

**The Behavioral Health Board of Cuyahoga County
(working title)**

**Site/Location Review Committee
AGENDA**

**Tuesday, April 15, 2008
4:00 p.m. - 6:00 p.m.**

**ADASBCC Offices
Rockefeller Building, 3rd Flr.
614 W. Superior Ave., Cleveland**

Board Members

Eugenia Cash, CCCMHB
Darlene Darby Baldwin, ADASBCC
J. Robert Fowler, Ph.D., CCCMHB
Kathryn Gambatese, Chair, CCCMHB
Russell E. Johnson, Chair, ADASBCC
L. Douglas Lenkoski, M.D., CCCMHB
Mary McElrath, ADASBCC
Barbara E. Saltzman, Esq., CCCMHB
Terrance Wilkinson, ADASBCC

Directors

William M. Denihan, CCCMHB
Russell S. Kaye, Ph.D., ADASBCC

1. Welcome and Introductions
2. Review and Approval of Minutes of March 18, 2008 Meeting
3. Discussion of a Preliminary Evaluation of Available Options for a Future Combined Headquarters Facility

*Guests: Steven Zannoni, Project Management Consultants
Don Frantz, Metro Consulting*

4. Other Business

Next Meeting: Tuesday, April 29, 2008, 4:00 p.m. - 6:00 p.m., ADASBCC Offices

List of Active Items for Continuing Discussion in Future Meetings

- Fund Development Sub-Committee
- Staff / Consumer Survey

CONSOLIDATION SITE REVIEW COMMITTEE MEETING
April 15, 2008

Board Members Present:

Kathryn Gambatese, Chair, CCCMHB
J. Robert Fowler, Ph.D., CCCMHB
L. Douglas Lenkoski, M.D., CCCMHB
Mary McElrath, ADASBCC
Barbara Saltzman, CCCMHB
Terrance Wilkinson, ADASBCC

Board Members Absent:

Russell E. Johnson, Chair, ADASBCC
Darlene Darby Baldwin, ADASBCC
Eugenia Cash, CCCMHB

Directors:

William M. Denihan, CCCMHB
Russell S. Kaye, Ph.D., ADASBCC

Guests:

Steve Zannoni, Director of
Project Management Consultants
Don Frantz, Metro Consulting, LLC

The meeting was called to order at 4:07 p.m. by Mary McElrath, Acting Chair and Vice Chair of the ADASBCC.

Minutes - The Minutes of the March 18th meeting were accepted as submitted.

Upon motion of J. Robert Fowler, seconded by L. Douglas Lenkoski and unanimously carried, the reading of the Minutes of the March 18th was waived and the Minutes approved as submitted.

Ayes: 6
Nays: 0
Abstentions: 0

Preliminary Evaluation of Available Options for Consolidated Board Facility - Steve Zannoni introduced Don Frantz from Metro Consulting, who has been assisting him with this phase of the project. Mr. Frantz distributed materials regarding various options the two boards should consider in planning for a new facility. He stated that the two boards have decided that space requirements for the two boards would not exceed 90% of the current space, or 35,244 square feet, and that the cost of the new location would not exceed 90% of the current rent, or \$625,140.

He estimated the following operating expenses:

\$7.00 per square foot for a building that is newly constructed and owned
\$10.00 per square foot for a building that is purchased and renovated
\$9.50 per square foot for a building that is leased from an independent owner

The Committee members then discussed the following options:

- **Option #1 – Build and Own a New Building** – This option affords the best layout efficiency since the building will be built to suit our needs. Consideration should be

given to the fact that the Board would be responsible for maintenance and utilities, although utilities should be lower than the current rates because heating and air conditioning would be more efficient. This option would allow the Board to accumulate equity and eventually own the building. The estimated buying power of \$5,158,082 was exclusive of land acquisition and prep.

- **Option #2 – Purchase and Renovate an Existing Building** – The maximum layout would not be achieved in this option because we would be renovating an existing building. Additional square feet may need to be purchased to get the ideal layout. Mr. Frantz cautioned the members about the unforeseen expenses likely to rise regarding building conditions. In this option, the purchase price would include the land, existing building, parking lots, and any existing site improvements.
- **Option #3 – Rent Existing Office Space/Build New Tenant Improvements** – In this option, it is again not likely that the maximum layout efficiency would be achieved. Mr. Frantz pointed out that tenant improvements (TI) would also need to be financed, and usually over a short period of time equivalent to the lease time. This would result in a larger monthly payment. In addition electricity and parking are usually paid in addition to the rent.

Another option might be to lease or rent for a short period of time (3 years) and then have an option to buy. That would allow time for the market to rebound. It was also noted that with a short lease, a landlord would be less willing to advance funding for tenant improvements.

Discussion followed regarding the fact that the two boards must proceed differently because both are county funded. Public entities are not viewed as credit worthy.

The Request for Proposal (RFP) process was also discussed. Questions arose as to whether or not the Boards would have to take the lowest bid or the lowest bid that met the Board's parameters. The RFP should also include the option that the Boards can reject all proposals if none meet the identified needs. It was decided to get a legal opinion regarding the issue of the RFP process. Various options were discussed regarding multi-tenant buildings and the Boards serving as the lead or anchor tenant.

When a new location is chosen, it was noted that it is important to include “the first right of refusal,” in regard to purchasing or expanding space.

Discussion followed regarding whether or not the Boards could borrow money to finance the purchase of a new or existing building. It was noted that when the MHB was considering the purchase of property, the County did not support it unless the Boards were merged.

It was suggested that in the meantime, a survey should be done regarding possible properties for lease and/or purchase, so that we have an idea of what is available in today's market. Equis had done this for the AOD Board about four months ago, although the scope was not that extensive.

The Committee agreed to the following next steps:

1. Contact Equis to again survey what is available in the market, with no restrictions as yet. Options to consider would be leasing as well as a “potential purchase.” Bill Tobin will take on the responsibility for this task.

2. Steve Zannoni, Bill Tobin and Cassandra Richardson will do a recheck of the square foot needs.
3. Secure a legal opinion on the RFP process. Do we have to take the lowest bid or the lowest bid that met the Board's parameters? Also, can the RFP include the option that the Boards can reject all proposals if none meet the identified needs? Bill Denihan will have Rose Fini check into this.
4. Ask the County Commissioners if they would support the Boards' purchase of a building, whether they are willing to finance the Boards, and under what conditions. If they are not willing to finance us, will they support us going to the Port Authority? Russ Kaye and Bill Denihan will schedule a meeting with the County to get their stand on this issue.

Other Business – Bill Denihan mentioned that he met with Dennis Madden last week regarding the feelings of the board members at the retreat. The “why” question was presented at the retreat and board members from both boards requested a meeting with the Commissioners. Mr. Madden indicated that Commissioner Hagan would be willing to come to a joint meeting of both boards. It was suggested that questions from the retreat be developed to present to the Commissioners before the meeting.

Next Meeting – The next meeting is scheduled for Tuesday, April 29th, from 4:00 to 6:00 p.m. at the AOD Board offices. Staff should be in a position to report on the next steps identified above. If Equis has not completed the survey, whatever is available can be presented at that time.

There being no further business, the meeting was adjourned at 5:40 p.m.