Minutes of the Property Committee Meeting

The Property Committee of the McLean County Board met on Thursday, August 2, 2001 at 4:00 p.m. in the Second Floor Courtroom, McLean County Museum of History Building, Bloomington, Illinois.

Members Present: Chairman Salch, Members Bostic, Selzer, Owens and Nuckolls

Members Absent: Member Hoselton

Other Board Members Present: None

Staff Present: Mr. John M. Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Martha B. Ross, County Administrator’s Assistant

Department Heads/ Elected Officials Present: Mr. Jack Moody, Director, Facilities Management; Mr. Bill Wasson, Director of Parks and Recreation; Mr. Sammy Ferrara, Superintendent, Veteran’s Assistance Commission

Others Present: A representative contingent of Veteran’s of Foreign Wars in McLean County; Mr. Joe Gibson, Director, PATH Crisis Center; Mr. Greg Koos, Executive Director, McLean County Museum of History; Mr. David Hauman, Director of Development, McLean County Museum of History; Mr. Roger Rheeling, Chairman, United Way Facilities Committee

Chairman Salch called the meeting to order at 4:05 p.m.

Mr. Bill Wasson, Director of Parks and Recreation, presented a report on parks usage as of July 27, 2001. He noted that some of the data in the report distributed in the packet was slightly in error, due to problems with the database utilized for statistical records. He further noted that the general park usage is actually slightly higher than the original report indicates, and that the County parks are enjoying good crowds this year.

Chairman Salch remarked that boat rentals seem to be down for this time of the year. Mr. Wasson responded that the year-to-date figure reported for boat usage was one of the items that was in error in the packet report. He explained that total usage has been consistent over the past three-month period.
Chairman Salch asked about the rate of shelter usage. Mr. Wasson responded that many park visitors have made their shelter reservations early this year. The figure reported indicates the number of reservations rather than actual usage.

Ms. Bostic asked whether many requests for shelter usage must be declined due to heavy seasonal demand. Mr. Wasson stated that shelter requests are less rarely declined than requests for campground usage. However, shelters may not always be available merely upon request.

Ms. Bostic asked if requests for shelters were accommodated on a first come, first served basis. Mr. Wasson responded that such is the case.

Mr. Jack Moody, Director of Facilities Management, presented a report on comparable rent costs in the downtown Bloomington area. He explained that for the purposes of this report, he did not survey storefront locations, as they invariably prove to be too costly. Only second floor and upper floor office space locations were surveyed.

Mr. Moody stated that there was a broad variance in the cost per square foot in the various locations. He explained that there should also be a distinction made between those locations that define “gross rent” as being rent plus utilities, and those that reference rent only. This is dependent upon the landlord and how the lease is constructed.

One example cited is the building coded in the report as unit A. The rental amount of $14.00 per square foot includes all utilities. The rental amount for Unit A did not include a cost for parking, as was the case for all of the units in the survey.

Mr. Moody cited unit B as one that did not include utilities in its rental assessment. However, this particular location did offer a multiple year lease, which would be advantageous to a business tenant.

Mr. Moody remarked that he had recently conducted a review of the existing tenants that occupy space in the McBarnes Building. The United Way of McLean County pays an annual rental amount of $9,349.00. The County, as landlord, charges $4.90 per square foot of space utilized by the United Way. This amount is not inclusive of their monthly utilities costs, which are paid separately.

PATH Crisis Center, a second tenant of the McBarnes Building, pays $7,236.00 on an annual basis. The charge per square foot for this tenant is $6.18.

The Veteran’s Commission, a third tenant of the McBarnes Building, pays an annual rental amount of $3,059.00. The charge per square foot for this tenant is $2.99.
Mr. Selzer asked whether the office spaces Mr. Moody studied were currently occupied spaces, or whether they were vacant and would require renovation. Mr. Moody responded that all units studied would be considered Class A office space in move-in condition.

Mr. Moody remarked that the tour of the Old Courthouse, which took place immediately prior to the August Property Committee meeting, concluded the tours of County-owned facilities for this year. In the event that any Property Committee members or County Board members desire further information regarding County facilities, Mr. Moody stated that he would be happy to provide whatever may be needed.

Mr. Moody explained that the installation of the alarm system at the ESDA/Rescue Squad garage is now complete, including testing. With the successful installation of this system, all County facilities are now protected by alarm systems.

Chairman Salch presented the minutes of the July 5, 2001 meeting for approval.

Motion by Owens/Bostic to approve and place on file the minutes of the July 5, 2001 meeting. Motion carried.

Mr. John Zeunik, County Administrator, presented a request for approval of a lease for roof space on the Watterson Towers Building, Illinois State University, Normal, Illinois. He noted that this agreement has a five (5) year term and has been under review by the Chief Civil Assistant State’s Attorney since May 2001. Upon completing that review, the State’s Attorney’s Office recommends the approval of the lease agreement.

Mr. Zeunik explained that the lease agreement is for the installation, operation and maintenance of two-way radio equipment utilized by both the County Highway Department and the Emergency Services and Disaster Agency (E.S.D.A.).

Motion by Selzer/Nuckolls to approve the request for a Lease Agreement for the use of roof space on Watterson Towers, Illinois State University, Normal, Illinois. Motion carried.

Mr. Zeunik presented a request for an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2001 Combined Annual Appropriation and Budget Ordinance Capital Improvement Fund 0901, for the Fairview Capital Lease Fund. He stated that the Fairview Building currently houses the GED staff, YWCA Senior Services Center and the Regional Office of Education. Each tenant contributes to a capital replacement fund on an annual basis. However, the capital replacement fund is not sufficient for the needs of the Fairview Building.
Earlier this year, Mr. Bill Boline, maintenance supervisor at the McLean County Nursing Home, requested funds for the replacement of air conditioning units at the Fairview Building. Since the County’s Capital Improvement Fund 0901 does have sufficient funds, this is the fund from which the appropriation would be made.

Mr. Zeunik noted that there is a slight discrepancy in the amount specified in the Emergency Appropriation Ordinance. That is attributed to the fact that the County is exempt from the payment of sales tax. However, an amount sufficient to cover the sales tax was included in the total amount requested, making the initial requested amount $7,595.00. The County Auditor noted the amount, which included the tax, and provided a corrected amount. That corrected amount is $7,399.00.

Mr. Owens asked whether the County’s Capital Improvement Fund would be reimbursed by the Fairview Building Capital Replacement Fund. Mr. Zeunik explained that about $3,000.00 per year is all that is contributed to the Fairview Building Capital Replacement Fund. Since this fund is only in its second year, there has not been an opportunity for a significant balance to accrue.

Mr. Owens asked whether the annual contributions to the Fund could be increased, in the interest of building up the balance more rapidly. Mr. Zeunik responded that contributions could be increased. The County’s lease agreements with the Fairview Building tenants renew annually and those leases may be updated during the County’s upcoming budget preparations.

Motion by Bostic/Owens to approve the request for an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2001 Combined Annual Appropriation and Budget Ordinance Capital Improvement Fund 0901, Fairview Building Capital Lease 0360, Fairview Building Program 0051. Motion carried.

Mr. Zeunik presented the report on the cost to update the McBarnes Building by the firm Young Architects, Bloomington, Illinois. The report was prepared and submitted by Mr. Gene Asbury, and encompassed an updated preliminary cost opinion for remodeling of the third floor space. The report was inclusive of code mandated items.

Mr. Zeunik remarked that among the necessary improvements cited were: replacement of the building’s elevator so that it will be in compliance with requirements of the Americans with Disabilities Act (“ADA”); replacement of the heating, ventilation and air conditioning systems (“HVAC”); improvements to the third floor restrooms, to bring them into compliance with ADA requirements; and a new ceiling on the third floor, with the addition of fluorescent lighting, ductwork, and grills.
After considerable study and examination, it was determined that the new elevator shaft must be placed in the center of the lobby of the McBarnes Building. Currently, that location would require the displacement and relocation of the commemorative plaque honoring World War I McLean County Veterans. Due to the structure of the building, this location is the only suitable one for a new elevator shaft that would comply with ADA requirements.

The itemized cost for the necessary repairs and upgrades, in total, is $272,025.00. Young Architects estimates $273,000.00 for this project.

Mr. Owens asked whether that amount was for the third floor alone, or did it represent the total renovation amount for the McBarnes Building, in its entirety. Mr. Zeunik responded that this figure represented the amount for the renovation of the third floor of the McBarnes Building only.

Mr. Selzer asked whether this amount of money would assuredly bring the McBarnes Building up to code, thus making the third floor available for a tenant(s). Mr. Zeunik responded that the proposed upgrades would permit the use of the third floor space.

Mr. Selzer remarked that with 11,000 square feet available, and the cost of renovations spread over a 20-year period, the cost could be thought of as merely $1.00 per square foot. In that regard, the County should move forward with the renovations in the interest of utilizing the building to its fullest extent. He noted that the United Way of McLean County would like to utilize more space in the McBarnes Building, but that the County should consider making its tenants’ leases more long term. That would provide increased security for all parties.

Chairman Salch stated that the Committee should request that Mr. Zeunik pursue the issue of long term leases and prospective tenants to see what interest there is. Once there is some concrete feedback, a decision can be made as to whether to pursue renovations or not.

Ms. Bostic remarked that $4.98 per square foot in rent is a real bargain. She explained that the overall picture of this issue, namely the efficient utilization of County facilities, includes the new Government Center, the Old Courthouse, and other facilities. She stated that, before plunging ahead with commitments for renovations to the McBarnes Building, priorities should be set. The non-Justice Administrative Offices should accomplish their move to the Government Center Building and there should be a specific, ongoing commitment to the Old Courthouse facility for its preservation.

With regard to the McBarnes Building, Ms. Bostic advised the Committee that she reviewed old Pantagraph news clippings to clarify what Mr. McBarnes’ purpose was in raising money to construct the building. Ms. Bostic remarked that Mr. McBarnes wanted to establish some type of historical society and a place where McLean County veterans could be honored.
Ms. Bostic explained that another priority to be included is that of the McLean County Jail facility, and the alternatives to incarceration currently being studied. She remarked that the McBarnes Building might potentially be considered to house office space for social service workers and state workers who will become affiliated with the jail and its variety of programs.

Mr. Selzer stated that both the Government Center and the Old Courthouse are, at this point, pure expense for the County, as they do not generate their own income. The McBarnes Building at least has the potential to be income generating.

Mr. Selzer asked for what term the County could finance a bond issue in order to generate income for building renovations. Mr. Zeunik responded that the County is prohibited from selling debt without first holding a referendum. However, in theory, the shortest term for a bond issue would be 10 years.

Mr. Selzer remarked that if the McBarnes Building could be upgraded, it could then become income generating. Therefore, it should not be placed behind the Government Center and the Old Courthouse in the list of County facilities priorities. Mr. Zeunik stated for clarification that the rent being paid in the McBarnes Building is to cover the operating expenses of the building only. There is no vehicle currently in place to generate a profit. Mr. Selzer commented that improvements should pay for themselves as a result of the potential occupation of additional rental spaces throughout the building.

Mr. Nuckolls stated that he concurred with Ms. Bostic in that the Committee first needs to set firm priorities as to which facilities it will address first. In addition, the Committee needs to decide on a plan of action to address the various needs of each individual facility, once the prioritization is in place.

Mr. Nuckolls asked whether the Administrator’s Office should consult with the United Way to determine what their long-term goals are with regard to facilities for its operations. Chairman Salch responded that individual current tenants would need to know what they could expect from the County as a landlord in the future. They would also need to assess whether or not they are interested in remaining as tenants of the County, in view of potential changes in their long-standing rental agreements. He explained that current tenants might consider paying for some of the renovations to their specific spaces out of their own budgets, if they received favorable incentives in other areas of a prospective rental agreement.

Ms. Bostic remarked that there is a $273,000.00 present estimate for the McBarnes Building renovations. What will happen to the County’s tax levy through the budget process, in view of the fact that farmland assessments are expected to drop again this year. Mr. Zeunik responded that farmland value for the next year is expected to drop $30 million dollars. It is also expected
to drop again the following year. This is significant because the growth in equalized assessed valuation affects the County’s ability to raise funds.

Mr. Zeunik explained that the McBarnes Building was established as a Capital Lease fund, which indicates that no tax monies are earmarked for the building’s use. Rather, the tenants pay for the operating costs of the building through the assessments outlined in their individual lease agreements. Whether the County took title to the Building, the original tenants were to be assessed for repayment of the County’s costs to renovate the Building. The outstanding balance on the previous renovations is $111,000.00.

Mr. Zeunik further explained that the County’s General Fund is the only fund that could be drawn upon to fund further renovations to the McBarnes Building. All other funds are earmarked for specific purposes. In the event that the General Fund would be utilized to fund renovations of the McBarnes Building, the County could absorb the expense of renovations to the McBarnes Building, or assess the tenants for this additional cost.

Mr. Selzer remarked that the County might consider assessing tenants to pay for the proposed renovations, rather than automatically assuming that the taxpayers will fund the costs. He noted that the Committee had an obligation on behalf of the electorate to thoroughly evaluate all available options before deciding on a course of action. He further noted, however, that the building should not sit in its present, underutilized state.

Mr. Owens stated that he is in favor of having the Administrator’s Office explore the area of potential improvements to the building. He commented that in discussions with his constituents, it was felt that tax monies should not be used to fund improvements to the McBarnes Building.

Ms. Bostic explained that the United Way of McLean County cannot best utilize their funds to assist their clientele if they are also called upon to pay increased costs for their office facilities. She stated that it is premature to spend money on renovations until a potential tenant(s) for the third floor space in the McBarnes Building is identified, and a firm commitment is established between the County and that prospective tenant.

Chairman Salch suggested that the Committee ask the County Administrator to spend 60 days identifying whether the tenants in the McBarnes Building are interested in long-term leases, options for financing the proposed renovations, and possible options for leasing the third floor. He further suggested that Mr. Zeunik look into funding sources for the renovations needed at the Old Courthouse.

Chairman Salch explained that the County is not attempting to make a profit in the leasing of its facilities. However, it is important that unused or underutilized space in County facilities should
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be addressed. Mr. Selzer commented that the Committee should also include both the Fairview Building and Highway Department facilities in their consideration.

Chairman Salch remarked that the Administrator’s Office prepares a Five-Year Capital Improvement Plan, which addresses how County facilities are utilized. However, he noted that trying to project beyond a five-year time span is not practical. Mr. Selzer suggested that the Committee focus on a projection of between two and five years in the future.

Mr. Owens stated that the Committee, as well as the full Board, should keep in mind that its lease agreements with current and prospective tenants should contain a specific provision to address the possibility of commitments to renovations that cannot be accomplished if the tenant decides not to enter into the lease agreement at the last minute.

Ms. Bostic commented that the World War I memorial plaque, that is currently housed in the lobby of the McBarnes Building, is not being seen by the public. She asked whether such a memorial should be removed from its present locations and incorporated into a display, which could then be made more readily available to the general public. Chairman Salch remarked that none of the memorials should be moved until it is determined whether or not the County would retain ownership of the building. He further remarked that all of the Veteran’s groups should be consulted for their approval before changing the location of any memorials now housed within the McBarnes Building.

Mr. Selzer noted that there should be provision at the October Property Committee meeting for public comment on the issue of what to do with County facilities. Ms. Bostic stated that she would be absent in October and unable to attend the October meeting. She asked that the public comment forum be held in November when she could be present.

Chairman Salch stated that by common consent, the Property Committee asks that Mr. Zeunik, County Administrator, initiate contact with the present tenants in the McBarnes Building to determine their interest in remaining as a tenant in the McBarnes Building and under what conditions. He further stated that Mr. Zeunik should explore what types of funding arrangements are possible or available for needed renovations to the Old Courthouse facility.

Ms. Bostic asked whether the County could designate $20,000.00 in tax monies in a levy and retain those funds until the following year. Then that same amount could be budgeted on an annual basis, with the funds retained as many times as necessary until an adequate amount for renovations is accumulated. Mr. Zeunik responded that a specific line-item in the budget can be designated for a specific purpose and not expended unless it is for that purpose. When the Auditor’s Office closes out the books for the fiscal year, the money in that expense line-item can be carried over to the next fiscal year. The real obstacle to this process is identifying and obtaining the funding to begin with.
Mr. Owens stated that Mr. Greg Koos, Executive Director, McLean County Museum of History, would gladly seek grant monies for the support and renovation of the Old Courthouse, if he were in a position to do so. He asked whether grant monies, received in a specific year, could be held over into another fiscal year for use at a later date, or whether they must be expended in the same year that they are awarded. Mr. Selzer remarked that such conditions would likely be specified by the grantor. Mr. Koos interjected that each grant has its own specifications.

Ms. Bostic commented that the lighting of the Old Courthouse dome and the clock repair was well received by the community. County citizens might also be counted on to help with the costs of the renovations to the dome. She opined that the Old Courthouse should continue to be a tax-supported facility.

Chairman Salch presented the bills, which have been reviewed and recommended for transmittal to the Property Committee by the County Auditor.

Motion by Bostic/Selzer to approve payment of the bills as presented by the County Auditor. Motion carried.
There being nothing further to come before the Committee at this time, Chairman Salch adjourned the meeting at 5:10 p.m.

Respectfully submitted,

Martha B. Ross
Recording Secretary