

# Cost Savings Work for the New Building for the Cullowhee Fire Department

10/10/17

Original Budget

\$ 3,500,000

Items Adding to Cost	Costs	"Accepted"
Burgin Construction Base Bid	\$3,675,000	\$3,675,000
Alt A-1 Gyp. Bd. Clgs. In Bays	\$65,000	\$0
Alt E-1 Solar Photovoltaic System	\$30,000	\$0
Alt CS1 Demo existing, new parking lot	\$150,000	\$150,000
I.T. Budget	\$0	\$0
Flooring "by Owner"	\$88,000	\$88,000
Furnishings	\$148,000	\$100,000
Equipment (extractor, air, etc.) budget estimate	\$100,000	\$50,000
Original A/E fees up to Bid Docs	\$113,000	\$113,000
<b>subtotal</b>	<b>\$4,369,000</b>	<b>\$4,176,000</b>

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Cost Savings Suggestions	Amount	Acceptable	If Necessary	If Necessary	If Necessary	w/o A/E Fees
Reduce Contingencies from 59K to 29K	\$30,000	\$30,000				
Landscaping Items by Owner	\$7,000					
Remove Equipment "bump-out," reduce ret. Wall	\$18,000	\$18,000				
Omit front portico, hip to gable roof	\$145,000			\$145,000		
use screw down roofing instead of standing seam	\$20,000					
Omit solar hydronic floor heat system	\$180,000		\$180,000			
Electrical Value Engineering changes	\$34,000	\$34,000				
Plumbing Value Engineering changes	\$2,500	\$2,500				
Omit 2 of the 6 showers	\$4,000	\$4,000				
Omit Fire Suppression System in building	\$55,000					
postpone Alternate CS1 to later project	\$150,000				\$150,000	
A/E fee loan forgiven	\$113,000					\$113,000
<b>subtotal</b>	<b>\$758,500</b>	<b>\$88,500</b>	<b>\$180,000</b>	<b>\$145,000</b>	<b>\$150,000</b>	<b>\$113,000</b>

Results						
"Accepted" Costs	\$4,176,000	\$4,176,000	\$4,087,500	\$3,907,500	\$3,762,500	\$3,612,500
Savings from above	\$758,500	\$88,500	\$180,000	\$145,000	\$150,000	\$113,000
<b>Resulting Potential Cost</b>	<b>\$3,417,500</b>	<b>\$4,087,500</b>	<b>\$3,907,500</b>	<b>\$3,762,500</b>	<b>\$3,612,500</b>	<b>\$3,499,500</b>

Amount Over Original \$3,500,000 Budget      -\$82,500      \$587,500      \$407,500      \$262,500      \$112,500      -\$500

October 2, 2017

LGFCU Financial Partners, LLC is pleased to offer Cullowhee Volunteer Fire Department, Inc. the following proposal for financing a new fire station:

**Loan Amount:** \$3,800,000

**Terms/Rates/  
Payments:** **Phase I - Construction Financing (18-month term):**  
18-month construction phase, monthly interest-only payments based on the outstanding loan balance.

**Phase II - Permanent Financing:**  
15-year term/ 30-year amortization, 3.125% fixed rate, **\$98,083.49** due Semi-Annually. Approximate principal balance of \$2,432,487 at maturity.

**Collateral:** 1<sup>st</sup> Deed of Trust on Land and Building.

**Fees:** LGFCU Financial Partners, LLC will not charge loan origination fees, or a prepayment penalty.

This letter includes a summary of the key points for the purpose of rate, term, and payment comparison. This proposal does not constitute loan approval and the terms are subject to change without notice. The closing of this loan will be subject to standard credit underwriting including the collection and analysis of financial information. Documentation requirements for this type of transaction include, but are not limited to obtaining a real estate appraisal, title insurance, flood certification, title search, survey, insurance, and closing with an approved attorney.

Please contact me at 800-344-4846 should you have any questions.

Thank you for your service and your support.

Best regards,

*Loren Pittman*

Loren Pittman  
Senior Commercial Loan Officer



# JACKSON COUNTY BOARD OF COMMISSIONERS

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October 16, 2017

Mr. Loren Pittman  
Local Government Federal Credit Union  
116 West Jones Street  
Raleigh, NC 27601

Dear Mr. Pittman:

Consistent with past practices of Jackson County, the County is committed to supporting our volunteer fire departments by providing an annual allocation of funds to offset a portion of their day to day operational expenses and by providing funds for the construction of fire station buildings.

The Commissioners believe the proposed fire station for Cullowhee Volunteer Fire Department is much needed and provides a facility for the immediate future as well as the long term operation of the department. The Jackson County Board of Commissioners has authorized the Cullowhee Volunteer Fire Department to move forward with their construction plans for a new fire station. The County has agreed to provide funds on an annual basis to support the debt service for a 15 year/30 year amortization loan in the amount of \$3.8 million at an interest rate of 3.125%. Based upon these terms, the annual debt service cost will be \$196,166.98.

Jackson County is fortunate to have dedicated volunteers in our fire departments and rescue squads. I'm excited about this project and look forward to seeing the project started and completed. Please let me know if I can be of further assistance.

Sincerely,

Brian Thomas McMahan  
Chairman, Jackson County Board of Commissioners

C: Mr. Tim Green, Cullowhee Volunteer Fire Department  
Jackson County Commissioners