

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: April 3, 2006

SUBJECT: Facility Planning – Board of Elections,
County Warehouse/Storage Space

ATTACHMENTS: Draft Lease Agreements

SUMMARY OF REQUEST:

As requested during the March 15, 2006 meeting, this item has been included as part of the agenda for further discussion and possible action. The following information was presented to the Board on March 15:

Based on several conversations with the Director of the Board of Elections, staff feels it is appropriate for the Board to consider several issues relating to the location of the Board of Elections' offices and, in turn, County warehouse/storage space. The County's lease of the building that currently houses the Board of Elections expires at midnight on June 30, 2006. After June 30, 2006, provisions call for the lease to continue on a month-to-month basis at a cost of \$3,500 per month (\$42,000 annually) and state that the lease can be terminated by either party. For informational purposes, the current cost of the lease is \$3,250 per month (\$39,000 annually). There is obviously a need to secure a long-term home for the offices of the Board of Elections.

As the Board is aware, the County's facility plans call for the sale of the Land Development Building and the movement of offices currently located in that building to the current Health Department. The top floor of the Land Development is currently used as a warehouse/storage area. This brings forward a need to locate new warehouse/storage space for future use.

Staff has been approached by Mr. Billy Pace in regards to a building he has available for lease that could meet the County's needs in terms of Board of Elections offices and warehouse/storage space. The building in question is approximately 10,000 square feet and would be entirely climate controlled. The Director of the Board of Elections feels that the location of the building and available parking at the building will more than meet the needs of the Board of Elections. Mr. Pace has offered the building to the County via a long-term (8 year) lease at a cost of \$6 per square foot (\$72,000 annual). This would allow for 5,000 square feet for use by the Board of Elections and 5,000 square feet for use as storage/warehouse space. Based on information provided by the Partnership for Economic Development, the average cost for climate controlled warehouse space is \$7.13 per square foot. Staff is in favor of pursuing this option.

Staff has prepared the following financial analysis:

Current Actual Cost

Board of Elections Building	\$39,000 per year
Land Development Warehouse/Storage	\$0 per year
Total	\$39,000 per year

Current “Virtual” Cost

Board of Elections Building	\$39,000 per year
Land Development Warehouse/Storage	\$28,260 per year*
Total	\$67,260 per year

*Based on 5,000 square feet (1/2 area on top floor) at \$4.71 per square foot (average for non-climate control space).

FY 2006/2007 Actual Cost

Board of Elections Building	\$42,000 per year*
Land Development Warehouse/Storage	\$0 per year
Total	\$ 42,000 per year

*Based on \$3,500 month-to-month cost for 12 months.

FY 2006/2007 “Virtual Cost”

Board of Elections Building	\$42,000 per year*
Land Development Warehouse/Storage	\$28,260 per year**
Total	\$70,260 per year

*Based on \$3,500 month-to-month cost for 12 months.

**Based on 5,000 square feet (1/2 area on top floor) at \$4.71 per square foot (average for non-climate control space).

FY 2006/2007 Pace Building Cost

Total	\$72,000 per year
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The Board directed staff to gather additional information for presentation during the April 3, 2006 meeting. This information included the cost of new construction for a Board of Elections facility, a draft lease for the Pace building, and a draft agreement extending the lease for the current Board of Elections facility. Copies of these requested documents are attached.

Based on discussions with local contractors and building supply companies, the cost of a pre-fabricated metal frame building (such as the Pace building) will be between \$70 and \$90 per square foot. It should be noted that this cost is higher than the “retail” cost due to increased costs for governmental requirements (design, bidding, etc.). Under this estimate, a 5,000 square foot building is estimated to cost \$400,000 (\$80 per square foot) and a 10,000 is estimated to cost \$800,000 (\$80 per square foot).

COUNTY MANAGER RECOMMENDATION/BOARD ACTION REQUESTED:

Recommend that the Board direct staff to develop and execute a lease agreement for the Pace building based on information presented above.

Draft

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

LEASE AGREEMENT ADDENDUM

THIS LEASE AGREEMENT ADDENDUM, made and entered into this the 1st day of July 2006, by and between Guy and Teresa Beal of 60 Country Bear Lane, Flat Rock, NC, 28731 (hereinafter referred to as "*Lessor*") and Henderson County, North Carolina with offices located at 100 North King Street, Hendersonville, NC, 28792 (hereinafter referred to as "*Lessee*").

WITNESSETH:

WHEREAS, Lessor is the owner of certain real property consisting of approximately 0.31 acre and a 5,400 square foot building located at 120 South Grove Street, Hendersonville, North Carolina, said real property being described in Deed Book 516, Page 331, Henderson County Registry (hereinafter referred to as the "*Premises*"); and

WHEREAS, Lessor has leased the Premises to Lessee since 1 July 2004 under lease recorded in Book 1186, at Page 645 ("*the Lease*"), of the Henderson County Registry; and,

WHEREAS, the parties wish to continue such lease for the term stated herein, and by this addendum does so.

NOW THEREFORE, for and in consideration of the mutual promises, terms and conditions as hereinafter set forth, Lessor does hereby continue to lease to Lessee and Lessee does hereby continue to lease from Lessor all of the real property, and the improvements thereon, located at 120 South Grove Street, Hendersonville, North Carolina, on the identical terms as stated in the Lease, except as expressly amended or augmented as follows:

AMENDED OR AUGEMENTED TERMS AND CONDITIONS

1. This Lease shall continue in effect on 1 July 2006, through and including 30 June, 2007.
2. The lease fee shall be \$42,000.00 for the year 1 July 2006 through 30 June 2007.
3. Beginning on July 1, 2007 this lease will be on a month-to-month basis, and may be terminated by either party upon sixty (60) days written notice.
4. Except as modified herein, the terms of the Lease remain in full force and effect.

Executed in duplicate originals, this the _____ day of April, 2006.

GUY BEAL [SEAL]

TERESA BEAL [SEAL]

HENDERSON COUNTY

By: _____
WILLIAM L. MOYER
Chairman of the Board of Commissioners

Attest:

[SEAL]

Secretary to the Board of Commissioners

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF HENDERSON

THIS LEASE, made and entered into this the 1st day of July 2006, by and between _____ Pace, of _____ (hereinafter referred to as “Lessor”) and Henderson County, North Carolina with offices located at 100 North King Street, Hendersonville, NC, 28792 (hereinafter referred to as “Lessee”).

WITNESSETH:

WHEREAS, Lessor is the owner of certain real property consisting of approximately _____ acre and a 10,000 square foot building located at _____, Hendersonville, North Carolina, said real property being described in Deed Book ____, Page ____, Henderson County Registry (hereinafter referred to as the “Premises”); and

WHEREAS, Lessor wishes to lease the Premises to Lessee and Lessee wishes to lease the Premises from Lessor for the use of Henderson County, North Carolina;

NOW THEREFORE, for and in consideration of the mutual promises, terms and conditions as hereinafter set forth, Lessor does hereby lease to Lessee and Lessee does hereby lease from Lessor all of the Premises, and the improvements thereon, subject to the following terms and conditions:

TERMS AND CONDITIONS

1. This Lease shall begin on the 1st day of July 2006, and shall continue until June 30, 2012. The lease fee shall be \$72,000.00 each year, said amount payable in equal monthly installments.
2. The Lessor shall improve to office standards acceptable to the Lessee, in a design reasonably acceptable to the Lessee, _____ square feet of the building located on the premises, and shall provide reasonable climate control for the remaining interior space of the building.

3. During the period of this Lease, the Lessee shall be responsible for all insurance on the said Premises, including insurance covering the building located on the said Premises and for all utilities, including water and electricity.
4. Lessor shall be solely responsible for any ad valorem property taxes due on the Premises.
5. The Lessee shall be allowed to make any modifications to said Premises, at its own expense, as Lessee deems necessary, so long as a sketch is presented to the Lessor for review prior to such modifications being made. Lessee agrees that any modifications to the building that would be considered unmarketable or unreasonable will be removed by Lessee, at its own expense, at the expiration of the term of the Lease or any extension thereof. It is expressly understood and agreed that modifications to the bathrooms required by applicable law are marketable and reasonable modifications to the Premises.
6. Lessee agrees to generally maintain the property and grounds, including any repairs involving parts which are \$25.00 or less. Lessor agrees to make repairs involving parts, which are over \$25.00 within a reasonable time after Lessor has notice.
7. No security deposit shall be required of Lessee.

THIS the day and year first above written.

LESSOR:

_____(SEAL)

_____(SEAL)

[OFFICIAL SEAL]

LESSEE: HENDERSON COUNTY, NC

BY:

**William Moyer, Chairman
Henderson County Board of**

Commissioners

ATTESTED BY:

Elizabeth W. Corn, Clerk to the Board

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

I, _____, Notary Public for said County and State, certify that Elizabeth W. Corn personally came before me this day and acknowledged that she is Clerk to the Board of Commissioners of Henderson County, a municipal corporation and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Chairman of the Board of Commissioner, sealed with its corporate seal, and attested by herself as its Clerk.

Witness my hand and official seal, this the ____ day of _____, 2004.

(Official Seal)

Notary Public

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

I, _____, Notary Public for said County and State, certify that _____ personally appeared before me and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal, this the ____ day of _____, 2004.

(Official Seal)

Notary Public