

**VIRGINIA COLLEGE BUILDING UPDATE
5601 VETERANS PARKWAY**

City Council Meeting

January 28, 2020

HISTORY



- Per O.C.G.A. 31-3-9, the governing body of the county shall provide the county board of health with quarters and equipment sufficient for its operation.
- Current location is 2100 Comer Avenue – Occupies approximately 43,170 sf plus Vector Control which is housed outside (storage, office space, 23 vehicles/10 trailers)
- Health Department, District Office and other umbrella agencies occupy approximately 80,000 sf
- Shares a building with the West Central Health District, DFACS and New Horizons – total building is approximately 240,000 sf
- Building was originally owned by the Medical Center Hospital Authority/Columbus Regional Healthcare, but purchased in 2016 by Family Holdings Sub, LLC

HISTORY



- In FY96, per Resolutions #159-92 and #041-93, the city contributed \$2,736,000 to the Medical Center Hospital Authority for the Health and Human Services Building
- Between FY96 and FY20, the city has paid a total of \$9.8 million including the initial contribution
- The current annual payment is \$321,827 (Around \$7.15/sf)
- The annual payment includes a base rent charge (\$166,631) and a common area charge (approximately \$156,503)
- Common Area Charges include Janitorial, Security, Maintenance, Property Management and Taxes.


HISTORY



- Although the city had an initial \$2.7million investment in the Health and Human Services Building, the building was sold without notice to the city
- Tax Exemption for 2100 Comer Ave. was inadvertently not changed at time of sale in 2016. **No taxes were assessed, billed or collected for 2017 or 2018. Taxes for 2019 are \$221,736. Health Department's share is approximately \$60,000.**
- The current lease expires on June 30, 2020 and the lease payment is expected to increase to an estimated \$475,000 (includes base rent at \$6.00/sf and projected common area charges)
- This proposed lease agreement has not been submitted to the City Manager's Office to date

Columbus Department of Public Health / West Central Health District

Lease History

		Occupied Area	Charged Area	Base Rate/Foot
Paid By	Department	Sq. Footage	Sq. Footage	FY13-FY20
 City of Columbus	Physical Health	35,708	43,170	3.86
	Vector Control Bldg	864	864	5.75
DPH - State	District Health	18,308	22,134	7.26
Individual Programs	District Child Health	2,753	3,328	8.02
	EP/EMS	1,532	1,852	6.71
	Emergency Command	1,206	1,458	6.07
	File Archive	232	280	5.50
	WIC Clinic	11,939	14,434	7.17
	WIC Kitchen	523	632	4.67

	TOTAL	73,065	88,152	
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Common Area Charges/Foot 3.07-5.17

TIMELINE

- Health Department advised of increase in rent by new landlord once current lease expires on June 30, 2020 – August 30, 2016
- City met with Health Department in 2018 and 2019
- Market study of rents provided to the Health Department by Family Holdings Sub LLC in October 2019 indicated market rates ranged between \$10-\$20/sf
- Council Discussion – November 5, 2019

5601 VETERAN PARKWAY (FORMER VIRGINIA COLLEGE)

- 70,140 sf building located on a 7.2-acre site (60,000 lower level, 10,140 street level)
- Next to Walgreens at Veterans Parkway @ Whitesville Road
- Built in 1975/Renovated in 2011 for Virginia College
- Sales Price (Listed) - \$3,200,000
- Offer Price - \$2,500,000
- Renovation estimated at \$2,500,000



TIMELINE

- Council Approval – November 12, 2019
- Offer Made and Accepted – November 14, 2019
- Contract Signed – November 20, 2019
- Due Diligence Period – November 20, 2019 – present
 - Includes reviewing space allocation and programming to determine feasibility of the site, assessment of the building and building systems, compiling renovation costs, assessing public transportation requirements, etc.

TIMELINE

- Resolution to ratify a Bond Resolution issued by the Columbus Building Authority – December 3, 2019
- Bond RFP Results - \$5,000,000
 - Synovus Bank
 - 20 years
 - 2.07%
 - No prepayment penalty
 - No closing costs
- Bond Closing – December 20, 2019

FINANCIAL SUMMARY

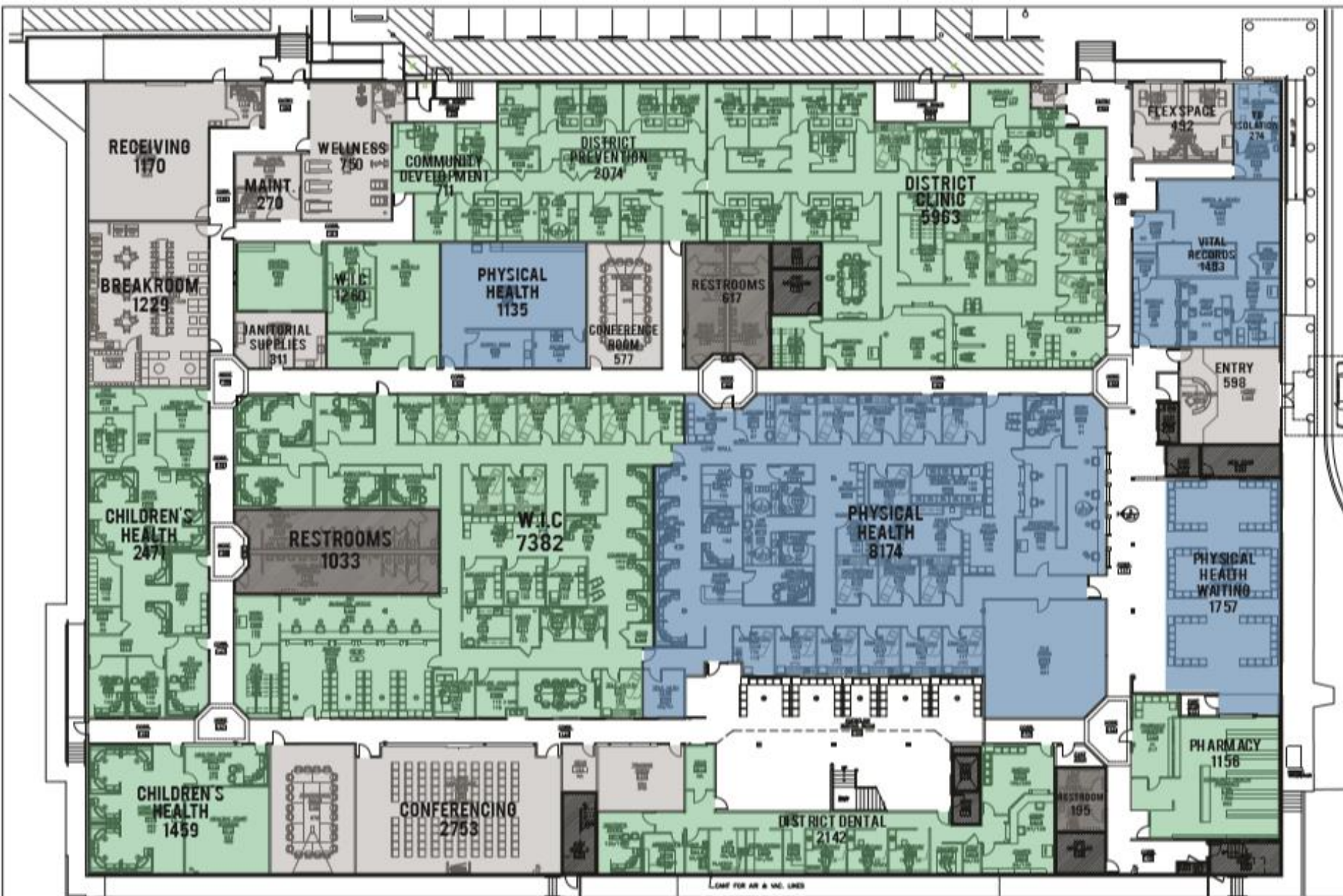
- List Price = \$3.2 million
- Purchase Price = \$2.5 million
- Columbus Building Authority (CBA) issued \$5 million in bonds at 2.07% for 20 years
- Renovation Costs = \$4.65 million
 - \$2.5 million from CBA bonds
 - \$2.15 million from OLOST Infrastructure
 - o \$1.25 million currently budgeted in Debt Service transfer available due to previous bond refunding and other available funding and \$900,000 from OLOST Infrastructure Reserves)

FINANCIAL SUMMARY

- Renovation Budget \$4,485,807 (Design Build contract with Barnes Gibson Partners Architects LLC)
 - Planning/Programming = \$88,750
 - Design = \$225,165
 - Construction = \$3,915,906
 - Exterior Improvements = \$255,986
- Parking Lot Improvements = \$150,000 (Manage internally)

RENOVATION COSTS

- Renovation costs increased from the original projections due to:
 - Re-evaluation of functions moving from 2100 Comer Ave. to 5601 Veterans Parkway
 - More clinical and educational services moving to 5601 Veterans Parkway to create a one-stop shop for clinical services
 - Clinical space is more costly than office/administrative space
 - Unable to reuse existing floor plan configuration for clinical space as possible with office/administrative space
 - Escalated renovation schedule to meet June 30, 2020 deadline



Health Department Relocation for CCG
5601 Veterans Parkway
 Columbus, GA

PRELIMINARY
 PLANNING

1000 GALT AVENUE, SUITE 100
 COLUMBUS, GA 31906
 LOWER LEVEL
 PRELIMINARY PLAN

A2.1

GROSS BUILDING AREA
 60,000 SF

LOCALLY FUNDED AREAS
 12,823 SF

REVENUE GENERATING LEASABLE AREAS
 24,618 SF

SHARED LEASABLE AREAS
 9,995 SF

SHARED SUPPORT AREAS
 12,564 SF



LOWER LEVEL PRELIMINARY PLAN
 SCALE: 3/8" = 1' - 0"

CHOOSING THE BEST
DELIVERY METHOD
FOR YOUR CONSTRUCTION PROJECT

DESIGN-BUILD



CONSTRUCTION MANAGER AT RISK



DESIGN-BID-BUILD



GSFIC 07/09/2019

FACILITY RENOVATION CONTRACT

- Resolution No. 150-17 approved a list of vendors who successfully met the requirements of RFP No. 17-0003 for architectural services
- The city can utilize any of these vetted vendors to perform services determined by various factors to include, but not limited to:
 - Project size
 - Time sensitivity of the project
 - Utilization of vendors on other city projects
- Barnes Gibson Partners Architects, LLC was selected to perform the services for this project using the Design Build model partnering with River City Contracting
- The Design Build model is not frequently used by the City except for specific projects (Comer Gym and Fire Station #11)
- River City Contracting will provide the performance bond for the construction costs

FINANCIAL COMPARISON RENT VS. OWN

RENT – 2100 COMER AVE.	
Initial contribution	\$2,736,000
Rent/Common Area – 25 years	\$7,079,299
Expense to date	\$9,815,299
Rent/Common Area – 10 years	\$4,755,234
Rent/Common Area – 10 years	\$4,755,234
RENT/Common Area – Net Cost - 20 yrs	\$9,510,468
TOTAL	\$19,325,767

LANDLORD OWNS BUILDING

OWN – 560 I VETERANS PARKWAY	
Debt Service for 20 years on \$5 million bond	\$6,200,000
Renovations in excess of bond	\$2,150,000
Operational expense (\$335,000/year)	\$6,700,000
Estimated rental income	\$7,800,000
OWN - Net Cost – 20 yrs	\$7,250,000

TAXPAYERS OWN BUILDING

DEPARTMENT OF PUBLIC HEALTH SERVICE LOCATION AS OF JULY 1, 2020

5601 VETERANS PARKWAY

- Clinical Services/Educational Services
 - Vital Records
 - Immunizations
 - WIC
 - Dental
 - Clinical Services
 - Infectious Disease Services
 - Services to students & schools
 - Teen Health
 - Children 1st
 - Women's Health

2100 COMER AVE.

- Residential and Business Services
 - Environmental Health
 - Septic systems, Public swimming pools, Tattoo artists and parlors, Well water sampling, Tourist accommodations, Restaurants
 - Vector Control
 - Emergency Preparedness
 - District Administration

RECOMMENDATION

- **Staff Recommendation:** Move forward with the purchase and renovation of 5601 Veterans Parkway to relocate the clinical/educational services of the Department of Public Health by June 30, 2020.