



# Flagler County

## Board of County Commissioners



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**TO: Board of County Commissioners**

**FROM: Historic Courthouse Restoration Committee**

**DATE: November 18, 2008**

**RE: Bunnell Courthouse**

The planned approach the committee would like to take at this time is additional evaluation of the structure followed by some immediate steps if the evaluation proves relatively positive. With the Board's approval we would like to proceed in the following manner

**Step One - Additional Evaluation**

|   |                 |
|---|-----------------|
| Overall Engineering Structural Analysis | \$20,000        |
| Lead Testing                            | \$ 2,500        |
| Asbestos Analysis/Testing               | \$ 8,500        |
| Mold Analysis/Testing                   | \$ 8,000        |
| Contingency                             | <u>\$ 3,500</u> |
| <b>Total Estimated Cost Step One</b>    | <b>\$42,500</b> |

**Note:** The results would be evaluated based on severity of any problems identified and cost estimates for remediation. If no major issues are present we would proceed to Step II.

**Step Two - Termite Treatment and Design for Courthouse Roof/ 1st Floor Annex HVAC**

|  |                 |
|--|-----------------|
| Termite Tenting Remediation                                | \$40,000        |
| Design and Prepare Bid Documents for Roof Repair           | \$18,000        |
| Design and Prepare Bid Documents for 1st Floor HVAC Repair | \$11,000        |
| Contingency  | <u>\$ 3,500</u> |
| <b>Total Estimated Costs Step Two</b>                      | <b>\$72,500</b> |

Following this staff will then come back to the Board with detailed cost estimates for stabilizing/ mothballing as Phase II and restoration of the first floor annex for occupancy as Phase III.

**Total Estimated Cost Steps One and Step Two** **\$115,000**

**Funding Note:** The funding for these steps is recommended to come from either the jail reserve or the annual budgeted contingency. The jail reserve was finally approved at \$365,098 in the FY 2008/09 Budget. This would leave a balance of \$250,098 if fully taken from that account. The annual Reserve for Contingency was budgeted at \$300,000. This would leave a balance of \$185,000 if fully taken from that account.

# OVERALL PROJECT PHASING AND FINANCING

## Restoration of Main Courthouse and Annex

### Phase I - Additional Evaluation and Termite Treatment

|                        |                  |
|------------------------|------------------|
| Step 1                 | \$ 42,500        |
| Step 2                 | <u>\$ 72,500</u> |
| <b>Estimated Costs</b> | <b>\$115,000</b> |

No Major Problems - Move to Step two    Major Issues - Reevaluate overall project direction  
 \*\*\*\*\*

### Phase II - Capital Costs to Mothball/Stabilize Courthouse and Annex

|                          |                  |
|--------------------------|------------------|
| HVAC Annex               | \$335,000        |
| Courthouse Repair Roof   | \$375,000        |
| Misc. Repairs throughout | <u>\$125,000</u> |
| <b>Estimated Costs</b>   | <b>\$835,000</b> |

**Note 1: Costs** - This scope of the improvements may be able to be reduced with targeted improvements. \$835,000 is expected to be the worst case scenario as a budget figure. Ideally this would be between \$500,000-\$835,000 bringing the total costs to get to mothball stage between \$600,000 and \$950,000.

**Note 2: Funding** -The funding for Phase I and Phase II will come from existing budgeted reserve funds. These reserve funds include contingency, jail, excess revenues and general fund reserves.

### Phase III Re-development of the Annex First Floor

|                             |                  |
|-----------------------------|------------------|
| Estimated Renovations Costs | <b>\$800,000</b> |
|-----------------------------|------------------|

**Note 1: Funding** - The funding for Phase III will come from a local bank loan. The repayment of the loan will come from tenant leases that are developed prior to construction. We believe at this time that 5,000 of the 10,750+/- net leasable space on the first floor could be leased now. The Sheriff's Office, and Women, Infants and Children (WIC) could utilize 5,000 s.f. of the space. Staff will work on additional governmental leases to fill the remainder of the space and cash flow the loan prior to commencing phase III.

### Phase IV Development of Future Use/Rehab ( DATE TBD )

|                                   |                           |                              |
|-----------------------------------|---------------------------|------------------------------|
| Courthouse By Floor               | \$1,250,000 per floor     | \$2,500,000 total            |
| Annex by Floor                    | \$ 800,000 per floor      | \$1,600,000 total (2 floors) |
| Site Work/Contingency             | <u>\$ 650,000 overall</u> | <u>\$ 650,000 total</u>      |
| <b>Estimated Remaining Costs*</b> |                           | <b>\$4,750,000 total</b>     |

**Note 1:** Costs could vary significantly over time. Some are included in earlier phases.

**Note 2:** Does not take into account any major issues uncovered in final investigation or special design considerations required such as Secretary of Interior guidelines.

**Note 3:** Redevelopment of other floors could occur over many years as the need develops and as money becomes available to include County funds, City funds, CRA funds, grant funds, TDC monies and additional tenant leases.

# OVERALL SUMMARY OF PROJECT COSTS

## Restoration of Main Courthouse and Annex

| <u>Overall Estimates for Entire project</u> | <u>Net 43,500 s.f.</u>    |
|---|---------------------------|
| Phase I                                     | \$ 115,000                |
| Phase II                                    | \$ 835,000                |
| Phase III                                   | \$ 800,000                |
| Courthouse By Floor                         | \$2,500,000 total         |
| Annex by Floor (Two Remaining Floors)       | \$1,600,000 total         |
| Site Work/Contingency                       | <u>\$ 650,000 overall</u> |
| <b>Estimated Costs*</b>                     | <b>\$6,500,000 total</b>  |

**Note 1:** Costs could vary significantly over time.

**Note 2:** Does not take into account any major issues uncovered in final investigation or special design considerations required such as Secretary of Interior guidelines.

**Note 3:** Redevelopment of other floors could occur over many years as the need develops and as money becomes available to include County funds, City funds, CRA funds, grant funds, TDC monies and additional tenant leases.

| <u>Final Estimated Costs per Net S.F.</u> | <u>Net S.F.</u>                  | <u>\$ per s.f.</u>  |
|---|----------------------------------|---------------------|
| Old Courthouse Annex                      | \$3,131,500 / 32,270 s.f.        | = \$ 97 s.f.        |
| Old Courthouse                            | <u>\$3,318,500 / 11,230 s.f.</u> | = <u>\$295 s.f.</u> |
| Average for All s.f.                      | \$6,500,000 / 43,500 s.f.        | = \$149 s.f. Avg.   |

\* May be less costly based on types of uses and extent of final restoration.

\* Final costs to local community may be less dependent on outside funding.

\* Include site work/contingency.

### Example Costs per s.f. of other projects

|   |                                   |
|---|-----------------------------------|
| Flagler County Government Services Building | \$177s.f. (\$199s.f. w/site work) |
| Flagler County Courthouse                   | \$317s.f. (\$339s.f. w/site work) |

### Monthly Mothball Operating Expenses

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

**Note:** The monthly operated expenses are expected to remain fairly constant over time. This is because as the buildings becomes occupied we will have less electrical costs, but are likely to see an increase in the insurance costs due to the new remodeling and miscellaneous costs due to the increased maintenance of common areas.

# POTENTIAL PROJECT CASH FLOW

## Restoration of Main Courthouse and Annex

### Future Use/Rehab

|                     |  |
|---------------------|--|
| Courthouse By Floor | \$1,250,000 per floor \$135,000 P@I per 5,600 net s.f. |
| Annex by Floor      | \$ 800,000 per floor \$ 85,000 P@I per 10,750 net s.f. |
| Contingency         | \$ 650,000 not included, funded over time annually     |

### Examples of Rent Potential

Sheriff Rent for 4,000s.f. is \$4,700 per month = \$14.10 per s.f. or \$57,000 per year

Former County Transportation Space 3,000s.f. was \$12 per s.f. or 36,000 per year

Guardian Ad Litem 1,500s.f. was \$12 per s.f. or \$18,000 per year.

Average in Bunnell is usually \$10-\$12 per s.f. depending on the space.

State Probation just signed a 7 year lease for \$21 per s.f. for about 2,300s.f.

### Estimated Annual Operating Expenses per Floor - Annex 10,750 net s.f.

|                        |                 |
|------------------------|-----------------|
| Principal and Interest | \$85,000        |
| Insurance              | \$ 4,000        |
| Maintenance            | \$ 4,000        |
| Misc.                  | <u>\$ 2,000</u> |
| <b>Total</b>           | <b>\$95,000</b> |

### Estimated Rent Potential Per Floor Based of Various Rents 10,750 net s.f.

\$14 per s.f. is \$150,500 per year

\$12 per s.f. is \$129,000 per year

\$10 per net s.f. is \$107,500 per year

### Estimated Annual Operating Expenses per Floor - Old Courthouse 5,600 net s.f.

|                        |  |
|------------------------|--|
| Principal and Interest | \$135,000 * Grants could reduce this amount. |
| Insurance              | \$ 5,000                                     |
| Maintenance            | \$ 3,000                                     |
| Misc.                  | <u>\$ 2,000</u>                              |
| <b>Total</b>           | <b>\$145,000</b>                             |

### Estimate Rent Potential Per Floor Based of Various Rents 5,600 net s.f.

\$14 per s.f. is \$78,400 per year

\$12 per s.f. is \$67,200 per year

\$10 per net s.f. is \$56,000 per year

### Bullets for Consideration:

- The Old Courthouse will not cash flow from an economic standpoint, but would be redeveloped in order to save the building for the community.
- By keeping the Annex you get almost 3 times the s.f. for just over 3 million more cost.
- This project could be phased in over time when affordable quality public space is needed in 3, 5, 10, or 15 years.
- Redeveloped Public Courthouse/Annex Space in Downtown Bunnell could help out Bunnell's economy and CRA Redevelopment significantly.