

# FORSYTH COUNTY

## BOARD OF COMMISSIONERS

MEETING DATE: AUGUST 26, 2013 AGENDA ITEM NUMBER: 8

**SUBJECT: RESOLUTION AUTHORIZING EXECUTION OF CERTIFICATIONS OF LOCAL SUPPORT IN THE FORM OF ANNUAL OPERATING AND UTILITY COSTS FOR A CAPITAL IMPROVEMENT PROJECT TO BE LEASED BY FORSYTH TECHNICAL COMMUNITY COLLEGE**

**COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:** Recommend Approval

**SUMMARY OF INFORMATION:**

See attached

ATTACHMENTS:  YES  NO

SIGNATURE: *J. Dudley Crites, Jr.* DATE: August 22, 2013  
COUNTY MANAGER

**RESOLUTION AUTHORIZING EXECUTION OF  
CERTIFICATIONS OF LOCAL SUPPORT IN THE  
FORM OF ANNUAL OPERATING AND UTILITY COSTS FOR  
A CAPITAL IMPROVEMENT PROJECT TO BE LEASED BY  
FORSYTH TECHNICAL COMMUNITY COLLEGE**

**WHEREAS**, Forsyth Technical Community College (the College) plans to enter into a ten (10) year lease with Wexford of a 24,000 square foot facility located in the Wake Forest Innovation Quarter, the former R.J. Reynolds Building 90, to house the College's Small Business Center, the Corporate Training Center, biotechnology, and nanotechnology programs, which project has been part of the College's long-range capital plan since 2005; and

**WHEREAS**, lease payments for the facility will be made by the College from State appropriated funds in the amount of \$300,000 per year for ten (10) years and capital improvements and equipment in the space will be funded with private funds from the Forsyth Tech Foundation; and

**WHEREAS**, the average annual operating costs of the leased facility that would need to be included in the County's Budget as an annual allocation to the College for operating costs is \$171,257 per year for ten years; and

**WHEREAS**, the College is requesting approval by the County of this capital improvement project and certification of local support in the form of annual operating and utility costs in support of the said project;

**NOW, THEREFORE, BE IT RESOLVED** that the Forsyth County Board of Commissioners hereby authorizes the County Manager or Chief Financial Officer to execute Certifications of Local Support and Funds in the form of Annual Operating and Utility Costs in the amount of \$171,257 per year for a ten year period for the proposed capital improvement project to be leased by Forsyth Technical Community College.

Adopted this the 26<sup>th</sup> day of August 2013.

## MEMORANDUM

**TO:** Dudley Watts  
Forsyth County Manager

**FROM:** Gary M. Green

**CC:** Ken Jarvis

**SUBJECT:** CAPITAL IMPROVEMENT PROJECT FORM

**DATE:** July 24, 2013

Attached is the draft Capital Improvement Project form to be considered by the County Commission. Forsyth Technical Community College is asking for approval of the 10-year lease for a 24,000 sq. ft. facility in the Wake Forest Innovation Quarter (in the former R.J. Reynolds Building 90). The facility will provide facilities to support the Small Business Center, the Corporate Training Center, biotechnology, and nanotechnology programs. This project has been part of the College's long-range capital plans with the County since 2005.

The lease payments for the facility will be made by the College from state appropriated funds (\$300,000 per year for 10 years). The provision for using previously appropriated capital funds for lease payments was included in the 2013-2014 budget act passed by the legislature. Capital improvements and equipment will be undertaken with private funds from the Forsyth Tech Foundation. The average annual operating cost of the facility that would be included in the College's annual County budget is \$171,257.

The College is requesting approval of the project, including the annual operating funds. I appreciate the assistance of you and your staff on this project. If you have questions concerning the project, please contact me.



## Capital Improvement Approval Process Instructions

### To establish a **New Project**

- Submit the NCCCS 3-1 Identified as a "New Project" for State Board approval
  - The "Project Name" should be specific and usually include a building/facility and/or campus name. Please do not use generic project names, such as, "Repairs & Renovations;" "Roof Replacements," etc.
  - "Project Description" should be specific and not generic. Please do not use "Various Campus Renovations" or "Misc. Repairs."
  - Projects must be approved by the college's Board of Trustees. Section V should have the Board Chairman and the College President's signature.
  - For new facilities, a county representative's signature (County Manager, County Finance Officer, etc) is **required**.
  - For projects that includes county funding that is not included in the county's yearly appropriation (as shown on the College's Budget Summary), such as, bonds, special appropriations , or funds borrowed from a financial institution, a county representative's signature (County Manager, County Finance Officer, etc) is **required**.

### To **Amend a Project**

#### To receive approval for a funding increase/decrease

- Submit a NCCCS 3-1 Identified as "Amended Project"
  - If the original 3-1 submission only included partial funding for the project cost, once additional funds (state or non-state) are identified, an amended 3-1 must be submitted.
  - Once bids are received, and funding level changes because funding is not sufficient to award contracts, an amended 3-1 must be submitted to increase funding (state or non-state) before approval will be given to award contracts.
  - Due to increased project costs and the need for additional funds, an amended 3-1 must be submitted for approval, no matter the source of the additional funds.

**NOTE:** If the original submission of the 3-1 included full funding available, bids are received and funding is sufficient to award contracts, the college will not need to submit an amended 3-1 for approval. The college will be required to submit a final 3-1 for Project Close Out.

### **Project Close Out**

- When the project is complete, a final inspection is conducted, and final reports and as-built drawings are submitted to and approved by State Construction, a "Final – Project Close Out" 3-1 must be submitted to close-out the project. This submission is required to record actual expenditures for each contract/agreement - design (architect); commissioning; special inspections; general contract (plus change orders); other contracts; other fees; work performed by owner (if this applies), etc.

**NOTE:** "Amended Project" and "Final - Project Close Out" 3-1 submissions will require approval by the State Board only when there is an increase in state funding from state funds that have not previously been approved for a capital improvement project. The Executive VP of Finance and Operations/CFO (System Office) will approve all other "Amended Project" and "Final - Project Close Out" submissions.

### **Page 5, Section VI**

**Certification 1.** The County's signature is required on the "New Project" 3-1 if the county is providing the funding outside of the colleges' normal county appropriation for an R&R project.

**Certification 2.** The County's signature is required for the construction of a new facility, regardless of the source of funds available to construct the new facility. Signatures for this statement require the completion of the NCCCS 3-1 Attachment (See Page 6).

### **Page 6, NCCCS 3-1 Attachment**

"Certification of Local Budget Support Estimated Operating Utility Annual Cost for Capital Improvement Projects" is only required to be completed for "New Facilities".

**NOTE:** County signatures are not required on "Amended Project" or "Final - Project Close Out" 3-1's unless funding from county bonds has increased.

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III. **ESTIMATED COST OF PROJECT:**

A. PRE-CONSTRUCTION COSTS

- 1. Property (Land) (Include total acreage) \_\_\_\_\_
- 2. Site Grading and Improvements (not in III B) \_\_\_\_\_
- Subtotal "A"**..... \_\_\_\_\_

B. CONSTRUCTION

- 1. General Contract ..... \_\_\_\_\_
- 2. Other Contracts \_\_\_\_\_
- Subtotal Contracts**..... \_\_\_\_\_
- 3. Designer's Fees..... \_\_\_\_\_
- 4. Contingency..... \_\_\_\_\_
- 5. Other Fees ..... \_\_\_\_\_
- Subtotal Fees** ..... \_\_\_\_\_
- Subtotal "B"** ..... \_\_\_\_\_

C. OTHER COST

- 1. Initial Equipment (not in III B)..... \_\_\_\_\_
- 2. Miscellaneous(specify) 10 yr. lease      **3,001,700** \_\_\_\_\_
- 3. Worked Performed by Owner \_\_\_\_\_
- Subtotal "C"**..... **3,001,700** \_\_\_\_\_

**TOTAL ESTIMATED COST OF PROJECT (Sum of III A, B, C)**      **3,001,700** \_\_\_\_\_

IV. **SOURCES OF FUNDS IDENTIFIED FOR THIS PROJECT:**

A. NON-STATE FUNDS

- 1. County Appropriation..... \_\_\_\_\_
- 2. Duly Authorized Bonds - County... \_\_\_\_\_
- 3. Donations..... \_\_\_\_\_
- 4. Federal Funds..... \_\_\_\_\_
- 5. Other (Please identify- parking fees, vending, rental, bookstore, etc.) \_\_\_\_\_
- Subtotal "A"** ..... \_\_\_\_\_

B. UNDETERMINED (DO NOT INCLUDE UNDETERMINED FUNDS ON THE 2-16 FORM) ..... \_\_\_\_\_

C. STATE EQUIPMENT FUNDS ..... \_\_\_\_\_

D. STATE FUNDS (i.e. DOT, Golden Leaf, etcelera)..... \_\_\_\_\_

E. STATE ALLOCATIOIN

- 1. Budget Code      **FMP Funds**      \_\_\_\_\_      **1,700**
- 2. Budget Code      **40520**      \_\_\_\_\_      **3,000,000**
- 3. Budget Code \_\_\_\_\_
- Subtotal "E"** ..... **3,001,700** \_\_\_\_\_

**TOTAL SOURCES OF FUNDS (Sum of Section IV A, B, C, D, E)**      **3,001,700** \_\_\_\_\_

**PLEASE NOTE:** Total SOURCES OF FUNDS in Section IV must equal TOTAL ESTIMATED COST OF PROJECT in Section III.

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**V. CERTIFICATION BY THE BOARD OF TRUSTEES OF THE LOCAL COLLEGE**

To the State Board of Community Colleges:

We, the Board of Trustees of Forsyth Technical Community College  
(College), do hereby certify:

1. That the information contained in this application is true and correct to the best of our knowledge and belief, and do hereby request approval from the State Board of Community Colleges for this application and for the utilization of 3,001,700 State funds, which are appropriated and have been allocated for the use of our college. These funds, along with the non-state funds shown, will be used exclusively for facilities, equipment for those facilities, land, or other permanent improvements described herein and in accordance with the minutes and resolution of the Board of Trustees dated \_\_\_\_\_

2. That the described permanent improvements are necessary for meeting the educational needs of the area served and that this proposed project is in accordance with the rules and regulations adopted by the State Board of Community Colleges.

3. That a fee simple title is held by the Board of Trustees to the property upon which the said facilities or improvements are to be made as attested to on Page 5, Section VII, by the Attorney for the Board; or, that a long term lease, as described in the North Carolina Community College System Construction Manual, is held by the Board of Trustees.

4. That in formal session with a quorum present, the Board of Trustees authorized this application and further authorized the Chairman and the Chief Administrative Officer of this Board to execute all papers required by the rules and regulations of the State Board of Community Colleges.

\_\_\_\_\_  
Chairman - Board of Trustees

\_\_\_\_\_  
President

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VI. CERTIFICATION AS TO AVAILABILITY OF LOCAL SUPPORT AND FUNDS

County Manager/Financial Officer:

Certification 1.

I certify that I have examined this application (Project No. 2020 )  
from Forsyth Technical Community College (college) and  
if shown, county funds in the amount of 0 are available for  
the planning and construction of this project.

Signature \_\_\_\_\_

Title \_\_\_\_\_

**(The following certification must be completed for New Facility Projects Only)**

Certification 2.

Based on an analysis of the colleges annual operating and utility costs, (as per the  
NCCCS 3-1 Attachment, Page 6) it is estimated that the college will expend an additional  
\$171,257 per year in support of this new construction. I certify that this document has  
been reviewed, and that the information stated herein will be shared with the proper  
county officials to seek an appropriate adjustment to the college's budget as the new  
facility is brought online.

Signature \_\_\_\_\_

Title \_\_\_\_\_

=====  
VII. CERTIFICATION OF ATTORNEY AS TO FEE SIMPLE TITLE TO THE PROPERTY

(Note: Required only for acquisition of or construction on a new site or where **federal funds** are involved. Not required for long term lease.)

I, \_\_\_\_\_ duly licensed attorney of the State of  
North Carolina, do hereby certify that I have examined the public records of \_\_\_\_\_

\_\_\_\_\_ County, North Carolina, from January 1, 1925, to this date  
concerning title to the property upon which the improvements set out in the foregoing  
application are proposed to be made, and I find from said examination that a fee simple title  
free from all claims or encumbrances, is vested in \_\_\_\_\_

by deed recorded in (specify book and page) \_\_\_\_\_

\_\_\_\_\_, in the Office of the Register of Deeds except  
as noted below: (Attach copy of deed)

This, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

NA

Signature \_\_\_\_\_



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**CERTIFICATION OF LOCAL BUDGET SUPPORT  
OPERATING/UTILITY ANNUAL COST FOR  
CAPITAL IMPROVEMENT PROJECTS**

Date: April 10, 2013

Project Name: #2020

College: Forsyth Tech Community College

Project Completion Date: July, 2014

Contact Name: Kenneth W. Jarvis

State Funds Authorized: 0

Local Funds Authorized: 0

| Additional Cost Identification  | 1st Year of Operation<br>FY 14-15 | 2nd Year of Operation<br>FY 15-16 | 3rd Year of Operation<br>FY 16-17 | 4th Year of Operation<br>FY 17-18 | 5th Year of Operation<br>FY18-19 | Average Additional Annual Cost |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|--------------------------------|
| Staffing (Housekeeping & Facility Operator)<br>additional annual cost | \$0                               | \$0                               | \$0                               | \$0                               | \$0                              | \$0                            |
| Plant Maintenance<br>additional annual cost                           | \$66,000                          | \$67,980                          | \$92,473                          | \$95,248                          | \$98,106                         | \$83,961                       |
| Other Operating Cost<br>additional annual cost                        |                                   |                                   |                                   |                                   |                                  |                                |
| Electric  | \$30,000                          | \$30,900                          | \$41,387                          | \$42,629                          | \$43,908                         | \$37,765                       |
| Fuel (Gas, Oil)   | \$20,000                          | \$20,600                          | \$27,912                          | \$28,750                          | \$29,613                         | \$25,375                       |
| Water   | \$8,464                           | \$8,718                           | \$11,548                          | \$11,895                          | \$12,252                         | \$10,575                       |
| Telecommunications  | \$10,000                          | \$10,300                          | \$15,400                          | \$15,862                          | \$16,338                         | \$13,580                       |
| <b>Total Average Annual Cost (used in Section IX of the 3-1)</b>      |                                   |                                   |                                   |                                   |                                  | <b>\$171,257</b>               |

I certify that the county has reviewed this information as a part of the approval process.

\_\_\_\_\_  
County Manager/Finance Officer

3-1 Attachment