

CHARLOTTE MECKLENBURG
LIBRARY

Real Estate Committee
Main Library
Dowd Learning Studio, 1st Floor
Monday, May 6, 2019 – 10:30 AM

Trustees:

Hyong Yi
Joe Helweg

Library Staff:

Amanda Hutto – Administrative Support
Angie Myers – Chief Capacity Officer
Dana Eure – Interim Chief Customer Officer
David Dillard – Real Estate Leader
Lee Keesler – Chief Executive Officer
Peter Jareo – Operations Leader

County Staff:

Charles Snow – Project Manager, AFM
Jay Rhodes – Director, Design & Construction,
AFM
Mark Hahn – Director, AFM

Absent:

Becky Miller – Project Manager, AFM
Bryan Turner – Sr. Project Manager, AFM

Documents:

- 04/01/19 Real Estate Committee Meeting Report

Meeting Report

Hyong Yi welcomed everyone to the committee meeting. The meeting commenced at 10:30 AM.

Mr. Yi and Joe Helweg approved the April 1st Meeting Report.

Story of Impact:

This month's story of impact comes from ImaginOn and their teen volunteer program. Jurhandi Pendergrass has watched their former teen volunteers succeed in their young lives. One previous ImaginOn teen volunteer is now a manager at Fuel Pizza and has purchased his first car. He has developed economic savvy and is growing into a fine young man. Another previous ImaginOn teen volunteer landed his first apartment and is expecting to be a father soon. He has a full-time job at Jiffy Lube. He is excited to be employed full-time and have independence. The ImaginOn teen volunteer program has a positive impact on young people's lives and it is wonderful to hear the great success stories.

7th & Tryon update

Charles Snow visited Snohetta in New York along with David Dillard and Lee Keesler. The group met with the developer's architect. This was the first in-person meeting which was positive. They learned additional information about the status of the development. Still a bit in flux regarding major tenants, but not impacting us currently. Hopefully this is resolved sometime in the future so we can wrap up concept design of the new Main Library and coordination can occur with other major tenants. At this point we do not have a timeline regarding major tenants. Negotiations continue with the developer. The discussions continue to be positive and moving along at an acceptable rate.

Main Library update

Mr. Snow mentioned the concept design was recently revealed and there is a lot of enthusiasm. We are placing ourselves in a great position to move to the next phase. Demolition is still on schedule for January 2021 and overall, we are still on target. The overall budget for new Main Library is \$100 million which includes roughly \$72 million in hard costs and roughly \$28 million in soft costs. Mr. Snow stated reconciliation is occurring because we are over budget to some degree. Rodgers Builders and Clark Nexsen are working to bring together both design and budget for reconciliation. Mr. Yi asked if we are five or ten percent over budget. Mr. Snow responded that we are in-between five and ten percent over budget. Mark Hahn stated at this stage in the game it is normal to be where we are over budget, but we do want to get this figure decreased before moving to the next phase of the project. Dena Diorio will not take this to The Board of County Commissioners (BOCC) until all items are resolved and solidified which will take approximately another month. Mr. Helweg mentioned the campaign is \$130 million and asked about the additional \$30 million. Dana Eure said this is the endowment. Angie Myers said some of this figure is also restricted. Mr. Snow said a consolidated budget with hard and soft costs is being compiled per Mr. Keesler and will be ready once the numbers are finalized. Mr. Yi asked if it would be helpful for the Board of Trustees to have an update on the budget. Ms. Myers had a campaign finance committee meeting last week and mentioned they will bring the same report to the Board of Trustees in May. It is important to have a breakdown when this project becomes more public. Mr. Helweg stated this will be important for fundraising to be able to explain where the money is allocated. Verse and Vino in November is the timeline to go public so there is still some time, but initial fundraising calls have begun. New Main Library will share a lobby and some mechanical systems with Spirit Square. Currently Spirit Square's responsibility for their estimated portion will be \$13.3 million. A major change is that Billingsley Road is now out of the picture and the unused portion of that budget will be added to the Support Services Center (SSC) budget. The overall budget includes \$100,000 for service points when Main Library is closed. Mr. Dillard said it will be difficult to provide four service points with a \$100,000 budget. This will only allow for technology and some cosmetic work. The tentative plan is to approach some "friendly" businesses for unused space. Mr. Dillard and Mr. Hahn mentioned that the \$100,000 budget can not be used for rent for the service points.

Support Services Center (SSC) update

The schematic design package is being created and includes drawing and narratives for mechanical, electrical and plumbing systems. Currently the package is being review by Asset and Facility Management (AFM) and the Library. The goal is to have this reviewed by mid-week if possible. Schematic design will start soon. Mr. Snow stated we have been working with the ownership at Kimbrell's regarding planned renovation to the entrance of their store. Mr. Snow contacted them on Friday for an update. They were out of the gate running strong and are now on a complete hold. Mr. Snow also spoke with Kimbrell's architect. There is something going on internally with Kimbrell's and their approval process. The architect could not elaborate further. They are continuing with the project, but not at the previous rate. Mr. Hahn brought up the demising wall between Kimbrell's and the SSC. Clark Nexsen is currently doing some research on the wall which is the property line. Based on the County's attorney's interpretation of the sales agreement, any maintenance on the wall should be split evenly. Mr. Hahn said we need a determination from the architect on the rating of the wall before we approach Kimbrell's. The required fire rating of the wall will impact cost. At this point there is not enough information to approach Kimbrell's. Mr. Snow stated he did not have a chance to speak with Mr. Hahn yet, but Clark Nexsen has come back, and it seems like we do need to have a fire-rated wall which will be a significant cost. Mr. Hahn wants something designed first before we go to Kimbrell's, so we can have an idea about cost.

North County Regional update

Mr. Dillard mentioned there is an important meeting on Wednesday. We are getting to the point where many construction line items are about to be complete. Completion is still on track for approximately June 1st and TCO estimated June 15th. IT will start installation at the end of May. The automated materials handling system will be delivered in mid June. On July 1st the automated materials handling system will be inspected

and needs to be inspected to approve a UL Listing before it can be put in service. The AV package will be bid in the next couple of weeks. Furniture has been ordered and delivery date is hopefully early to mid-August.

South County Regional update

Mr. Dillard stated Liollo sent the check set of CD's to the Library for comment last week. Review comments are due back to Becky Miller by the last week of May so she can compile. Edifice received the final draft of the CM@Risk contract about two weeks ago and their legal department is reviewing. It will be ready for Lee's signature this week. Furniture review is this afternoon, so we will be ahead of the game. Construction starts October 2019.

Scaleybark Replacement update

Mr. Dillard mentioned we are awaiting the price from Shiel-Sexton for roof insulation and mechanical system upgrades. Lengthy negotiations with the landlord took place during March and April to bring about the agreement for additional insulation and upgraded HVAC. The landlord is obligated to perform a certain scope of services per the lease. The landlord initially indicated they would be ready to turn over the building July 1st, but their general contractor said this date will now most likely be mid-August. There is no adverse impact to us with this delay and that it actually helps with our staffing needs. The furniture package is underway, and the Library review date is set for mid-May. The furniture order is estimated to be placed in early June for a target delivery of early September. RCDD has completed telecom, security and AV designs and met with IT and the Library. Vendors will be invited to bid on these three packages in about two to three weeks. This will occur as soon as we can identify vendors and stakeholders. Mr. Dillard said we are not reusing shelving because we have the budget to purchase new. It is going to be easier to buy new shelving and it is not a large expense. The shelving plan is nearly complete. The vendor will provide a quote based on a pre-negotiated contract price. Fabrication of the shelves requires about ten to twelve weeks and the order must be placed by June 1st. Shelving is required to be in place before receiving TCO. The delivery of shelving is targeted for September 1st and is expected to be installed within one week of delivery. Mr. Yi asked about an update for the need to go under South Boulevard. Mr. Dillard said the landlord mentioned they are on schedule and have a permit. Our experts tell us it usually takes a little longer than what they are anticipating because there needs to be coordination with CDOT and Charlotte Water. A delay does not impact our lease. The old Scaleybark location will close and the new Scaleybark location will open in approximately three days of each other.

University City update

Mr. Dillard stated they are still looking at all the alternatives. The developer who has the best location is interested in the Library making a commitment, but we do not have the funding, so we cannot commit at this point. The developer has a good bit of time before they get to the point where they break ground for the building for the Library location. This is still a developing story and we will not know until the fall if we are able to commit. Mr. Dillard said information is still being developed for Mr. Keesler and AFM to go to the County for additional funding. We currently have a one-year lease extension from the Hospital Authority and are asking for an additional year to make the lease extension a total of two years. Mr. Dillard has been told the Hospital Authority does not have a plan for the second year so this is looking positive for the Library. Currently the lease expires December 2020. If we go with the preferred site, they do not start construction until the first quarter of 2021 and will most likely take about eighteen months before they would be ready for the Library to do our upfit.

Real Estate Leader's Report Other Business

- Mr. Dillard met with the Prosperity Village Area Association Leadership and they are very interested in a Library location. Mr. Dillard let them know we are too, but we currently do not have funding. Mr. Dillard suggested they should speak to their County Commissioner.
- Mecklenburg County is contemplating transferring ownership of the McGlohon Theater and the Duke Energy Theater to the Library. The Library views this as a positive impact from having a shared lobby with the library and theaters, but we do not want to run programs for the theater. Mr. Keesler has a meeting setup with Blumenthal to begin conversations.

Mr. Helweg asked for Mr. Dillard to get clarity on the second-year lease extension with the Hospital Authority.

Meeting adjourned at 11:24

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| Real Estate Committee Meeting | Monday, June 3, 2019, 10:30am to 11:30am Main Library - Dowd Learning Studio, 1st Floor |
| <i>Board of Trustee Meeting</i> | <i>Monday, May 20, 2019</i> <i>Meeting: 12:00 PM – 1:30 PM</i> <i>Main Library - Francis Auditorium</i> |