

April 28, 2016

MEDIA PRESS RELEASE

Mayor's Office

First Financial Bank/City Hall Project

During the past several years, city staff began exploring options to determine how to better serve the citizens and visitors to City Hall, as well as consolidating the finance department staff, which is located on the first and second floors with no elevator in the building. Another goal of this process includes how to improve the visibility and accessibility of the Orange Convention and Visitors Bureau in an effort to promote tourism and major events such as Art in the Park, boat races, concerts, and fishing tournaments.

An outside consulting firm determined that a considerable remodel of the current City Hall building would be costly to upgrade the structure and for the building to meet code compliance mandates with electrical, plumbing, and structural issues. As a result, city staff began exploring other options in downtown Orange.

City staff visited and researched over twenty site locations, which included downtown buildings and land tracts along Green Avenue, Main Avenue, Front Avenue, 4th Street, 5th Street, 6th Street, 7th Street, Division Avenue, Elm Avenue, and finally, 15th and 16th Streets. The following buildings are examples of site visits and research that city staff completed: former Capital One/Hibernia Bank, Dixie Glass, First Baptist Church Life Center, Texas Workforce, Sanders Law Firm office, the former Southern Printers building, the former AT&T building, the former WOCCISD Administration Building, as well as the First Financial Bank building.

When considering the former Capital One/Hibernia Bank building, the following issues were discovered by licensed and professional contractors: mildew and humidity, ADA compliance mandates, utility costs, and the original asking price of \$1,400,000 in an "as is" condition. The bank building is 40 years old and has been vacant for several years. Exterior issues include: glass problems with leakage, deterioration of caulking at joints, broken glass, and the replacement of structural sash/single pane/double glass would be necessary to meet wind load requirements. Exterior costs are estimated to reach \$950,000. Interior issues include: flooring, sheetrock and painting, ADA compliance, electrical and fixtures, HVAC, and elevator. Interior costs are estimated to reach \$750,000. Exterior and interior costs are estimated to reach up to a total of \$1,700,000 which adds up to a total project cost of \$3,100,000. Other building and site locations presented challenges with size limitations and costs associated with remodeling and code compliance mandates.

As a result, the First Financial Bank building was considered as an option for the relocation of City Hall. This option provides an opportunity to better serve the residents and visitors with a drive-thru and a single floor facility. Space availability also allows for a relocation of the Orange Convention and Visitors Bureau with high visibility and accessibility. An independent appraisal was presented to the City at \$2,400,000. First Financial Bank presented an appraisal value at \$4,800,000 and the final negotiated purchase price is \$2,000,000.

After reviewing all of the site locations and costs associated with remodels and ADA compliance mandates, the City Council determined the best value for the citizens of Orange, short-term and long-term, was to move forward with entering into a contract agreement with First Financial Bank at the purchase price of \$2,000,000 with no significant upgrades or remodel costs associated with the transaction. The repurposing of the current City Hall location on Green Avenue will be determined at a later date, which will include public input. The City Council is excited and optimistic with this new opportunity to relocate City Hall to 16th Street, which is a more centralized and accessible location for all residents and visitors.

/s/ Jimmy Sims

Mayor Jimmy Sims