



HAYWOOD COUNTY BOARD OF COMMISSIONERS

AGENDA REQUEST

***Must be presented to the County Manager's Office
NO LATER THAN 5 P.M. FRIDAY THE WEEK BEFORE THE MEETING***

DATE OF REQUEST: February 25, 2011

FROM: Julie Davis, Finance Director

MEETING DATE REQUESTED: March 7th, 2011

*Regular meetings: First (1st) Monday of the month at 9:00 am
Third (3rd) Monday of the month at 5:30 pm*

SUBJECT: Fairgrounds Project Completion Options

REQUEST:

(What action are you seeking?)

This request is for direction regarding the new Fairgrounds board request to the county for funds to complete the fairgrounds building projects to bring them into ADA and DOI Compliance.

BACKGROUND:

(Research and justification of proposal and need; Alternatives evaluated; Legal Basis: Outcome-What will be achieved and how will it be measured?)

The county owns the property where the Fairgrounds arena and other buildings are located and where activities and events are booked through the Fairgrounds board or manager. The Fairgrounds board has attempted to complete the building projects – additional restrooms and ADA compliance issues. However, additional funding is necessary to see the projects through to completion. The Fairgrounds board has determined that they do not have this additional funding available.

The county applied for a USDA loan that, if approved, would cover the purchase of the fairground's buildings by the County, make the structures ADA compliant, and make other improvements to increase the marketability of the Fairgrounds. However, due to the fact that USDA has not yet been notified of the amount of any funds, if any, that would be available for borrowing by the County, this plan has been delayed.

Due to recent events - a citizen of the county reported the current status of the fairgrounds buildings as not being in compliance with insurance or ADA compliance – we no longer can wait for USDA loan approval to complete the projects.

The Fairgrounds board has determined that if the projects are not funded by the County immediately, events cannot be scheduled for the spring and summer, resulting in loss of venues and fairgrounds revenue.

FINANCING OPTIONS:

1. Appropriate an amount, approximately \$400,000, from County fund balance to cover the cost of completing the fairground projects immediately. And secure a loan from a bank that will be used to replenish fund balance, then, through an MOU with the Fairground's board, the fairground's board to repay the county as the county repays this loan over the course of a few years from the general fund. Potentially a 3 – 7 year loan.

2. Appropriate an amount (\$400,000) from County fund balance to cover the cost of completing the fairground projects immediately and secure a short term loan (2-3 year term) from a bank that will be used to replenish fund balance, then, through an MOU, the fairground's board to repay the county sometime in the future, with the county repaying this loan with the proceeds of the sale of county buildings currently marketed.

Either of these options will preclude the County from securing a USDA loan for the building portion of the project as USDA prohibits this type of reimbursement use of funds. The additional risk that we are taking is that the LGC may not approve the loan. In conversations with the LGC and bankers, we are encouraged that the project will be perceived as having merit as an immediate need and to maintain economic stability in this tourist economy, though it has been suggested that we do not request more than \$350,000.

CONSTRUCTION/BIDDING OPTIONS:

1. Single Prime Contract – utilizing one general contractor to oversee and complete project. County to act as general contractor under the general contractor license of the Facilities and Maintenance Director.

2. Multi-Prime Contracts – bidding each trade under each division of the project plans. County to act as general contractor under the general contractor license of the Facilities and Maintenance Director.

IMPLEMENTATION PLAN:

(How and when will staff undertake the action?)

The finance director can begin negotiations with a bank and apply to the LGC commission for loan approval. This could be placed on the May LGC meeting agenda for approval to close the loan by mid-May.

The facilities and maintenance director can be directed to put the project out for bids to have ready to approve at the next commissioners' meeting.

In addition, a budget amendment can be presented at the next meeting for an amount (\$400,000) from the general fund balance to cover the project costs. This amount will be

reimbursed to replenish the fund balance upon the close of the loan and the sale of a county building.

FINANCIAL IMPACT STATEMENT:

(What is the cost? Where is the money coming from? Optional or mandated?)

Based on preliminary estimates, the cost of the project will not exceed \$400,000:
The loan to be secured for \$350,000, and the balance of \$50,000, if needed, will be contributed from the general fund upon the sale of county buildings to reimburse the county fund balance.

SUPPORTING ATTACHMENTS: YES _____ NO X HOW MANY? _____

LIST: _____

If yes, one ORIGINAL ATTACHMENT, and 14 copies, copied front and back side of pages, stapled and three-hole punched must accompany the agenda request

PowerPoint Presentation: YES _____ NO X

PERSON MAKING PRESENTATION AT MEETING: Julie Davis

TITLE: Finance Director

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PERSON MAKING PRESENTATION AT MEETING: Dale Burris

TITLE: Facilities and Maintenance Director

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THIS SECTION FOR OFFICE USE ONLY

Received (Date/Time): _____

County Manager / Clerk to the Board Comments: _____

In an effort to save paper, attachments should be copied on both front and back sides.

