

**FORSYTH COUNTY
BOARD OF COMMISSIONERS**

BRIEFING
DRAFT

MEETING DATE: February 28, 2019

AGENDA ITEM NUMBER: 12

SUBJECT: AMENDMENT TO THE 2016 KALEIDEUM CAPITAL PROJECTS ORDINANCE TO APPROPRIATE BOND PROCEEDS AND INCREASE THE BUDGET TO \$30,500,000

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:

SUMMARY OF INFORMATION:

On June 27, 2016, the Forsyth County Board of Commissioners adopted the 2016 New Family Museum Capital Projects Ordinance to assist with the construction of a new family museum facilitated by the merger of SciWorks and the Children's Museum of Winston-Salem. The Capital Projects Ordinance was to be funded through the sale of several county assets as well as fund previously set aside for a building in Union Cross Business Park with a total budget of \$17,340,000.

Over the past two years, revenue has been realized for this CPO through a \$1,000,000 grant from the North Carolina Cultural Resources Museum, the sale of County-owned property located at 537 North Spruce Street (Old EAP Building), the sale of the Springwood Convalescent beds, and Interest Earnings.

While the initial budget for the Kaleideum project was estimated at \$17,340,000, the cost of construction and change of scope has increased the cost of the project to \$30,316,000. One solution to moving this project forward immediately, without further sales of surplus property, is to issue limited obligation bonds. If there is a sale of County-owned property prior to the sale of bonds, the amount to be issued could be reduced. If there is a sale of County-owned property after the sale of bonds, the amount could be used to offset the debt service of the Kaleideum limited obligation bonds.

The estimated debt service for a \$25,000,000 bond sale is .656 cents for Fiscal Year 2021 depending on when the bonds are issued.

This agenda item would amend the 2016 Kaleideum Capital Projects Ordinance by adjusting the revenue to account for the \$25,000,000 in bond proceeds and adjusting other revenue line-items to reflect actual revenue received. These adjustments would bring the total project budget to \$30,500,000. Additionally, language is being inserted to define when the County would execute a Guaranteed Maximum Price Amendment with the Construction Manager at Risk to begin construction once Kaleideum has raised \$8,000,000 in verifiable donations, either received or pledged.

ATTACHMENTS: YES NO

SIGNATURE: _____ DATE: _____
COUNTY MANAGER

**FORSYTH COUNTY, NORTH CAROLINA
AMENDMENT TO
2016 KALEIDEUM CAPITAL PROJECTS ORDINANCE**

FROM: BUDGET & MANAGEMENT

MEETING DATE: February 28, 2019

EXPLANATION:

On June 27, 2016, the Forsyth County Board of Commissioners adopted the 2016 New Family Museum Capital Projects Ordinance to assist with the construction of a new family museum facilitated by the merger of SciWorks and the Children’s Museum of Winston-Salem. The Capital Projects Ordinance was to be funded through the sale of several county assets as well as fund previously set aside for a building in Union Cross Business Park with a total budget of \$17,340,000.

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This agenda item would amend the 2016 Kaleideum Capital Projects Ordinance by adjusting the revenue to account for the \$25,000,000 in bond proceeds and adjusting other revenue line-items to reflect actual revenue received. These adjustments would bring the total project budget to \$30,500,000.

BE IT ORDAINED BY THE FORSYTH COUNTY BOARD OF COMMISSIONERS THAT THE 2016 KALEIDEUM CAPITAL PROJECTS ORDINANCE IS HEREBY AMENDED AS FOLLOWS:

INCREASE:	<u>SECTION 1. REVENUE.</u>	
	Bond Proceeds	\$25,000,000
	Sale of Real Property	\$ 1,700,000
	Interest Earnings	<u>\$ 100,000</u>
		<u>\$26,800,000</u>
DECREASE:	<u>SECTION 1. REVENUE</u>	
	Sale of Surplus Property	\$12,800,000
	Other Sales	\$ 1,000,000
	Special Gifts	<u>\$ 340,000</u>
		<u>\$14,140,000</u>

Section 2. Authorization for Project and Appropriation of Funds.

Be It Ordained that the following project is hereby authorized in concept and the following amounts are hereby appropriated for Kaleideum, subject to review by the County Manager,

