

**MINUTES OF A
SPECIAL MEETING
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
MARCH 22, 2017**

The Jackson County Board of Commissioners met in a Special Meeting on March 22, 2017, 1:00 p.m., Justice and Administration Building, Room A227, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Brian McMahan, Chairman
Charles Elders, Vice Chair
Boyce Deitz, Commissioner
Mickey Luker, Commissioner
Ron Mau, Commissioner

Don Adams, County Manager
Heather C. Baker, County Attorney
Angela M. Winchester, Clerk to Board

Chairman McMahan called the meeting to order and stated the primary purpose of the meeting was to focus on Southwestern Community College capital projects.

(1) SOUTHWESTERN COMMUNITY COLLEGE (SCC): Present for discussions: Dr. Don Tomas, President; William Brothers, Vice President for Financial and Administrative Services; Dr. Thom Brooks, Executive Vice President for Instruction and Student Services; Dr. Marc Boberg, Director of Facility Services and Operations; and Tyler Goode, Director of Public Relations.

Dr. Tomas stated they wanted to provide a project update on the Health Sciences Building, which was one of the projects that was previously approved and was moving forward.

SCC Health Sciences Building Update:

- (a) Proposed Site Plan: 55,264 total square feet.
- Basement Ground Floor Plan: 7,360 square feet.
 - First Floor Plan: 16,393 square feet.
 - Third Floor Plan: 15,119 square feet.

Mr. Brothers presented:

- (b) Students numbers in the Health Science programs:
- 782 students applying to the Health Science programs.
 - 243 students admitted to the Health Science programs.
 - 538 students not admitted to the Health Science programs.
 - With the new Health Sciences Building, there would be 288 more students accepted into the programs.
- (c) Regional Impact:
- Impact of Health Sciences Building results in: 288 more students being accepted.
 - Creation of new programs.
 - Upon matriculation and successful hire, greater than \$10 mil new annual (recurring) salary dollars created.
 - Nearly \$7 mil in new dollars infused into the local economy to support area sectors.

Dr. Tomas presented:

(d) Advance Planning Cost Estimate Summary:

Proposed Design: 55,265 SF	
Building	\$14,916,614
Site work	<u>\$1,482,627</u>
Total Est. Base Bid Construction Cost	\$16,399,241
Add alternates (note in base price):	
1. Lightning protection	\$55,000
2. Third floor pedestrian bridge	\$247,253
3. Landscaping	\$107,877
4. EMS Simulator	<u>\$69,152</u>
Total Estimated Construction Cost	\$16,878,523
Bidding contingency @ 5% (of base price)	
	\$819,962
Construction contingency @ 3%	
	\$491,977
Advance Planning Fee per contract	
	\$77,900
Design Fees @ 9% (subject to approval)	
	\$1,475,932
Survey, Geotech, Spec Inspections	
	<u>\$100,000</u>
Project Total Budget w/out AV/furn/equip:	\$19,844,294

(e) Project timeline estimates:

- When finished with advanced planning, it would go to state construction
- The project would then move into the construction design phase for approximately 10 months.
- The bid process would be by the end of the year.
- Bid opening would take place in March or April of 2018.
- Ground breaking for construction would be around July of 2018.
- It was estimated to have an 18 month construction phase.
- Completion was estimated to be between December 2019 and spring 2020.

Commissioner Mau inquired if they could have a conversation with all involved (i.e. engineers, architects, etc.) and try to get the number back down to the original \$16 mil.

Dr. Tomas stated that could mean a loss in potential expansion. They were governed by the state of North Carolina on certain fees and benchmarks that they could not negotiate. He pointed out that the master plan provided for a \$5 mil renovation of the Balsam Building. Dr. Brooks was able to reprogram and rearrange the building with minor changes to meet the needs for around \$50,000. This would mean a savings of \$4.5 mil.

Chairman McMahan stated that they would be able to utilize approximately \$5.45 mil of the NC Connect money for this project. Also, through various construction projects over the past several years that the county worked with SCC on, they had a significant match credit. That would give them the opportunity to leverage all of the bond money before they would have to commit local revenue from the county budget.

Dr. Tomas stated they could expend the bond money first before they would have to ask the county to start contributing to the cost of the project. Also, while in the design phase and bid process, they would be able to collect the quarter-cent sales tax funds for approximately eight to nine quarters.

Commissioner Deitz stated he was 100% behind the project. He was concerned about the perception of the use of the quarter-cent sales tax. He thought they would need to educate the public on how the quarter-cent sales tax would be used to fund this project and how the county provided other funding for the public schools, such as recent the \$9 mil QZAB loan to be used for repairs to roofs, HVAC, etc. He thought there were ways to do all of the projects needed.

Chairman McMahan stated the original numbers were from the 2015 master plan. That was a starting point, as they knew that the numbers would change over time. If the numbers had not changed, they would still be having the same conversation as to where the funds would come from in order to move forward.

Also, at the time they adopted the resolution determining how the Article 46 funds would be used, they never specified a percentage to the community college or the public schools. In general terms, they stated the money would be used for both for projects. When preparing the flyer to help educate the public on how the money would be used, the flagship project was the Health Sciences Building. That came on the heels of the Board deciding they were going to spend \$9 mil on the public schools for roof repairs, HVAC, waterlines, etc. They still had Article Sales Tax dollars that were not committed, that had to be spent on the public schools.

Commissioner Elders stated he was in favor of the project, but they did need to sharpen their pencils as they could not neglect the other projects on their list.

Commissioner Luker stated he wanted to look at ways to have cost savings without cutting programs, services or the size of the building. In speaking about the Article 46 Sales Tax, he agreed with Commissioner Deitz. He thought the mindset of the general public was that a larger majority of the funds would be going to the public schools or at the most a 50/50 split. They just heard from the School Board recently that they still had 130 projects outstanding that they would need to address soon. They also had other critical needs in the county, including the animal shelter and health services, they would need to decide on as well.

Mr. Adams stated that from his perspective, the purpose of the meeting was to update the Board on the new numbers for the Health Sciences Building. He needed two items discussed amongst the Board: The Board's comfort level with the overall scope of the project and what financing sources were available to pay for the project.

Commissioner Mau stated he did believe there was a certain perception regarding the split of the sales tax where folks believed the money was going to the schools. He wanted SCC to do what they could to make sure the number did not increase more and maybe even look at ways to reduce it. He did think the scope of the work seemed reasonable.

Chairman McMahan stated the project would be a huge benefit to the community, students and from a workforce development project, as it would touch so many different aspects of the county. That was why it was viewed as such a critical project and it was the number one project in the master plan. He was personally supportive of what had been presented and the scope of the project. He thought the discussion going forward should be how they could afford to get to the \$19.8 mil needed and still do all the other projects on their list.

Mr. Adams stated there was a means and a way to accomplish the project. However, anytime a project cost more money, it would cause them to look at other projects or possibly delaying other projects. He thought the Board needed to look at the sales tax, debt and the timeframe on other projects, which would dictate how to achieve the projects.

A general discussion was held regarding conversations between the School Board, Dr. Murray, Dr. Tomas and Commissioners regarding Article 46 Sales Tax funds.

Consensus: *Commissioners were comfortable with the scope of the project to allow SCC to move forward. Mr. Adams and Darlene Fox, Finance Director, would work on and present financing options to the Board at a future date.*

There being no further business, Commissioner Mau moved to adjourn the meeting. Commissioner Luker seconded the Motion. Motion carried and the meeting adjourned at 2:47 p.m.

Attest:

Angela M. Winchester, Clerk to Board

Approved:

Brian Thomas McMahan, Chairman