

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Monday, April 18, 2005

1:30 P.M. Special Session (CIP)

MINUTES

Place: Commissioners' Room, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman Ellen W. Reckhow, Vice-Chairman Becky M. Heron, and Commissioners Lewis A. Cheek, Philip R. Cousin Jr., and Michael D. Page

Absent: None

Presider: Chairman Reckhow

**Review of Durham County's Ten-Year Capital Improvement Program (CIP)
(FY 2006-2015)**

Museum of Life and Science

Chairman Reckhow welcomed Barry VanDeman, the new Museum of Life & Science President & CEO. She also welcomed other museum representatives—Roy Griffiths, VP for Exhibits & Planning; Debbie May, VP for Administration; and Jennifer Amster, Project Manager for *BioQuest*.

Mr. VanDeman stated that the Museum of Life & Science serves the community, the people of Durham, the Triangle, and beyond. He made the following presentation to the Commissioners:

Current Projects

- BioQuest II
 - Funded by Durham County bonds (2001/2003) and by National Science Foundation
 - Project Completion—Spring 2006
 - *Explore the Wild* exhibits
 - *Catch the Wind* exhibits
 - Lobby expansion and renovation
 - Parking expansion
 - Dinosaur Trail—Summer 2007
 - Funded by Durham County 2003 bond and private support
 - Initial private funds are committed; fundraising campaign kicks-off Summer 2005
 - Project includes eight to ten full-scale dinosaur exhibits and a paleo dig site

Site Integration of the Over 70-Acre Campus

- Deferred BioQuest II Improvements
 - Timeframe: 2007-2008
 - Budget: \$3.69 million
 - Southside restrooms
 - Murray Avenue turning lane
 - Southside parking lot paving
 - School Group Admissions/Teacher Resource Center (former Administration Building)
 - Southside classrooms
 - Exhibit landscaping
 - Staff office consolidation
 - Campus infrastructure upgrade
 - Picnic dome renovation

- BioQuest III
 - Focuses on young children and families
 - Improves school group visits
 - Increases earned revenue
 - Two components
 - A) \$6.13 million
 - Timeframe: 2008-2010
 - Small Science
 - Loblolly Park
 - Gift Shop
 - Visitor Amenities
 - B) \$4.05 million
 - Timeframe: 2010-2012
 - Catch the Wind Amphitheater
 - Explore the Wild Expansion
 - Maintenance/Animal Support Facility

Mr. VanDeman informed the Board that the Museum meets many of Durham County's objectives. He shared the new mission recently adopted by the Museum's Board of Directors: "To create a place of lifelong learning for people of all ages, from young child to senior citizen, where people embrace science as a way of knowing about themselves, about others, and about their community". Mr. VanDeman referred to the Museum as a "science park".

Mr. VanDeman thanked the Commissioners for allowing him to make the presentation.

Commissioner Cheek inquired about:

- fund-raising efforts for the Dinosaur Trail;
- the amount of money that must be raised through private sources;
- the function of the amphitheater;

- whether outside exhibits are brought in for limited periods; and,
- marketing strategies.

Commissioner Cheek advised Museum staff to consider a more extensive marketing effort.

Commissioner Page agreed with Commissioner Cheek's comments associated with marketing efforts.

Vice-Chairman Heron stated that the Commissioners wish to see the proposed Museum projects come to fruition. She expressed that the Commissioners should assist Museum staff in obtaining additional financial resources.

Commissioner Cousin endorsed the Museum projects whole-heartedly. He suggested that each Commissioner walk the entire grounds to view the amazing campus. He stated that Museum outcomes have justified the expense. He commended the administration for its successes.

County Manager Mike Ruffin suggested that a tour of the facility be scheduled during the Commissioners' June Workession.

Chairman Reckhow expressed appreciation for the overview. She concurred with Vice-Chairman Heron's remarks regarding additional financial resources. The Commissioners should actively seek state support. She directed County Manager Ruffin to invite Durham's Legislative Delegation to take the tour of the Museum. If they cannot attend, Mr. VanDeman could invite them on another day.

Chairman Reckhow expressed that a public school could possibility be built on the 10 to 12 acres on the south side of the Museum site (south of Murray Avenue).

Vice-Chairman Heron recommended that the Museum tour be arranged on an earlier date to allow time to include the funding request in the state's budget deliberations.

Chairman Reckhow requested that County Manager Ruffin arrange a tour during the Commissioners' May 2 Worksession (possibly 11:00 a.m. with lunch at noon). At the upcoming April 29 Legislative Breakfast, the Commissioners would express support for the \$300,000 Bill for the Museum.

Chairman Reckhow recommended that Museum staff consider sending an email advisory regarding events, opportunities, etc. to contacts on their email distribution list.

Rail-Trail Project

Jane Korest, Open Space/Real Estate Manager, provided an overview for the Durham to Timberlake Rail-Trail Corridor acquisition, a new CIP project with a proposed overall 25-mile rail-trail corridor that includes a 3½-mile loop within the downtown area and a

21½-mile line from downtown Durham to Timberlake (three miles across the Durham County boundary into Person County). (Potential partners—NCDOT, Durham County, and the City of Durham; being sold by Norfolk Southern; appraised value—over \$7 million; partnerships may be able to purchase for \$6 million; Durham County's proposed share—\$1.5 million; and Bill in Congress to provide the Durham community with \$2 million towards this acquisition [\$1 million for Durham County and \$1 million for the City].) The rail-trail corridor is in the Durham Trails and Greenways Master Plan adopted by both Durham County and the City of Durham.

Mark Ahrendsen, Transportation Manager, City of Durham, informed the Commissioners that the State has indicated a willingness to contribute up to 50 percent or \$3 million towards the estimated \$6 million corridor acquisition.

Commissioner Cheek suggested that the constituency who participated in Erwin Trace fund-raising efforts be contacted for support of this project. The momentum created during that time was considerable. Broad community interest should be solicited.

Chairman Reckhow volunteered to contact the Triangle Rails to Trails Coalition to ask for assistance.

Vice-Chairman Heron recommended that Treyburn residents and Terry Sanford Jr. be contacted.

Vice-Chairman Heron stated that NCDOT dollars may be obtained by showing that the corridor will be used for transportation, not recreation.

Mr. Ahrendsen suggested other possible funding sources such as enhancement funds (for more flexibility) and STPDA funds that the metropolitan planning organization earmarks.

Commissioner Page asked for an explanation as to why Treyburn residents would benefit from the project.

Chairman Reckhow directed that County staff continue to monitor the Transportation Bill, which may reduce Durham County's cost by \$1 million (depending upon the specific language in the adopted Bill and formalization of an agreement between the three parties involved [Durham County, City of Durham, and NCDOT]).

In response to a question posed by Commissioner Cheek, County Manager Ruffin stated that Pearson County has not refused to participate in funding for the project, but has expressed that it has more imperative funding priorities.

Commissioner Cheek explained for Ms. Korest that he did not wish to imply that staff become involved in community-wide fund-raising efforts. The Commissioners should consider ways to generate the interest.

Detention Center Upgrades

Glen Whisler, County Engineer, reported on the following:

- “Sallyport” changes to accommodate TTA project
The Triangle Transit Authority proposes to construct two new railroad tracks south of the existing track, which will require street modifications and embankment along the existing railroad line and raising the street grade at the intersection of Pettigrew and Mangum approximately four feet. This will necessitate changes to the jail’s sallyport entrance for it to remain functional after the street grades are raised. The entrance can be relocated to the east end to a point where Pettigrew Street will return to its existing elevation.
- Fingerprinting of misdemeanants
Proposed modifications of the existing area and the addition of approximately 1000 square feet that would extend into the sallyport area.
- Pre-Trial Release Program
No architectural modifications are anticipated, which involves no facility-related costs.
- Jail population and potential need for greater capacity.

County Manager Ruffin spoke about the pre-trial release program that he was recommending in the upcoming budget.

Ms. Whisler and Mr. Ruffin responded to Commissioner questions about specific project costs.

Chairman Reckhow recommended various options for staff to consider as a short-term solution for fingerprinting, since the project is not scheduled until FY 2006-07. She asked that the options be pursued.

Mr. Whisler commented about the following options for the justice building:

- Option 1—Consolidation of all justice functions in one building (282,647 square feet)
- Option 2—Decentralization of justice functions into three buildings (245,421 square feet).
- Option 3—Decentralization of justice functions into four buildings (228,974 square feet). (Staff has worked with this option since December 2003.)

Mr. Whisler explained that the significant cost increases were due to the two-year delay and rising 2004 construction costs. In addition, land acquisition costs have increased.

The Commissioners discussed expansion space in Option 3, which should be adequate through Year 2020, and talked about future space needs. In addition, they spoke about how increased costs have factored into the projections.

County Manager Ruffin explained Option 3 more thoroughly.

Mr. Whisler stated that the Criminal Justice Resource Center currently occupies approximately 20,000 square feet on the first and second floors of the former Johnson Motor Company Building. The third floor has approximately 13,300 square feet. Currently, the regular Probation and Parole component of Community Corrections, for which the County provides space, occupies approximately 11,000 square feet in two locations (119 Orange Street and 201 E. Main Street). Programming for the Justice Building indicated a 2010 space need of 18,678 square feet for Community Corrections, which includes Intensive Probation that is currently housed at 1905 Chapel Hill Road. Multiple occupants in the former Johnson Motor Company Building would require modification to the entrances, stairwells, and elevator lobbies to control access, in addition to renovation work on the third floor. Operations of the Criminal Justice Resource Center would likely be disrupted during construction.

Both Chairman Reckhow and Commissioner Cheek recommended that Probation and Parole be located in the Old Johnson Building with the Criminal Justice Resource Center since the departments complement each other.

The Commissioners discussed the fact that Durham Public Schools projected neither improvement costs nor future needs (schools construction) for years 2012-2015.

Staff was instructed to determine whether American Tobacco has met its obligations to the County as far as the businesses its facility houses.

County Manager Ruffin stated that he will get a report on the number of employees, etc. and determine how the numbers compare with what was promised.

Chairman Reckhow suggested that the Manager write a letter to Durham Public Schools Superintendent Ann Denlinger requesting information concerning future project needs. He should request a response in writing.

Commissioner Cousin requested that the Superintendent be asked when DPS envisions a need for another high school, in addition to a middle school.

Commissioner Cousin suggested that the Board take further action and schedule a joint DPS/BOCC meeting to discuss future facility needs.

Chairman Reckhow noted that a joint BOCC/DPS Board of Education meeting has been planned for May 9. The agenda would include:

1. Status report on Capital Improvements.
2. Discussion on DPS Board of Education budget request.
3. Future facility needs.

Chairman Reckhow directed that prior to the joint meeting on May 9, County Manager Ruffin contact Planning Director Frank Duke and ask for a report on schools capacity. Mr. Duke should be present at the meeting as a resource person.

Chairman Reckhow asked staff to do a better job of timing debt issuance with when the County actually needs the money for capital projects. The County is paying debt service for several years before the money is needed.

Mr. Whisler remarked that a report would be completed next week and forwarded to the Commissioners regarding the potential for reuse of the northern buildings on the Lowe's Grove School site.

Financial Model

Pam Meyer, Budget and Management Service Director, reported on the following:

**Durham County Capital Finance Plan Model FY 2006-2033
 Thirty Years Ending 6-30-2033**

| Description | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Current General Fund Debt (304) | \$34,129,366 | \$32,235,749 | \$31,036,822 | \$30,780,794 | \$29,091,993 |
| Current Water & Sewer Debt (662) | \$3,612,373 | \$3,233,260 | \$3,204,654 | \$3,172,556 | \$3,005,042 |
| Current Debt Service Payments | \$38,301,579 | \$35,869,009 | \$34,641,476 | \$33,953,350 | \$32,097,035 |
| Total New Debt | \$2,758,189 | \$8,233,765 | \$13,007,035 | \$26,137,734 | \$26,080,858 |
| County Contribution | \$3,231,250 | \$2,890,822 | \$3,462,437 | \$5,904,234 | \$600,000 |
| Total Current/New Debt & County Contribution | \$44,291,018 | \$46,993,596 | \$51,110,949 | \$65,995,317 | \$58,777,893 |
| Total Reductions | \$4,172,213 | \$3,633,260 | \$3,604,654 | \$3,172,556 | \$3,005,042 |
| Net General Fund (CFP) Debt Obligations | \$40,118,805 | \$43,360,336 | \$47,506,295 | \$62,822,761 | \$55,772,851 |
| Revenues | | | | | |
| Carmichael Lease (GF) | \$510,547 | \$502,342 | \$493,752 | \$484,759 | \$475,344 |
| Interest Income | \$841,000 | \$750,000 | \$750,000 | \$750,000 | \$750,000 |
| ½ cent Sales 1 | \$7,284,428 | \$7,502,961 | \$7,728,050 | \$7,959,891 | \$8,198,688 |
| ½ cent Sales 2 | \$7,163,177 | \$7,378,072 | \$7,599,415 | \$7,827,397 | \$8,062,219 |
| Occupancy Taxes | \$1,950,820 | \$2,009,345 | \$2,069,625 | \$2,131,714 | \$2,195,665 |
| American Tobacco Parking Deck | \$423,243 | \$511,555 | \$503,730 | \$495,631 | \$487,257 |
| General Fund Operating Savings From IT Telecomm. Project | \$377,124 | \$377,124 | \$377,124 | \$377,124 | \$0 |
| Community Health Trust Fund Contribution | \$0 | \$0 | \$0 | \$10,000,000 | \$0 |
| Capital Fund Balance Appropriated | \$500,000 | \$0 | \$0 | \$0 | \$0 |
| Net Revenue Available for Debt Payment | \$19,050,339 | \$19,031,399 | \$19,521,696 | \$30,026,516 | \$20,169,173 |
| Additional Revenue Requested – Property Tax | \$21,068,466 | \$24,328,936 | \$27,984,599 | \$32,796,245 | \$35,603,678 |
| 1 Cent Value | \$2,069,367 | \$2,126,275 | \$2,184,747 | \$2,244,828 | \$2,806,035 |
| Total Cents Dedicated to Capital Financing | 10.18 | 11.44 | 12.81 | 14.61 | 12.69 |

| FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$27,429,220 | \$24,327,119 | \$22,854,508 | \$19,882,009 | \$15,681,417 |
| \$2,961,242 | \$2,194,778 | \$2,156,814 | \$2,111,115 | \$2,070,363 |
| \$30,390,462 | \$26,521,897 | \$25,011,322 | \$21,993,124 | \$17,751,781 |
| \$35,176,014 | \$37,113,484 | \$36,928,016 | \$38,100,400 | \$35,010,062 |
| \$950,000 | \$1,414,202 | \$550,000 | \$550,000 | \$550,000 |
| \$66,516,476 | \$65,049,583 | \$62,489,337 | \$60,643,524 | \$53,311,842 |
| \$2,961,242 | \$2,194,778 | \$2,156,814 | \$2,111,115 | \$2,070,363 |
| \$63,555,234 | \$62,854,805 | \$60,332,523 | \$58,532,409 | \$51,241,479 |
| | | | | |
| \$465,487 | \$455,168 | \$444,364 | \$433,052 | \$421,210 |
| \$750,000 | \$750,000 | \$500,000 | \$500,000 | \$500,000 |
| \$8,444,649 | \$8,697,988 | \$8,958,928 | \$9,227,696 | \$9,504,527 |
| \$8,304,085 | \$8,553,208 | \$8,809,804 | \$9,074,098 | \$9,346,321 |
| \$2,261,535 | \$2,329,381 | \$2,399,263 | \$2,471,240 | \$2,545,378 |
| \$478,745 | \$483,550 | \$488,218 | \$519,929 | \$519,929 |
| \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 |
| \$20,704,502 | \$21,269,295 | \$21,600,576 | \$22,226,016 | \$22,837,365 |
| \$42,850,732 | \$41,585,510 | \$38,731,947 | \$36,306,393 | \$28,404,114 |
| \$2,890,216 | \$2,976,922 | \$3,066,230 | \$3,158,217 | \$3,252,963 |
| | | | | |
| 14.83 | 13.97 | 12.63 | 11.50 | 8.73 |

Chairman Reckhow stated that discussions involving the Durham Regional Hospital lease might occur over the next year or two. Duke is concerned about capital improvement expenditure since the long-term future of the Hospital is uncertain. When the CIP is updated in 2007, the Board may have a different perspective on whether the \$10,000,000 in the Community Health Trust Fund can be considered in 2009.

County Manager Ruffin relayed that staff is requesting that a portion of this money be used to pay for a share of the debt associated with the human services building.

County Manager Ruffin commented that staff would bring the revised financial model to the May 2 meeting. The Human Services Complex and Durham Technical Institute (Main Campus improvements) will be discussed, which may affect the financial model. Staff will bring back the final recommendation for a vote at the May 9, 2005 Regular Session.

Mr. Whisler announced a Human Services Complex stakeholders meeting on April 20 at 5:30 p.m.

Closed Session

Commissioner Cheek moved, seconded by Commissioner Page, to adjourn to Closed Session to consider the initial appointment of a public officer or employee pursuant to G.S. § 143-318.11(a)(6).

The motion carried unanimously.

Reconvene to Open Session

Chairman Reckhow announced that the Board met in closed session; no action was taken.

Adjournment

There being no further business, Chairman Reckhow adjourned the meeting at 5:05 p.m.

Respectfully submitted,

Vonda C. Sessoms
Clerk to the Board