouse floor is \$ 77,550 or \$14.10 s.f. per year
\$12s.f. is \$66,000.

Bullets for Consideration

- * Keeping Annex you get almost 4 times s.f. for 2.3 million more cost**
- *Cost difference will only be relative over time as space is needed.**
- * Could be phased in over time when needed as affordable quality public space**
- * Redeveloped larger Public Space in Bunnell could help out Bunnell Economy significantly**