

# WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: COUNTY FACILITIES

DATE: FEBRUARY 15, 2007

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<b>COMMITTEE MEMBERS PRESENT:</b>	<b>OTHERS PRESENT:</b>
SUPERVISORS HASKELL	FRANK MOREHOUSE, SUPERINTENDENT OF BUILDINGS
O'CONNOR	WILLIAM LAMY, DPW SUPERINTENDENT
F. THOMAS	JOHN J. MARTIN, CLARK PATTERSON ASSOCIATES
CHAMPAGNE	JON NORRIS, CLARK PATTERSON ASSOCIATES
VANNESS	JOHN HORGAN, BOVIS LEND LEASE LMB, INC.
GERAGHTY	WILLIAM THOMAS, CHAIRMAN
<b>COMMITTEE MEMBER ABSENT:</b>	PAUL DUSEK, COUNTY ATTORNEY
SUPERVISOR GIRARD	SUPERVISORS BENTLEY
	CAIMANO
	GABRIELS
	KENNY
	SOKOL
	STEC
	TESSIER
	FRED AUSTIN, BUILDING PROJECT COORDINATOR
	FRANK O'KEEFE, COUNTY TREASURER
	JULIE PACYNA, PURCHASING AGENT
	HAL PAYNE, ADMINISTRATOR - WESTMOUNT HEALTH FACILITY
	TOM GARRETT, SIEMENS BUILDING TECHNOLOGIES
	AMANDA ALLEN, LEGISLATIVE OFFICE SPECIALIST

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In Chairman Haskell's absence, Mr. O'Connor called the meeting of the County Facilities Committee to order at 1:25 p.m.

Discussion ensued with respect to the lack of attendance of the Schermerhorn and British American groups.

It was the consensus of the Committee that the meeting should continue to discuss the proposed building project with the representatives of CPA (Clark Patterson Associates) and Bovis Lend Lease LMB, Inc., who were in attendance.

Mr. Haskell entered the meeting at 1:29 p.m.

Mr. Haskell noted that during the prior Committee meeting, the Schermerhorn group had suggested that the costs of their proposal could be reduced if the building classification was changed from 2a to 2b. He said that although he did not have a clear understanding of the differences between the classifications, he assumed that certain specifications, such as roofing and flooring, that had been included in the original building plans would be compromised in the change of building classification. Mr. Haskell apprised that Frank Morehouse, Superintendent of Buildings, had insisted on certain types of materials to ensure that the longevity of the building would be similar to that of the Municipal Center. He stated that the meeting had been scheduled with the intent to ask the Schermerhorn and British American groups why they felt the building specifications should be reduced.

Mr. Caimano reminded the Committee the Municipal Center had undergone major renovations, at a cost of \$3 million, during the 1990's and it was important to keep that fact in mind when considering the longevity

of the building.

Discussion ensued.

Mr. Haskell read an email he had received from David Saffer, Director of the Council for Prevention of Alcohol and Substance Abuse, which noted that the building cost per square foot proposed by the Schermerhorn group was higher than they were able to pay for the space they intended to lease from the County in the new building. In addition, Mr. Haskell apprised, the email indicated that the lease rate was higher than average for the surrounding area.

Mr. O'Connor stated that he and Mr. Saffer had a similar conversation during the last Mental Health Committee meeting. He said he had advised Mr. Saffer that no decisions had been made as to whom would construct the building and if the County were to construct the building they might be able to negotiate a rental price with Mr. Saffer's organization. Mr. O'Connor apprised that although they were a very small organization, the Council for Prevention of Alcohol and Substance Abuse was a tremendous asset to the community and he hoped that an agreement could be reached, with respect to rental price, to affordably house the group in the new building.

Mr. Caimano reminded the Committee that the \$17.50 per sq. ft. rate proposed by the Schermerhorn group was for a building comparable to the one proposed by CPA. He noted that during the prior meeting the Schermerhorn group had advised that they could scale back the building to reach a rate closer to the \$12.50 per sq. ft. rate initially proposed.

Mr. Geraghty asked if the financial comparisons for the new rate proposed by the Schermerhorn group had been completed by the County's Fiscal Advisor and Mr. Caimano replied that they had not.

John Martin, of CPA, reminded the Committee that his firm had been hired because the County was considering the construction of a new Health and Human Services building and possible renovations to the Municipal Center. He said that the proposal developed by CPA had been derived by working closely with the Committee, the Core Team and Department Heads to develop a building designed to meet the County's specific needs. The project proposal was based on specifics given by the County and then verified by the Core Team, Mr. Martin stated. In light of the Schermerhorn groups offer to value engineer certain aspects of the project for a lower cost, Mr. Martin stated that they would be willing to do the same with the CPA design; however, he noted, the Committee must be willing to reduce some of their specifications to decrease construction costs.

Mr. Geraghty asked Mr. Norris to apprise the Committee of the differences between class 2a and 2b buildings. Mr. Norris explained that the two main facets of the classifications were construction classification and occupancy classification. He said that the occupancy could be classified as assembly space (a), for 100 persons or more, or business (b), for less than 100 persons. As for the construction classification, Mr. Norris stated, the highest rating would be a 1 and the lowest a 5 and these numbers pertained solely to the level of fire protection maintained in the building. For example, Mr. Norris stated, a level five classification would pertain to a frame building while a level one classification would be a building produced of primarily fire-proof materials.

Mr. Norris stated that in a 2b building fire walls and barriers would have to be constructed in certain places to prevent any area from becoming too large and consequently limiting its occupancy, while a 2a building would include more structural fireproofing materials leaving greater flexibility in building occupants and eliminating the inclusion of additional fire barrier walls. Mr. Norris apprised that although the assembly classification did allow for more flexibility in occupants, the classification limited the number of levels and

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length of the building. Mr. Norris explained, an assembly occupancy building tended to be more stringent because there were more public occupants which might be unfamiliar with the building whereas a business occupancy building was occupied primarily by employees that worked in the building every day and were therefore more familiar with the structure. Mr. Norris stated that the fire resistance rating of the structure was also configured in the building classification; he noted that an 'a' classification building would include additional fire proofing on the floor joists while a 'b' classification building would not include any fireproofing to the structural members.

The Committee's dilemma, Mr. Norris apprised, would be in deciding whether they wished to proceed with a building of 2b classification, which would have to be sectioned by fire walls, limiting flexibility in the future, or a 2a classification which would not require additional fireproofing and would allow any type of future occupation. He noted that class 2a construction sprinklered building could be a total of four stories high with 46,000 sq. ft. on each floor; the current proposal was for a three story building with 30,000 - 33,000 sq. ft. on each story, he added.

Mr. Champagne asked if the current proposal included a sprinklered building and Mr. Norris replied affirmatively. Mr. Norris added that the CPA proposal included a steel frame and would be built for longevity as a class 2a structure.

Discussion ensued.

Mr. Haskell noted that the CPA proposal had included a class 2a building because that was what they had requested. Mr. VanNess stated that the County would sustain additional insurance savings from the production of a building with a higher fire classification also.

Mr. Caimano stated that if the Committee wanted a class 2a building they should insist on it and ask the Schermerhorn group to value engineer the building in other areas to reduce costs. Mr. Champagne agreed and added that it did not make any sense to construct the building at a lower classification, thereby limiting future use. Mr. Kenny stated that although he did not disagree with Mr. Caimano and Mr. Champagne, he was not an expert on the subject and he felt they should allow the Schermerhorn group to make their recommendation on the building classification as they might find that there were advantages to a lower classification building, other than cost.

Discussion ensued.

Mr. Stec apprised that further financial analysis needed to be done prior to determining whether the CPA or Schermerhorn proposal was more advantageous. He said that they needed to discover which option would be more fiscally attractive and proceed with that proposal. Mr. Caimano stated that although they could never be sure of what the future value of the building would be, they needed to wait for the final analysis from the Fiscal Advisor to further review the proposals on a financial level.

Mr. O'Connor asked if a time frame had been given to the Fiscal Advisor for the production of the figures noted by Mr. Caimano and Mr. Haskell replied in the negative. Mr. Haskell stated that because the Board of Supervisors had secured the services of the Fiscal Advisor they could institute a time frame for the requested information as they deemed necessary.

To give the Committee a sense of the direction taken, Mr. Haskell distributed copies of the analysis prepared

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by the Fiscal Advisor upon receipt of the initial Schermerhorn proposal of \$12.50 per sq. ft.; *a copy of this documentation is on file with the minutes*. Referring to the information distributed, Mr. Caimano noted that there was no reflection of the total cost for leasing the Schermerhorn property for the number of years necessary with the purchase of the building at the end of that time.

Mr. O'Connor noted that although he was no financial expert, he could see from the information distributed that the least costly option listed would be for the County to construct the building themselves. Joan Parsons, Commissioner of Administrative and Fiscal Services, advised that although the \$17.50 figure had been handwritten under option two of the material distributed, the figures were actually based on the initial \$12.50 per sq. ft. proposal given by the Schermerhorn group.

Mr. Horgan noted that if a \$29.5 million project were spread out over 30 years, incorporating 4.57% interest, the annual principal and interest would be \$1.8 million. When broken down into a square footage analysis for a 98,000 sq. ft., a building cost of \$18.92 per sq. ft. over 30 years would be derived, Mr. Horgan stated. He added that the difference between the \$17.50 per sq. ft. Schermerhorn proposal and the \$18.92 per sq. ft. CPA proposal would be made up by the \$140,000 in property taxes necessary for the Schermerhorn project, leaving comparable costs for both proposals.

Mr. Champagne stated that it was much more feasible to construct the CPA proposal which had been derived using the County's specifications rather than to proceed with the Schermerhorn proposal because the costs were so closely estimated.

Mr. Stec apprised that the 'net present value' of the building options should also be considered when deciding the most viable option for the proposed Health and Human Services building. He explained that the concept behind the net present value was that \$1 today was worth more than it would be ten years from now and he asked that the Fiscal Advisor be instructed to include these figures, for both options, in their cost analysis. In addition, Mr. Stec stated, it was important to note the way in which the price of the building was financed over the thirty year term, be it either front or back loaded. He said that once these figures had been received a complete analysis could be made with respect to the building and the financially prudent option would be to proceed with the least costly option, which, Mr. Stec noted, most felt would be the CPA proposal.

Referring to the fiscal analysis distributed by Mr. Haskell, Mr. Kenny asked why the co-generation facility revenues had not been removed from the County construction option and Mr. Dusek replied that although there had been some confusion with respect to the matter, they had never intended to remove these revenues from the analysis. He explained that a firm estimate for the cost of utilities could not be determined for the new building; however, an approximation was available based on square footage for the Schermerhorn building and it was determined that the same figure should be used for the building proposed by CPA. Mr. Dusek stated that the confusion had been caused when attempting to determine the revenues that would be lost if the co-generation facility were not used.

Mr. Kenny asked if the figure of \$284,353 listed in the analysis for co-generation revenues was accurate and Mr. Dusek replied that this was the figure received from Siemens Building Technologies upon his request. He added that upon receipt of the figure he had been advised that the number had been derived from a quick calculation; however, neither he or Siemens Building Technologies, had researched the total further. Mr. Dusek said that he was aware that the Department of Social Services was currently paying a total of \$100,000 per year to the Westmount Health Facility for co-generation utilities and that figure, at least, would be lost. Mr. Kenny asked if it was possible to include the co-generation facilities in the Schermerhorn proposal and

Mr. Dusek replied that it was not possible because State regulations prevented the utilities from being extended across the existing roadway.

Discussion ensued.

Mr. W. Thomas noted that the costs for the County's construction of the new building was estimated at \$29.6 million and he asked Mr. Horgan if he was confident that the figure included provisions for all of the site work needed to facilitate the building, which, he noted, would be much more extensive than that required for the Schermerhorn proposal and Mr. Horgan replied affirmatively.

Mr. Caimano noted that the rear side of one wing of the building proposed by CPA would have no windows and he asked if further site development could be done to allow for windows in these areas. Fred Austin, Building Project Coordinator, stated that the windowless area of the building was intended to house the traveling nurses of the Public Health Department, who were not opposed to the lack of windows because their placement would allow them direct access to their vehicles. Mr. Kenny stated that although the area was intended for the traveling nurses currently, there was no way of knowing who the future occupants of that section of the building would be. Mr. Kenny reiterated Mr. Caimano's question, asking if the building and site plans could be altered to include provisions for windows in these areas and Mr. Martin replied affirmatively; however, he added they would have to discuss the costs associated with the additional excavation. Mr. Norris apprised that the design included a rear drive near the windowless portion of the building and further site planning would have to be done to push the road back to make room for windows in that area of the building. Mr. Haskell stated that this had been done to allow the traveling nurses to easily reach their vehicles and transport equipment to and from the building. Mr. W. Thomas noted that the point made by Mr. Kenny was valid because one never knew how the buildings occupation might need to be changed in the future and it was important to plan for all future obstacles prior to constructing the building.

Mr. Champagne asked what type of soil the site intended for the CPA proposal was comprised of and Mr. Martin advised that although soil boring tests had found no rock ledges, they had found some large boulders. He added that they did not foresee any major issues with the excavation of the site.

Mr. Caimano stated that he felt the Board of Supervisors would lean heavily towards the CPA proposal if they could correct the lack of windows in certain areas of the building and he asked if the building size could possibly be reduced to reach a lower cost. Mr. Haskell stated that the size of the building had been determined by reducing the original estimate to include only that space needed for the intended occupants and minimal space for expansion over thirty years. He added that the expansion space would be leased until the County experienced the need for the additional room and at that time the lessors would be removed from the building for their use.

Mr. VanNess stated that one of the intentions of the new building was to consolidate the County offices currently housed in space leased by the County from outside sources. He noted that the level of expenditures eliminated by the consolidation of these Departments into a County owned building had not even been researched.

With respect to Mr. O'Connor's earlier statement that the County might have the ability to negotiate rental price with its occupants (specifically the Council for Prevention of Alcohol and Substance Abuse), Mr. Caimano stated that the lease cost could not be subsidized. Mr. Kenny added that the lease price had to be determined based on square footage and that same price charged to all occupants.

Mr. Tessier stated that further research had to be done on the occupation of the new building to be sure that payment in lieu of rent could be collected from the ETA (Employment and Training Administration) and other such federally funded agencies. He noted that this had been the reason for moving the ETA to an alternate location in prior years.

Mr. Dusek apprised that monies could not be given to not-for-profit agencies, such as the Council for Prevention of Alcohol and Substance Abuse, as it was a violation of the Constitution. He added that the same rule of thumb would be applied to free or lower than average rent costs. Mr. Dusek said that he was concerned by Mr. Tessier's statement and he agreed that extensive research must be done to ensure that payment in lieu of rent could be received from federally funded agencies prior to including them in the plans for the new building.

Mr. Champagne asked how much square footage was intended for leasing in the new building and Mr. Norris apprised of the following:

The Council for Prevention of Alcohol and Substance Abuse	4140 sq. ft.
Youth Advocacy	760 sq. ft.
One Stop (ETA and NYSDOL)	9504 sq. ft.
<b>Total</b>	<b>14,404 sq. ft.</b>

Mr. VanNess noted that the One Stop, incorporating ETA and NYSDOL (New York State Department of Labor), was mandated by New York State and as such the State should make lease payments to the County for space occupied in the new building. Mr. VanNess added that it was his understanding that Mr. Resse had already requested clarification from the State as to whether they would in fact make these payments; however, he said, he was not aware if a response had been received.

Discussion ensued.

Mr. Haskell advised that he would attempt to schedule another meeting at which the Schermerhorn group and British American would be present to further discuss their proposal and the value engineering changes therein. He added that he would also request the presence of the Fiscal Advisor to discuss the cost comparisons in the options available.

Mr. Norris cautioned the Committee to keep in mind the possible mechanical systems, roofing and flooring flaws that might occur in producing a generic building. He noted that less costly options could be included to reduce the initial production price; however, they should keep in mind that by using cheaper materials they might realize increased maintenance and replacement costs in the future.

Discussion ensued.

It was the consensus of the Committee that written direction should be forwarded to the Fiscal Advisor by Mr. W. Thomas requesting the preparation of fiscal comparisons for all building options and the net present value of each as requested by Mr. Stec.

Motion was made by Mr. Champagne, seconded by Mr. VanNess and carried unanimously to authorize Mr. W. Thomas to direct the Fiscal Advisor in writing to prepare fiscal comparisons for all building options and the net present value of each over 30 and 40 year terms.

Mr. Norris noted another point of caution in the Schermerhorn proposal was that it was based on the footprint of a certain proto-type building which might not allow an abundance of flexibility in adjusting the building to fit the County's needs. He stated that the layout presented in the prior Committee meeting had compromised the circulation and flow of business intended in the building. In addition, Mr. Norris noted, the major structural facets such as the entrance, lobby, stairwells and elevators had been based upon a building already in existence which might not meet the County's specific requirements.

Mr. Dusek apprised that there had been ongoing issues in finding funding for both CPA and Bovis Lend Lease LMB, Inc. He said that he had written letters to both firms stating that until a clear decision was made on the future of the building the County was not willing to spend additional funds on their portion of the project; however, he noted both firms were still doing some work on the project at the Committee's request. Mr. Haskell stated that during their last meeting the Committee had authorized both groups to proceed in preparing schematics and financial estimates in keeping with the value engineering changes made to the Schermerhorn proposal for comparative purposes. Joan Parsons, Commissioner of Administrative and Fiscal Services, stated that it was her understanding that a per diem rate would be provided by both CPA and Bovis Lend Lease LMB, Inc. for services rendered in the interim of the Committee making a decision and she had not received such information. In addition, she noted, she was nervous about incurring additional costs as funding was not currently available. Mrs. Parsons advised that if a source of funding and rate were not determined for approval at the February 16<sup>th</sup> Board meeting, the entire issue could not be addressed until the March Board meeting.

Discussion ensued.

Upon Mr. Dusek's suggestion, it was the consensus of the Committee that a bond note in the amount of \$200,000 should be prepared to fund past and present fees presented by both CPA and Bovis Lend Lease LMB, Inc.

Motion was made by Mr. VanNess, seconded by Mr. Champagne and carried unanimously to authorize a \$200,000 bond note for payments to the architect, Clark Patterson Associates, and to the construction manager, Bovis Lend Lease LMB, Inc. relating to design and construction of the Health and Human Services Building.

As there was no further business to come before the County Facilities Committee, on motion made by Mr. VanNess and seconded by Mr. F. Thomas, Mr. O'Connor adjourned the meeting at 3:17 p.m.

Respectfully Submitted,  
Amanda Allen, Legislative Office Specialist