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Board of County Commissioners
Lewis County Washington

JAN 23 2023

MEMO

TO: BOCC

FROM: Steve Wohld, Chief of Internal Services and Doug Carey, Capital Project Manager

DATE: 1/23/2023

SUBJECT: Capital Project Budget Review

Today we are discussing the financial needs to complete the ongoing Capital Projects.

We saw unprecedented construction inflation, some project condition changes, and it was decided not to sell the Kresky building. All of these have led to this gap in finances needed to complete the projects.

Additionally, since starting these projects, the Jail has had some needs arise with the Roof and HVAC concerns. Estimated: \$7.5 million.

There are a couple of options being presented today. The first is to move some cash around to cover the approximately \$3.5 million gap for the general government projects. Then we would look at an internal loan to cover the HVAC shortage. We met with "CFP" (Capital Facilities Planning Committee) and have their recommendation to present.

The second is to bond at 3.5%-4% for up to \$9 million to pay for the \$3.5 million general gap and the \$5.5 million Jail HVAC project.

Also, we could consider any combination of the above options.

We anticipate continued revenue from REET and 1/10%, as well as building lease rates will be sufficient to pay for any of the presented options.

Thank you.

Steve Wohld