



National Speleological Society, Inc. Headquarters Commission Report

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National Speleological Society
Headquarters Commission
Report to the Board of Governors
June 25, 2011

COMMISSION MEMBERS

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RECOMMENDATION AND SUMMARY:

The NSS Headquarters Commission is required by its charter to obtain Board approval before purchasing real estate. The Commission recommends and requests that the NSS purchase the Huntsville Cahaba Temple (Shriners') and property, 6001 Pulaski Pike, Huntsville, Alabama.

In making this proposal and recommendation, the Commission took into consideration a range of factors including:

- ✓ The ability of any new or existing structure to adequately meet the space and layout needs of the Society for its office, library, bookstore, special collections, and public spaces;
- ✓ The proximity of office supply and other stores, banks, printers, shipping services, post office, emergency services, airport, grottos, and cavers, which are necessary to ensure efficient operation of our headquarters;
- ✓ The size and educational level of the pool of potential clerical and management staff;
- ✓ the quality and cost of important services such as high-speed internet, telephone, sewage, and water;
- ✓ The median educational level and median income for the community;
- ✓ The growth history of the area;
- ✓ The character of the proposed community and neighborhood;
- ✓ The proximity to and the ability to cooperate with public and private organizations sharing similar goals of the Society;
- ✓ Total expected expenses, including acquisition, construction, relocation, and maintenance costs, and
- ✓ Caver appeal and the presence of caves on the site.

The Commission is confident the Shriners' site will enable the Society to most efficiently conduct its business, protect its resources and library collection, add new services, promote speleology and cave conservation, and better serve our membership in a cost effective and efficient way. The Shriners' site meets the objectives and requirements for the NSS headquarters as set out by the Board and will, in the Commission's considered opinion, best position the Society for future growth, development and success.

This recommendation and proposal is subject to the Commission's completion of due diligence on the site such as mechanical and electrical inspections and the Commission's negotiation of an acceptable price for purchase of the property.

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1. Commission Governance and Objectives

The Commission has complied with the Board's and the Commission's own directives.

A. Charter

The Board established the Headquarters Commission and its charter on November 7, 2009, and empowered the Commission through a charter (Act 26-796 Board Manual Appendix AY), with tasks and responsibilities as follows:

- Enable the National Speleological Society (NSS) to fulfill its vision of having a modern headquarters facility this brings the administrative office, bookstore, library, and archives together in one location.
- Place a high priority on the protection and preservation of the environment in general and of caves and karst specifically, and conduct this project as a demonstration of appropriate techniques for developing on karst lands.
 - Create written operating policies and procedures
 - Conduct site selection and acquisition
 - Specify and design facilities
 - Develop of project schedule
 - Obtain permits and zoning changes
 - Select and supervise of contractors
 - Arrange financing and fundraising

The charter also requires the Commission to give a status report at each Board of Governors meeting and to obtain Board approval prior to proceeding, at the following major check points:

- Prior to purchasing real estate
- Upon completion of conceptual design
- Upon near completion of architectural plans
- Prior to engaging contractors and beginning construction

B. Board Instructions

- In addition to the Charter, the Board enacted Act 26-824 NSS Headquarters Location at its November 7, 2009, meeting:

In compliance with Act 26-796 the Board of Governors recommends Kentucky to the Headquarters Commission, as the general vicinity to construct or purchase a headquarters facility to include the NSS Office, Library, and Archives.

At the same November Board meeting, Board members requested the Commission employ a nationally recognized criterion-based decision analysis tool as part of their deliberation process.

C. Commission Policies and Procedures

The Commission adopted a set of internal operating policies and procedures on November 26, 2010. Those policies and procedures are attached as Appendix A.

2. SITE SELECTION PROCESS

Commission members initially visited the sites presented to and considered by the Board, including (the Blenz property near Bloomington, Indiana, property in downtown Horse Cave, Kentucky, other sites near Mammoth Cave, Kentucky, property adjacent to the Shelta Cave Nature Preserve in Huntsville, Alabama, and other sites in Huntsville, Alabama.

The Commission then broadened its search, often with the help of local cavers¹ and real estate professionals. Other sites were visited in southern Indiana; Cave City and Bowling Green, Kentucky; Huntsville and Madison County Alabama; Chattanooga, Tennessee; and the Shenandoah Valley Virginia. Members of the Commission also viewed and/or considered the facilities used by other nonprofit organizations with roughly similar space needs, regardless of location (including, for example, public libraries, charity offices, Hupps Hill Battlefield Park, and the NCKRI headquarters in Carlsbad, New Mexico.)

Throughout this process, the Commission has met in many venues, including southern Indiana; Cave City, Kentucky; Huntsville, Alabama; and Nashville, Tennessee.

From all the sites visited, the Commission then subjectively narrowed the choices to about half a dozen. Next, the Commission used the nationally-recognized Quality Function Deployment (QFD) system to analyze how well these sites fit the needs of the office and Society. The value of a range of attributes, conditions, and services were ranked, and then scored for each site considered. The goal of QFD is to translate often subjective quality criteria into objective ones that can be quantified and measured. The QFD system the Commission used is described in Appendix B.

Two sites, though significantly separated, emerged above the others from the QFD analysis: property along Route 70 between Cave City and Mammoth Cave, Kentucky, and the Cahaba (Shriners') Temple site in Huntsville, Alabama. Members of the commission then did further due diligence on these two sites. Upon substantial completion of the preliminary due diligence process, the Commission voted, 5 to1, to recommend the Cahaba Temple site.

The Commission is proposing and recommending the Shriners' site because it meets or exceeds all of the criteria established by Board and the Commission; additionally on the whole, it exceeds those criteria by a significantly wider margin than any other site.

It is the opinion of the Commission that the Shriners' site represents the best way forward for the Society, and it is the belief of the Commission that the Board and the Membership will coalesce around this selection.

¹ The Commission wishes to thank the following individuals for their assistance in the site evaluation process: Ed Arderburg, Gary Berdeaux, Dick Blenz, Mike Branstetter, Jay Clark, Jim and Lynn Cummings, Jim Curran, Dave Foster, Julie Gackenbach, Jeanne Gurnee, Maureen Handler, Alex and Jenny Hicks, Chuck Lundquist, Larry McCarty, Roger McClure, Camille Mueller, Jennifer Pinkley, Ladonna Rea, Bob Reid, Stanley Sides, Gordon Smith, Michelle Vaughn, Norm Warnell, and the following organizations: American Cave Conservation Association, Bernstein Companies, Cave City Kentucky, Cahaba Temple, Cave Research Foundation, Diamond Caverns, Huntsville Grotto of the NSS, Mammoth Cave National Park, NSS Office, TAG, University of Alabama at Huntsville, and Western Kentucky University. The Commission apologizes to all whom it may have omitted

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3. SITES CONSIDERED BY THE COMMISSION

A. Virginia (Shenandoah Valley)—7 sites

- Winchester. Metal building of about 10,000 square feet for \$895,000. It was half finished (a 5000 square foot showroom for kitchen cabinets), had full utilities, and was convenient to the interstate.
- Strasburg. Hupps Hill Historic Park, Crystal Caverns property
- Strasburg. 7,000 square-foot building in a good downtown location, with perhaps 4,000 square feet of apartments on the second floor.
- Mt. Jackson. Shenandoah Caverns area. 25 acres in an industrial park a mile off the Interstate 81 exit for Mt. Jackson.
- I-81-Mt. Jackson exit. "Indian Trading Post" on 4.5 acres right at the exit, overlooking the interstate. It is very visible. The building is a teardown. Owners asking \$850,000 because of the location.
- Mt. Jackson. 3.5 acres about 2 miles south of Mt. Jackson, on US 11. Asking \$90,000.
- Luray. 213 acres with historic buildings on Route 211 west of Luray Caverns. Asking \$1.75 Million

B. Indiana—2 sites

- Bloomington. NSS-owned Richard Blenz Nature Conservancy, 43.12 acres of mostly-wooded tract, containing the entrance to Buckner Cave.
- Bloomington area. McCarty Property

C. Tennessee—1 site

- Chattanooga. Raccoon Mountain Caverns

D. Alabama—8 sites

- 511 Sparkman Drive. Professional office building.
- University of Alabama at Huntsville. Vacant land next to campus radio station (99-year lease)
- Recently vacated Catholic High School, Huntsville.
- Cahaba Shrine Temple, 6001 Pulaski Pike (Shriners' Site)
- Utility Automation Integrators, Wynn Drive
- Raintree Road. Mountain top vacant land.
- Paint Rock. US72. Vacant land
- Cathedral Caverns. SR77. Vacant land

E. Kentucky—11 Sites

- Indian Cave. Vacant land on SR70 adjacent to Indian Cave property
- Cave City exit on I65. Vacant land SE of interchange behind motel complex
- Cedar Hill Rd. Vacant land behind the 300-foot Mammoth Cave Parkway right of way
- Branstettler Hardware Store, Horse Cave
- Bowling Green. Former Car dealership downtown
- Lost River Cave. Vacant land in front of the Lost River Cave Greenway along commercial corridor.
- Julie Gackenbach properties. Corner of SR70 and Mammoth Cave Parkway. Plus additional acreage along Mammoth Caver Parkway requiring an easement from Mammoth Cave National Park.
- Diamond Caverns Resort property (behind Diamond Caverns Crystal Cave-which is not affiliated with Diamond Caverns Resort)
- Additional sites along SR70 and at the intersection of Mammoth Cave Parkway and I65.

4. SHRINERS' SITE DESCRIPTION

Several factors distinguished the Shriners' site from all the other sites reviewed by the Commission.

A. Site Description:

- The Shriners' site consists 89.19 acres fronting on Pulaski Pike in northwest Huntsville, Approximately three miles north of the existing office building. The site is within the City of Huntsville.
- The Shriners' site is currently the home of the Cahaba Temple (chapter) of the Shrine International Masonic Fraternity.
- Main building is approximately 31,580 square feet and is set back approximately 1,500 feet from Pulaski Pike and approached by a paved road that leads to a landscaped paved parking lot for approximately 300 cars.
- The main building is single story, slab on grade, metal building framework, with block walls and metal roof. It is 33 years old. The building is used for Shrine meetings and public functions in a rental banquet hall, including an annual gun and knife show and an annual blue grass festival.
- Approximately 1/3rd of this site, about 30 acres, between the main building and Pulaski Pike is a grassy park-like area mostly covered in mature trees, with picnic camping, and outside entertainment areas. There are five outbuildings including a covered stage, two pavilions (one with a full industrial kitchen), and two garages totaling another 9,200 square feet.
- The rest of the site, beyond the main building is a mature wooded uplands area.
- The building's amenities and the quality and range of services at the location exceed those available at any of the other sites, and offer the NSS the best value.

B. Zoning and Environmental Considerations

- The first 300 feet of the property adjoining Pulaski Pike are zoned commercial and the rest of the property is zone residential. Thirty years ago, the Shriners received a zoning variance that allows them to operate on the site. On June 21 2011, the Huntsville Zoning Board unanimously approved the transfer of the Shriners' variance for the property to the Society. This variance, in the opinion of Clark, Hair and Smith, PC, is sufficient to permit the NSS to engage in its current businesses, rent the banquet hall, and hold outdoor events annually.
- Environmental Response, Inc has completed an evaluation of the environmental database search for the property. There are no known issues that would impact this site. Its report is Appendix E.

C. The Main Building

- The main building consists of offices, public reception areas, meeting rooms, and storage areas (20,580 square feet) and a large auditorium reported to be the largest open meeting space (no pillars) in Madison county (11,000 square feet).
- The 20,000+ square foot area will be reconfigured as described in Section 6.
- All utilities including fibre optic cables are in place. The site has public water, public sewage, and public natural gas.

D. The Grounds

- Camping is possible, with fully developed toilets, water and power in several outbuildings.
- Fifteen RV sites have power outlets—seven also have water.
- A large tent camping area has water and power.
- The landscaping is attractively developed and mature.
- The roadway and parking are established and in very good condition.

5. THE COMMISSION'S RATIONALE FOR CHOOSING THE SHRINER'S SITE

A. Huntsville Is Among the Best Locations in the Nation.

- Local and regional support for the site is very strong. Cavers from all over the country will appreciate the potential for using the property as a base for caving excursions. The ability to retain our skilled staff would be maintained. Existing commercial and banking relationships would be retained.
- This was the only site with income potential that would offset operating costs.
- The Shriners' property is the most "green" option of all the sites.
- Huntsville is the county seat of Madison County, and the fourth-largest city in Alabama. The Huntsville metropolitan area's 2010 population was 417,593.
- Huntsville was originally referred to as "Cave City." There are over 240 caves within its city limits. Now commonly referred to as "Rocket City," is one of the most recognized cities in the Southeast, and is consistently named as one of the best places to live and work by a variety of national publications, regularly named as a premier location for both business and quality of life. In 2005, Forbes Magazine named the Huntsville-Decatur Combined Statistical Area as 6th best place in the nation for doing business. In 2009, *Kiplinger's Personal Finance* named Huntsville as America's Best City. Home to several Fortune 500 companies, Huntsville also offers a broad base of manufacturing, retail and service industries.
- The National Trust for Historic Preservation named Huntsville to its "America's Dozen Distinctive Destinations for 2010" list. In 2008, visitors spent an estimated \$991 million in Huntsville/Madison County, providing jobs for nearly 14,000 residents.
- Huntsville boasts five higher education institutions, and satellite locations for ten other colleges and universities.
- There are over 1,850 caves within a 25 mile radius of Huntsville, and 3,950 within 50 miles. The region boasts over 13,000 recorded caves, many of them TAG classics. Cavers regularly come from around the U.S. and Canada to cave in the area. The annual TAG Fall Cave-in attracts over 10% of the cavers from the East and Midwest, as well as further afield, and is a significant event for the NSS Bookstore.

A. The Shriners' Facility Meets and Exceeds our Needs

- The 20000 square feet of space would be used for the office, library, historical "museum" collection storage and display and training rooms. None of sites considered yielded more than 15,000 square feet for the same cost. Even excluding the auditorium, the site provides 50% more area for what we would spend on other sites. Effectively, the 11,000 square foot auditorium is free.
- The building and grounds are compatible with NCRC training needs.
- This building and grounds have the amenities to host a national convention (except for vertical sessions which could be held at a local school 5 blocks away, or an allowance made during our rebuild)
- A large auditorium provides the NSS the opportunity to stage large conferences. Building this auditorium would not be possible in a green-field site due to budget constraints.
- All utilities including fibre optic cable are in place and functioning.

B. Local and Regional Support is Strong

- The local grotto is large and very enthused about this site. The Huntsville Grotto has an outstanding history of support for the NSS office and for providing a steady stream of volunteer assistance. Several office functions are performed by local caver volunteers.
- Regional membership support of this site is very strong and is expected to be a significant source of fund raising.

C. The Site Has Many Potential Uses by the Society's Membership

- Society members would welcome the opportunity to camp in a caver-friendly campground and use it as a base for caving. This benefit would attract more members to the office to use the library, see exhibits, and shop at the bookstore. The value of the Society and its headquarters would increase greatly in the eyes of our members.
- This is the only facility considered by the Commission that could support an NSS Convention.

D. The Site Allows the Society to Retain Skilled Office Staff and Commercial Relationships

- The Commission felt this was an important factor. Relocating the headquarters outside of the Huntsville area would require us to hire and train new staff to take over our critical accounting, membership, and bookstore tasks. The delay and expense in getting new staff up to speed on our system and culture would likely cause disruptive delays. Additionally, Huntsville offers a large pool of prospective, educated, and experienced future employees within a close proximity to the site, a vital attribute not available in most of the other locations that were considered, due to the size of the communities.
- The Society enjoys a good commercial reputation in Huntsville and has established excellent banking relationships, which has worked to our advantage on numerous occasions. The Shriners' site allows us to continue these relationships.

E. More Commercial Services Support This Site

- Over 20 banks
- Over 10 office supply stores
- Over 12 Post offices
- Over 20 Hardware stores
- Dozens of Building, appliance, communication equipment, computer repair services
- UPS Customer Service Center as close as 5 minutes away; Multiple FedEx locations; both have daily pickup.
- UPS/FedEx address is within city limits (the rural addresses of the other sites would increase our shipping/receiving costs several thousand per year)
- Dozens of U-Haul and car rental offices

- Multiple fire, rescue, and police services
- Major Airport in City, Interstate Highway
- The University of Alabama at Huntsville library is five miles away (advisory staff and expertise).

F. The Shriners Site Is the Most “Green” Option

- Renovating an existing building is significantly more environmentally sound than constructing a new building.
 - a) The grounds are not disturbed and soil runoff not created, as it would be for a new building. Trees would not need to be cut.
 - b) The environment is not disturbed to bring in utilities
 - c) Far fewer new materials would be required to refurbish an existing building, which means far fewer resources and energy would be consumed.
 - d) The use of rooftop solar panels is fiscally feasible. See Appendix B.

G. There is Unique Income Potential to Offset Operating Costs

- The building is perfectly situated for solar power installation and effective operation. Little is required to upgrade for efficiency.
- Solar panels to generate electricity should exceed our daily usage. The potential sell-back to the TVA is \$15,000 per year. No other site had the same level of potential.
- The Shriners’ site currently generates \$30,000 in income from rental of the auditorium and campground for events. (Based upon a three year average using Shriner 990 filings.) Since there is no need in the near future for the banquet hall to be used permanently for a headquarters function, the NSS can continue the practice. The Commission has been approached by two qualified individuals interested in acting as the rental agent on a commission basis.
- Facility rental will not impact our non-profit status. Only the rental portion of our income would be considered “Unrelated Business Income” per the following IRS regulations: <http://www.irs.gov/charities/article/0,,id=96104,00.html> and <http://www.irs.gov/pub/irs-pdf/p598.pdf> Many non-profits use this as a fund raising means.
- NSS Conventions spend \$30,000 to \$60,000 for facilities and campground rental. This amount could be set aside in the building maintenance restricted fund for Conventions held at the Shriners site.

6. BUILDING USE PLAN

A. Office Plan

- Objective: To provide a clean, safe, professional working environment for our employees engaged in the day-to-day operation of the society's business.
- Requirements:
 - a) Facilitate efficient daily operations
 - b) Provide secure storage for appropriate corporate documents
 - c) Provide safe, secure, pleasant work environment for employees
 - d) Conference room for 30 people.
 - e) Adequate space for up to eight employees/volunteers to conduct the business of the Society effectively.
 - f) Staff only rest rooms
- Comments: All offices adjacent to the existing lobby would be removed to permit expansion of the lobby and display area. Existing restrooms and mechanical room would be retained. The new office area would be 50% larger than our current Cave Avenue site and organized to use the floor space more efficiently.
- The office area would consist of:
 - a) A conference room
 - b) Open area with modular furniture for employees
 - c) The break room would be incorporated into the serving kitchen across the lobby
 - d) Secure (theft, fire, flood) storage for corporate documents
 - e) New windows to provide natural light and additional emergency egress
 - f) Secure Wi-Fi
 - g) The existing video security system would be relocated into this area.

B. Library Plan

- Objective: Provide an attractive, well-appointed space to securely (fire, water, theft) house and protect the world's premier speleological library.
- Requirements:
 - a) Shelving and drawers for our current collection
 - b) Shelving and drawers for growth of the collection
 - c) Workstations for researchers
 - d) Office space for a part-time or full-time librarian
 - e) Secure (water, fire, theft) storage for rare books and collections.
 - f) Internet accessibility
- Comments: The library floor space would be well over twice as large as our current facility. There is the opportunity to create an architecturally interesting entrance from the library into auditorium and a window to permit auditorium users to view the library.

- The library would consist of:
 - a) Appropriate shelving and map drawers
 - b) Four researcher modules (similar to employee furniture, but smaller)
 - c) Reading area for visitors
 - d) Office space for librarian and assistant(s)
 - e) Secured Wi-Fi access
 - f) Secure (water, fire, theft) storage area for NSS historical and other irreplaceable items

C. Bookstore Plan

- Objective: To create an operations area for the NSS Bookstore, with roll-out loading area and adequate storage space for the full inventory.
- Requirements:
 - a) Sufficient storage for existing and future inventory; items needed for the traveling bookstore; and banners, flags, and other special décor.
 - b) Shipping and receiving area
 - c) Packing and postal prep area
- Comments: The bookstore area would be connected by a short hallway to the main office. The new bookstore space would be more than three times larger than our current Cave Avenue area and facilitate all our inventory storage needs. There would be also storage space for rotating lobby displays.
- The bookstore area would consist of:
 - a) Work station for bookstore staff
 - b) Secure storage for bookstore inventory and office supplies
 - c) Secure storage area for lobby displays
 - d) Mail room
 - e) Computer area for e-book development
 - f) Roll-in/out loading area that would accommodate pallet delivery.

D. Art & Collectible Display—Lobby Plan

- Objective: To provide a visually striking space to display NSS spelio-art, historic collections, and mission-orientated displays
- Requirements:
 - a) Public rest rooms
 - b) Entrances for the auditorium and office.
 - c) Enhanced lighting and sufficient electrical outlets for additional lighting as required by exhibits
 - d) Public seating area
- Comments: The lobby is 32 by 18 feet, with a ticket booth and coat storage area and handicap-accessible restrooms. The area could be greatly expanded by removing the adjacent small offices, improved with enhanced lighting, and transformed into a visually striking space. With the removal of the small offices the lobby will be 32 by 58 feet with 12 foot ceilings except higher in the atrium. The restrooms would be

updated, as well as the serving area off the lobby that is used to stage food for banquets. The lobby area would be perfect for niche and free-standing display units.

E. Meeting Rooms Plans

- Objective: To create conference/training rooms for NSS meetings and sponsored conferences
- Requirements:
 - a) Flexible seating configuration for each room
 - b) Multi-media presentation capability in each room
 - c) Rest rooms for conference room users (existing)
 - d) Social gathering area
 - e) “Mud room” option for activities that would not be appropriate for indoor rooms
 - f) Wi-Fi ability.
- Comments: Five conference rooms are located in the southwest corner of the building, ranging in size from approximately 26 by 30 feet to 32 by 35 feet. Each with its own emergency exit, and heating/cooling system so they may be shut down when not in use. Each has a “kitchen” consisting of a wet sink, cabinet space, and appliance area.
- The rooms are sound, and would require repainting. Furnishings would be selected that allows several configurations to facilitate maximum use of the rooms.
- There is an outside 22 by 70 foot deck for conference activities, social gatherings and cookouts. The deck would function well for “mud room” activities specific to caving and cavers such as rigging demonstrations and WNS disinfection instruction.

F. Auditorium Plan

- Objective: To provide a large meeting area capable of seating 1000+ for large training seminars, dinners, presentations.
- Requirements: Clean, energy efficient large meeting room with banquet facilities.
- Comments: This auditorium is the largest open (no pillars) hall of its kind in the Huntsville area, larger than the City’s Convention Center Hall. The Shriners rent this facility for various events and have documented rent income in excess of \$30,000 per year.
- Improvements needed:
 - a) Upgrade lighting fixtures and lights
 - b) Painting and cleaning
 - c) Ceiling tile renewal
 - d) Upgrade the food service area to include an employee break area.

7. FINANCIAL FAQs

A. **Should the NSS raise funds for a future building, banking the money raised until there are sufficient funds and better economic circumstances?**

- A traditional approach to a building project by groups that lack cash reserves that would enable them to secure commercial funding is to create a design and to fund raise against that design. When sufficient funds are raised, the project is launched. Fortunately, the NSS is not in this situation because we have more than \$ 3 million in funds held by the National Speleological Foundation.
- The NSS needs the safe storage space now. Waiting several years only increases the risk of damage or loss to our library, inventory, archives, and historical collections due to insecure (water, fire, theft) storage.
- “Saving up” for capital projects is not considered a sound business practice. Costs rise faster than interest rates; projects eventually start prematurely to retain interest; and lack of “real product” makes fund raising difficult.

B. **Should the NSS borrow its money from the National Speleological Foundation?**

- This would mean borrowing money from ourselves, for the Foundation holds NSS money in various restricted and special purpose funds and invests the money on our behalf. We rely on the investment income from these funds to supplement our Operating Budget and to provide income for the purpose of each fund. If we were to borrow from these funds, then the Foundation would be required by our own rules to charge us interest equivalent to approximately the historical rate of return on those investments, perhaps 8%. If the Foundation charged us the commercial rate, our investment income, and thus our programs, would suffer.
- Borrowing from the Foundation limits the NSS’s management flexibility, since the funds borrowed would not be available to support the Society’s programs.
- The Foundation would be forced to sell assets at a relative market low after a few years of poor performance, and with a good growth for the future.

C. **Should the NSS secure a commercial mortgage from a bank?**

- Interest rates are at near historic lows, about 4%, making a commercial loan a far more fiscally intelligent funding route than borrowing from ourselves. The loan would be secured by the building and the assets of the Society. The NSS has about \$350,000 available for an adequate down payment.

D. **Why not buy land now and construct a building when we have raised significant cash?**

- There are two parts to this answer.
 - a) Interest rates are at historic lows. Therefore, securing a loan would mean we would need to raise far less money than if we waited and rates increased, which will happen when the Federal Reserve moves to stop inflation. Therefore, if we wait, we’ll pay more, which means our members would need to donate far more of their money to support the project.

- b) Construction loans are more expensive (higher interest rate) than loans to purchase a standing building. Even a 2% interest increase on a \$2 million loan, for example, means we would pay (and need to fundraise) hundreds of thousands more dollars in interest over the life of the loan.

E. Is this time right time to buy?

- Yessiree. Property values are about 30% lower than 9 years ago, and interest rates are at historic lows. This is a rare window of opportunity unlikely to repeat itself for many decades.

F. Can we do it?

- Regardless of one's opinion on the question of the office site, no one involved in the discussion anticipates failure to raise enough funds for the project, or believes the cost of the project is beyond the reasonable capability of the Society. Our goal should be to plan for success and to minimize the risk with good planning.

8. FINANCING PLAN

Fund Raising for the new office will fall under the direction of the Fund Raising Committee. What follows is the Commission's vision for a plan to finance the purchase, provide for renovations and supply all necessary furnishings. See Appendix D for an estimate of expected expenses.

Debt Financing—Commercial Loan

- Interest rates on commercial loans are far lower than what the National Speleological Foundation (NSF) would be required to charge to maintain the income stream that would otherwise be generated from investing the money loaned.
- Secure commercial loan using NSS funds that are specifically set aside for a new facility totally \$210,000. Additional funds can be made available by Board action.
- The option of self-funding by borrowing against restricted funds held by the NSF would be reserved as a long-term backup option.

Revenue Generation Opportunities

Revenue generation will be the result of a series of campaigns with specific goals and time spans. One ongoing campaign will become stale. Rather, the intent will be to have a well-defined beginning and end to each campaign. For example, we would launch a Spring campaign in April and finish at Convention where the amount raised will be announced and celebrated. Targeted campaigns to appeal to specific membership groups will be used. Direct appeal letters citing the tax advantages of donating will be used in the tax season. Specific targets, limited scope and span, easily understandable message and cool commemorative or recognition are keys to success.

Some revenue generating ideas include:

- Monthly payment plan (2500 members contributing \$25/month for four years raises \$3 million dollars).
- Bond sales: Sell \$5,000 unit bonds. The NSS would pay back 10% of the bonds each year starting at year 10 and ending by year 20. This is, in effect, a loan from the membership. The Commission anticipates a large number of members would elect to donate their annual interest payment and donate their bond when its term expires. A reasonable expectation would be to sell 100 bonds.
- Buy-a-brick.
- Grants and state/federal assistance (See Appendix C for potential sources)
- Naming donations - Encourage members to make donations for particular areas or rooms
- Memorial donations - Pursue memorial donations for future enhancements
- Matching Donations (large donors agree to match smaller donations).

Offsetting Income

Operating any facility is not free. Shriners' presents an opportunity to generate offsetting income:

- Rental of auditorium and lower grounds for events - \$15-30K per year
- Sale of solar energy - \$15K+ per year based on installed units
- Convention site - \$30-60K per instance
- Regional NCRC training facility (cost savings internally)

Appendix A

Commission Policies and Procedures

National Speleological Society Headquarters Commission Operating Policies and Procedures

Adopted November 26, 2010

I. Generally.

A. The purpose of the National Speleological Society (“NSS”) Headquarters Commission (“HQComm”) is to fulfill the NSS’s vision of having a modern headquarters facility which brings the NSS’s administrative office, bookstore, library and archives together in one location. The HQComm’s responsibilities include:

- site selection and acquisition;
- facilities specifications and design;
- development of a project schedule; • obtaining permits and zoning changes, if required;
- selection and supervision of contractors; and
- financing and fundraising. The HQComm will place a high priority on the protection and preservation of the environment in general and of caves and karst specifically, and to the extent it involves development on karst lands, conduct its business as a demonstration of appropriate techniques for such development.

B. The HQComm will act in accordance with its charter approved by the NSS Board of Governors (the “Board”) on November 7, 2009, and any other acts of the Board concerning the HQComm (together, the “Charter”).

C. Changes or exceptions to these policies and procedures may be made only by unanimous vote of the HQComm, with notice to the NSS President.

II. Membership and Officers.

A. The members and officers of the HQComm are set out in the Charter.

B. The Financial Officer shall be appointed by the Chairman with the approval of the HQComm. The Financial Officer must be an HQComm member other than the Chairman and the OVP.

C. In addition to the officers set forth in the Charter, the Chairman shall appoint an HQComm member as Secretary. The Secretary shall record minutes, maintain records, and maintain a Web page for communication with NSS members.

III. Meetings.

A. The Chairman or any three members may call a meeting with reasonable notice (under the circumstances) to all the members of the HQComm. Meetings of the HQComm may be conducted in any manner (e.g., in person, by phone, by email, etc.). A quorum consists of 4 members.

B. Any actions of the HQComm called for by the Charter or by these Policies and Procedures shall be made at a meeting by a simple majority of the non-abstaining votes. No secret ballots are permitted.

IV. Finances.

- A.** All financial accounting and disbursements for the HQComm shall be handled in accordance with the Acts of the Board and with NSS financial processes and reporting requirements.
- B.** The Financial Officer shall monitor all financial activity and make regular reports to the NSS Secretary-Treasurer or his or her designee. The Financial Officer shall make all the HQComm's financial records available to the NSS Secretary-Treasurer or his or her designee for oversight and auditing.
- C.** The HQComm shall operate in accordance with a preliminary budget developed by the HQComm and approved by the Board. The HQComm may change line items in that budget, but may not change the total expenditure number without Board approval, and shall keep the President of the NSS advised of any changes to the preliminary budget.
- D.** The assets entrusted to the HQComm shall be maintained either in federally-insured bank account(s), or in the NSS Headquarters Fund of the National Speleological Foundation. At least the Financial Officer, the OVP, and the Chairman shall have signature authority over any such bank account(s).
- E.** Except for reimbursements of expenses for HQComm members, expenditures under \$5,000 may be authorized by the Financial Officer or Chairman alone. Expenditures of \$5,000 or more shall be approved by vote of the HQComm. Checks for \$5,000 or more shall be signed by the Financial Officer and the Chairman, or if one of them is unavailable, both by the other and by either the OVP or another HQComm member who is authorized to do so by the HQComm.
- F.** Because the work of the HQComm necessarily involves travel for site evaluation and progress assessment, the HQComm may reimburse reasonably necessary travel expenses for HQComm members in accordance with the NSS Executive Committee's interpretation of Board Act 16-439. Such reimbursements shall be authorized by someone other than the HQComm member being reimbursed him-or herself. Checks payable to a member of the HQComm shall not be signed by that member.

V. Contracts.

- A.** All written contracts reasonably expected to involve an expenditure under \$5,000, plus all "buyers' agent" agreements for locating real estate, must be approved by the HQComm, which may authorize any member of the HQComm to sign such a contract.
- B.** All contracts reasonably expected to involve an expenditure of \$5,000 or more, except "buyers agent" agreements for locating real estate, must be approved by the HQComm and must be signed by the Chairman, or if he or she is unavailable, by the OVP or another member of the HQComm whom the HQComm has authorized.
- 1.** The provisions of such contracts must be reviewed by (a) the NSS Legal Committee or another lawyer, and (b) the NSS President.
- 2.** Except as provided below, such contracts must be competitively bid and awarded to the lowest bidder who, in the HQComm's discretion, is sufficiently qualified and responsible.
- a.** Changes, additions, and term modifications may be negotiated with a selected contractor without rebidding a contract.
- b.** In special circumstances, such contracts may be awarded without competitive bidding if the HQComm decides that competitive bidding is not practical or acceptable, and if the HQComm informs the NSS President in advance of the awarding of the contract. The special circumstances shall be recorded in the minutes of the meeting where such contract is awarded.
- c.** NSS members may bid on any contract, but the HQComm shall not give any preference to bidders who are NSS members, except that the HQComm may in its discretion give sufficiently qualified and responsible NSS members an opportunity to match or beat another bid.
- d.** If such a contract involves speleological artwork or decorations or requires specialized knowledge

of the NSS or of speleology, the HQComm may restrict bidding to NSS members or their companies only, and may award such a contract without competitive bidding.

3. The HQComm shall not award any such contract to a member of either the HQComm or the Board, or to a company in which they have a financial interest.

VI. Reports to the NSS.

A. The Chairman shall make a written and/or oral status report at each meeting of the Board and at such other times required by the Board. The Chairman shall provide any written portion of any such report in a timely fashion as required by the Board. Members of the HQComm must be given a reasonable opportunity to review and discuss the content of the written and/or oral reporting before it is given to the Board.

B. The Chairman shall keep the NSS President informed of the work of the HQComm, including as provided above, certain contracts expected to involve an expenditure of over \$5,000, changes or exceptions to these policies and procedures, changes to the preliminary budget, and notification in advance of certain no-bid contracts.

C. As provided above, the Financial Officer shall make regular reports to the NSS Secretary-Treasurer or his or her designee and shall make all financial records available to the NSS Secretary-Treasurer or his or her designee for oversight and auditing.

Appendix B

Criteria Development and the Quality Function Deployment Process

The tool used to evaluate the final slate of office location candidates is called Quality Function Deployment. QFD is a systematic process for motivating an organization to focus on its diverse wants and desires. In the case of the National Speleological Society, the process allows a team to quantify the benefits of locations, business strategies, operational concepts and seemingly intangible goals and wishes in an evaluation system that permits a rational and explainable outcome.

In the process to select an office site that best suited our needs, the first step was to identify the criteria that are essential for the operation of the NSS office, the future development of the society, and the maximization of our membership's participation and appreciation. The NSS Board of Governors in their initial evaluation of various sites developed a comprehensive set of criteria. After a series of revisions (11 in all) by the Headquarters Commission, the final list of criteria included of the concept of an office located and designed to attract public interest and visitation. In addition, the criteria were revised to reduce a tendency to yield an outcome that favored urban environments.

The second step of the process was to gather related criterion into groups according to its specific function, depending on whether it served the NSS office or a goal of the Society.

In the third step, the criteria and groups were each assigned point values that, effectively, ranked them by order of importance. The total number of points for all the groups was 100. The total number of points for the criteria within each group could not exceed 100. The reader will quickly see a percentage system was being developed.

Finally, the various contender sites were ranked against each criterion. The discipline of the process requires the single site that best matches the criteria would receive a "9." Sites that were good but not as good as the "9" site would receive a "5." Sites that could be made to work with enough money but were not up to "5" standards would receive a "3." Sites that did/could not achieve any criteria would receive a "0." While the numbers seem arbitrary, the process is designed to ensure the best site for a specific criterion is well separated from the rest of the sites.

At the final tally, statistically a 3% or greater lead is significant. The difference between the Cahaba Shrine Temple and the second-ranked site is greater than this. If the process had been followed per QFD rules the results would have been driven even further apart, resulting in a difference between 10-12%. The ranking of each site would not have changed, only a greater ranking spread.

This tool has been used successfully by GM, Ford, Primedia, and numerous other large corporations and organizations to compare dissimilar concepts with overwhelming success. More information on QFD may be readily found online.

% Total	Chacteristic	% Characteristics	Element	Evaluation Parameters	Blenz Preserve	Bowling Green	Cave City Exit	Indian Cave & Adjoinin	Shriner Property	511 Sparkman	Raccoon Mountain	Cedar Hill
15.00%	Efficient Operation of the Office	10	Banking	Min of 3 nearby	3	9	9	5	9	9	9	5
		4	UPS/FedEx	On Daily Route is mandatory	0	9	9	9	9	9	9	9
		1	UPS/FedEx Customer Service Cente	Closer is Better	5	9	5	5	9	9	9	5
		6	Office Supply Capability	More/Closer is Better	5	9	5	5	9	9	9	3
		5	Printers/publication	Closer is Better	5	9	5	5	9	9	9	3
		10	Post Office, Full Service	Closer is Better	5	9	9	5	9	9	9	5
		15	Clerical Labor Pool	Higher ROI skillset is better	9	9	5	5	9	9	5	5
		3	Police	full-time local is better	3	9	5	5	9	9	9	3
		1	Security companies	yes is better	9	9	9	9	9	9	9	9
		2	Quality of Life of the Town	Higher is better	5	9	5	5	9	9	5	5
		3	Median Income	Higher is better	5	5	3	3	9	9	5	3
		4	Educational Level	Higher is better	9	9	3	3	5	5	5	3
		3	Community Growth History	Higher is better	5	9	0	0	5	5	3	0
		5	Grotto Support	More/closer is better	5	3	3	3	9	9	9	3
		1	Local Grotto	More/closer is better	9	5	3	3	9	9	5	3
		7	Non-Caver (temporary labor)	More/Closer is better	3	5	3	3	9	9	3	3
		10	High Speed Internet Access	Faster is better	5	5	5	5	9	5	5	5
		8	Telephone Lines	Clean Transmission is better	5	9	9	9	9	9	9	9
		1	# Parking spaces		9	9	9	9	9	9	9	9
		1	Cave Access	no cave is better	3	5	9	3	3	9	5	9
		100			78.9	117.3	87.75	74.85	129.9	124.8	104.4	71.55
30.00%	Delivery of Member Services	5	Freight entrance	Ease of Loading Dock access	9	9	9	9	9	3	9	9
		40	Office Space	more is better	5	5	5	5	9	3	5	5
		35	Book Store Space	more is better	9	9	9	9	9	5	9	9
		20	Conference Rooms space	more is better	9	9	9	9	9	5	9	9
		100			168	168	168	168	216	93	168	168

% Total	Characteristic	% Characteristics	Element	Evaluation Parameters	Blenz Preserve	Bowling Green	Cave City Exit	Indian Cave & Adjoinin	Shriner Property	511 Sparkman	Raccoon Mountain	Cedar Hill
3.00%	Low Ongoing Maintenance Cost	8	Sewer cost	Lower cost is better	3	9	9	5	9	9	9	5
		32	Heating/Cooling Units	Energy Efficiency is Better	9	9	9	9	5	0	9	9
		5	Moving costs	Less is better	3	5	5	5	9	9	5	5
		10	Property taxes	Lower cost is better	9	3	5	9	3	3	5	9
		10	Electricity	Availability and lower cost is b	3	9	9	9	3	5	9	3
		10	Age of Building	newer is better	9	9	9	9	5	3	9	9
		10	Gas	Natural Gas is better	0	9	9	0	9	9	0	0
		8	Water		5	9	5	9	9	9	9	3
		5	Fire Department	full-time ard closer are both be	3	9	5	5	9	9	9	3
		2	Age of Parking	newer is better	9	9	9	9	5	3	9	9
		100			18.3	24.6	23.64	22.14	18.12	13.2	22.5	18.6
4.00%	Ability to Work with Outside Groups	24	Cooperative associations	More/Closer is Better	3	5	9	9	5	5	3	9
		38	Major University	4 year is better-closer is better	3	9	5	5	5	5	3	5
		38	Government Relations	Subjective	5	5	9	9	5	5	5	9
		100			15.04	26.08	29.92	29.92	20	20	15.04	29.92
4.00%	Membership Support for the Office Project	20	Cave on property	yes & bigger is better	9	0	0	9	5	0	3	3
		20	Caver Curb Appeal	Subjective	9	3	5	5	5	5	3	9
		7	Neighborhood nature	Subjective	9	9	5	5	3	9	3	9
		8	Neighborhood quality	Subjective	5	5	3	3	3	9	3	9
		20	Effect on fundraising	Effect on major donors	3	3	3	9	7	9	3	7
		25	Accessible Caves within 25 mile rad more is better		3	5	5	5	9	9	5	5
		100			23.92	13.92	13.76	25.76	24.4	25.6	14	25.6
4.00%	Ease Travel to or Staying at the Office for Business	25	Airport	Closer is Better	3	5	5	5	9	9	9	5
		20	Freeway	Closer is Better	3	5	9	5	5	9	5	5
		5	Roads	Paved is better	0	5	3	5	5	9	3	5
		3	Gas Stations	Closer is Better	5	9	9	5	9	9	5	5
		7	Restaurants and Hotels	Closer is Better	5	9	9	5	9	9	5	5
		20	Major Population Center	More/Closer is Better	5	5	3	3	5	5	5	3
		5	Nearest Business Neighbors	Closer is Better	5	9	9	5	9	9	5	5
		15	Distance from caver pop. Density ce Closer is Better		5	5	5	5	5	5	5	5
		100			15.4	22.4	23.6	18.4	26.4	30.4	23.6	18.4

% Total	Characteristic	% Characteristics	Element	Evaluation Parameters	Blenz Preserve	Bowling Green	Cave City Exit	Indian Cave & Adjoinin	Shriner Property	511 Sparkman	Raccoon Mountain	Cedar Hill
18.00%	Public Outreach	5	Feet-Thru-The-Door potential (FTTD)	more is better	0	5	5	5	5	9	5	5
		20	FTTD w/Cave Interest	Caver Tourist Potential	0	5	5	9	3	0	5	5
		20	Public Curb Appeal		0	5	5	5	5	5	3	9
		15	Public Area	more is better	9	9	9	9	9	5	9	9
		2	Local Newspaper	Daily is better	9	9	3	3	9	9	9	3
		3	Local radio/TV Station	more is better	9	9	3	3	9	9	9	3
		35	Support Speleology	Science and education	5	5	0	9	3	3	0	0
		100			63.9	104.4	67.5	138.6	84.6	66.6	65.7	81.9
18.00%	Library/Museum	45	Library Space	more is better	9	9	9	9	9	5	9	9
		5	Fire Suppression System	yes is better	5	9	9	9	3	9	9	5
		20	Professional librarian	availability	9	9	5	5	9	9	5	5
		5	University support for library	4 year is better-closer is better	3	5	5	5	9	9	3	5
		5	Secure Storage/safe	yes is better	9	9	9	9	3	9	9	9
		20	Exhibit potential		9	9	9	9	5	3	9	9
		100			153	158.4	144	144	136.8	108	142.2	140.4
5.00%	Extraordinary Items	5	Hall for Rental	Yes is better	0	0	0	0	9	0	0	0
		5	Grounds for Rental	yes is better	5	0	0	7	9	0	3	3
		15	Caver Camping	existing is better	5	0	0	5	9	0	0	3
		15	Caver Regional Events	large is better	3	0	0	9	9	0	5	3
		10	Convention Site	yes is better	0	0	0	5	9	0	0	0
		40	NCKMS Site or similar events	Yes is better	5	5	9	9	5	5	5	9
		10	Δ Property Values	Investment potential	5	5	3	3	9	9	3	3
		100			19.75	12.5	19.5	34.25	37	14.5	16	24.75
0.00%	Timing		Estimated time to completion	shorter is better								
	Timing		Overlap with current operations	yes is better								
	Timing		When can start	Now is better								
					556.21	647.6	577.67	655.92	693.22	496.1	571.44	579.12
101.00%					\$0	\$200,000	\$240,000	\$241,000	\$0	\$0	\$0	\$100,000
					\$1,890,000	\$1,890,000	\$1,890,000	\$1,890,000	\$1,870,000	\$2,500,000	\$1,890,000	\$1,890,000
					\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$0	\$100,000
					\$1,890,000	\$2,090,000	\$2,130,000	\$2,131,000	\$2,270,000	\$2,900,000	\$1,890,000	\$2,090,000

APPENDIX C

Going Green

TVA Renewable and Solar Energy Incentives

Generation Partners™ Program – TVA (Residential/Commercial)

The Tennessee Valley Authority along with affiliated utility companies grants a power generation incentive for homeowners and commercial businesses that utilize renewable energy systems.

Qualifying systems: biomass, small hydropower, solar panel installation, and wind power.

Incentive amount is dependent upon the type of system. For solar systems, customers will receive a premium rate of \$0.12/kWh on top of the standard retail rate. All other renewable energies are offered \$0.03/kWh plus retail rates (small hydropower, biomass and wind energy systems).

New subscribers will receive a \$1,000 bonus for joining that can be put toward installation costs of a given system.

There is currently no maximum incentive for this program.

Reimbursement is represented in the form of credit on the participant's monthly electric bill. For net excess generation produced, energy distribution companies will issue payment based on their company's pre-established rates.

Systems must be greater than 500 watts and no larger than 999 kilowatts to participate.

<http://www.dasolar.com/energytaxcredit-rebates-grants/alabama>

Generation Partners™

Homes and businesses that participate in Green Power Switch® (GPS), a green power pricing program, are doing something good for the environment. TVA and participating power companies offer consumers an additional opportunity to help protect the environment—a program called Generation Partners. Generation Partners provides technical support and incentives for the installation of renewable generation systems. The program makes more green power available for GPS subscribers, and it creates a market for green power generation by homeowners and businesses.

Program participants support the environment by helping keep the Tennessee Valley clean and green. They also benefit by defraying the costs of their renewable system installation and lowering their monthly energy bills through the revenue they receive from the sale of the green power.

What is Generation Partners?

Generation Partners™ is a TVA renewable energy initiative that provides technical support and incentives for the installation of renewable generation facilities. It was started as a pilot in 2003 as a result of requests from end-use customers for “net metering” standards in the TVA service territory. Net metering enables customers to use their own generation to offset their consumption over a billing period by allowing their electric meters to turn backwards when they generate electricity in excess of their demand. This offset means that customers receive retail prices for the excess electricity they generate. Because of TVA's current contracts with its local power companies, net metering is not an option in the TVA service territory. TVA created Generation Partners as a “dual metering” option, an alternative to net metering. With the

Generation Partners program, there are two meters, and TVA purchases 100 percent of the green energy output and then uses solar, wind, low-impact hydropower, and biomass as a Green Power Switch resource.

Green Power Switch is an energy option that allows local power companies throughout the Tennessee Valley to provide their customers the choice to buy electricity produced by renewable resources. TVA-owned generation in the Green Power Switch Program includes solar, wind, and methane gas from a wastewater treatment plant. See www.greenpowerswitch.com for more information on Green Power Switch.

What are the benefits of participation in Generation Partners?

Program participants support the environment by helping keep the Tennessee Valley clean and green. For example, a three kilowatt (kW) system's annual benefits are equal to planting an acre of trees or taking a car off the road for four months. In addition, solar systems help improve air quality by reducing emissions of fine particulate matter, nitrogen oxides and sulfur dioxide. Participants also benefit by defraying the costs of their renewable system installation and lowering their monthly energy bills through the revenue they receive from the sale of the green power.

<http://www.hsvutil.org/residential/energy-programs/>

Going Solar

How would the NSS go solar at the Shriners property and what is it worth to us?

What is the potential energy available?

Using TVA calculation tools, the low-side solar potential average for the Shriners property is 4.64 kWh/day per m². Based on actual electrical bills for the building, the group used 265,402 kWh for the entire 2010 year, or 727.13 kWh/day average.

How many photovoltaic solar panels will we need?

The energy potential divided by the kWh/day average, gives the number of square meters of solar panels needed to break even. For the Shriners building, the result is ~157 m² (727.13/4.64 = ~157 m²). This is a break-even figure. Any energy produced over what is used is banked at "green energy" prices. For instance, if we paid the going rate of \$0.10 per kWh, TVA reimburses green energy not only at the original \$0.10 but also an additional \$0.12 per kWh for a total of \$0.22 per kWh (see previous links). If needed for any evening activities, we would buy back energy at the lower rate.

How much of the roof surface will we need?

The southern exposure of the roof of the main building is ~840 m². We only need ~157m², or 18.7%. It is unlikely the system will be visible from the parking area for the building.

What Does It Cost to Install?

Solar Panels cost about \$95/ft² installed. One square meter equals 10.76 ft². So \$95 * 10.76 = \$1,023/m². Using a minimum of 157 m², the cost would be \$160,454.00.

<http://www.solar-estimate.org/?page=solar-incentives&state=AL>

How do we generate an Income of \$15,000/year?

By using ~200m², or 24% of *only* the southern side of the roof on the main building, we could generate ~928 kWh/day. Not only would we not pay an electric bill, but would generate a surplus of about 22 percent based on current use. Twenty-two percent of the yearly current total nets us ~\$7,500 per year income using the buy-back program. However, if TVA continues their surplus buy-back from green sources at the more-than-double-cost rate (0.22 per kWh) then it would appear we could make \$15K from placing solar cells on only 24 percent of south facing portion of our main roof.

Excluding the Income Discussion, what is the pay-back?

Based on actual electric bills for the Shriner building, the pay-back using the minimum number of solar panels is less than four and a half years. This means we will have virtually free electricity once the system is paid.

Is That All that we can do to be Energy Self-Sufficient?

No, we can change out the lights, insulate the roof (using interior blown-in insulation), and install lighting control (rather than leaving them on all day) and AC control (rather than leaving the building AC on all the time) we'll save even more.

We could also replace the existing T12 lighting system with T8 lights and magnetic ballasts with electronic ballasts. This will reduce lighting energy consumption by 17% to 48% depending on the specific lights and ballasts. In some instances, we may want to remove some of the existing T12 lights and not replace them. We may also use one electronic ballast to serve four lights instead of one magnetic ballast for two lights as previously installed. Or, we may use specular reflectors to further enhance light distribution. The overall result may bring 50 percent savings without compromising the quality of delivered light.

<http://www.oregon.gov/ENERGY/CONS/BUS/light/FAQ.shtml>

What about Other Sites Reviewed by the Commission?

Other states have similar buy-back programs. Some are more generous than others. The utility servicing Cave City, Kentucky has a program called net-metering for farm customers. (Would we qualify?) It effectively pays back the actual cost of energy consumed/generated (does not appear to pay a premium as does the TVA) and is limited to 1% of the total energy being used by the system. We could, of course, install solar at any site assuming we orientate the building correctly. If we were to qualify, the payback would take much longer because the utility does not pay a premium.

http://www.farmersrecc.com/residential_electric_rates.aspx

APPENDIX D

Potential Grant Sources for Huntsville Development

(Source: Huntsville Grotto Office Proposal)

The Foundation Center database names these foundations and organizations in Alabama and the surrounding area that fund organizations similar in nature to the NSS.

Organizations having funding interests matching the NSS

- Alabama Power Foundation
- Rucker and Margaret Agee Fund
- The Anchor Charitable Foundation
- Andrews Foundation
- Bradley-Murphy Forestry Natural Resources Extension Trust
- The Goodrich Foundation
- The Hugh Kaul Foundation
- The Kuehlthau Family Foundation
- Vulcan Materials Company Foundation
- The Thompson Foundation, Inc.

Matches for the NSS mission and that also fund capital campaigns in Alabama

- Alabama Power Foundation
- The Harry B and Jane H Brock Foundation
- Hearin-Chandler Foundation
- The Hugh Kaul Foundation
- Robert R. Meyer Foundation
- Reese Phiifer Jr. Memorial Foundation Trust
- Vulcan Materials Company Foundation

Regional organizations that match the NSS mission and fund capital campaigns:

- The Bridgestone Americas Trust (Nashville, TN)
- Lyndhurst Foundation (Chattanooga, TN)

Nationwide foundations with environment/conservation/capital campaign focus and listed Alabama as a primary place of support

- Carrier Corporation Contributions Program
- Georgia Pacific Foundation Inc.
- Olin Corporation Charitable Trust
- Southern Company Charitable Foundation
- Steelcase Foundation
- United States Steel Foundation

A short example list of corporate donors in Huntsville that frequently support local nonprofit functions

- Allied Waste Services
- Boeing
- ERC, Inc.
- Johnson Controls
- Operation Green Team
- Turner Universal
- Teledyne Brown Engineering
- Adtran

- Lockheed Martin
- SAIC
- Regions Bank
- Compass Bank
- Publix Supermarkets
- Toyota
- Englehard Corporation
- Aerojet
- BAE Systems
- UBS

APPENDIX E

Development and Furnishing Costs Shrine Cahaba Temple, Huntsville

Estimated total for all phases \$360,000--\$426,000

Furniture

Area	Item	Unit Cost (all Refurbished)	Total
Board Room	Conference table w/power ports	\$3,500	\$3,500
	Chairs	150	3,000
Office	Knoll or Steel Case refurbished Cubes	1,500	6,000
	Work Chairs	400	1,600
	File Cabinets Steel Case Lateral files	250	1,000
	Misc, white boards etc.		1,000
Bookstore	Work Table/Desk	450	450
	Work Chair	400	400
Library/Archives	Librarian Work Station	1,500	1,500
	Work Chair	400	
	Research Stations	500	2,000
	Work Chairs	400	1,200
	Guest Seating	2,000	2,000
Lobby/Display	Bench Seating, Lesro Contour	300	600
	Display	Part of Structure	
Conference Rooms	Tables (8x3) 5/room	150	3,000
	Chairs, Steel Case stackables 40/rm	50	10,000
			37,250
Contingency	20%		8,000
Total			~\$45,000

Inventory may change depending on the furniture included in the final sale inventory. If existing tables/chairs are included, we would have them refinished and/or repaired. This may significantly reduce furniture cost. Few pieces of existing Cave Ave office furniture would be transferred.

Interior Configuration

	Area	Action	Cost/Unit	Total Cost	Remarks
Office	Conf Room	Paint	\$300	\$300	Volunteer Painting
		Lighting	200	200	
		Media Installation	1,000	1,000	Projector, screen, Wi-Fi
		Display Cabinets	1,000	1,000	
	Ext Entry	New glass security door			
	Lobby Entry				inc in Lobby \$
	Office	Windows	500	2,000	
		Painting	250	250	
		Door to bookstore	1,000	1,000	
		lighting	250		
	Bookstore	Double Store for Shipping	2,000	2,000	
		Lighting	200	200	
		Painting	200	200	
		Shelving			Move from Cave Ave.
	Library	Secure Room	5,000	5,000	
		Door to bookstore	1,000	1,000	
		Display Door	5,000	5,000	
Training Rooms		Lighting Hall	250		
		Lighting Rooms	250	1,250	
		Painting	250	1,250	
		Media installation	1,000	5,000	
		Hall Lighting	1,000	1,000	
Lobby		Special Motif doors	1,000	1,000	
		Lighting	1,000	1,000	
		Veneer Panels	10,000	10,000	
		Rest Rooms	1,500	1,500	Includes improved Handicap access
		Office Entry	5,000	5,000	
		Auditorium Entry	5,000	5,000	
Auditorium	Main Hall	Lights	50	3,000	
		Tiles	5	3,000	
		Roller Door Covers	2,000	4,000	

This Report is intended for internal use of the National Speleological Society, Inc.; its members, directors, and officers. Please do not distribute.

		Paint	750	750	
	Kitchen	Paint	250	250	
		New Equipment	3,000	3,000	
		Re-panel	2,000	2,000	
	Stage	Refinish	500	500	
Total				\$67,650	
Total w/20% contingency				~\$81,000	

Exterior Configuration

Area	Action	Unit Cost	Total
Signage	Building	\$5,000	\$5,000
	Gate	7,500	7,500
Façade	New Façade	75,000	75,000
Handicap and Parking	Ramps	3,000	3,000
Entrances	Card Reader	750	
	Employee Door	1,000	1,000
	Painting	15,000	15,000
	Misc Minor Upgrades	20,000	2,0000
Demolition			5,000
Permits			4,000
Arch Fees			5,000
Trash & Clean			3,000
Roof	Membrane	100,000	100,000
Total			256000
Total + 20% contingency			\$300,000

Note: Existing roof has been refastened and the work is guaranteed. The membrane material, the best known technology for this roof system, effectively seals the roof for 50 years.

APPENDIX F

Environmental Evaluation

The complete report is available in the Headquarters Commission area of our Society's website. The Analysis Cover Page Letter is below.

ENVIRONMENTAL RESPONSE

900 Old Sewanee Road, Sewanee, Tennessee 37375

phone: 423-605-5569 fax: 423-837-1225

www.environmentalresponse.net

April 26, 2011

Mr. Wm Shrewsbury
Operations Vice President
National Speleological Society
P.O. Box 23967
Huntsville, AL 37422

**RE: Environmental Evaluation – Proposed NSS Headquarters
Cahaba Temple Property, 6001 Pulaski Pike, Huntsville, AL 35810**

Dear Wm,

Environmental Response has completed an evaluation of the environmental database search for the above referenced property. This database search showed no recorded facilities at the target location. This site has never had a gas station, waste generation, waste disposal or spills on the property according to the database. This database search does not necessarily take into account historic property uses that may have occurred prior to environmental regulations in the 1970s.

There are two facilities within a one mile radius of the property that are recorded in the database. Victory fuels located 1/4 mile south east of the subject property at the intersections of Pulaski Pike and Winchester Road. This site is listed in the EDR UST (Underground Storage Tank) data base as having underground storage tanks, there are no environmental concerns associated with this site. EZ Mart located ¼ mile south of the subject property on Pulaski Pike was identified on the EDR UST (Underground Storage Tank) and LUST (Leaking Underground Storage Tank) databases. This site was identified on the LUST database in April 2010. The database did not indicate the status of the site remediation. Both of these facilities are below the elevation of the subject property. The nearest body of water is an unnamed stream running to the southeast across the property. Groundwater flow is most likely to the southeast, away from the subject property.

In addition, 10 orphan sites were identified where firm, fixed addresses could not be determined. A computer map search of the general vicinity surrounding the subject property, determined that these sites were outside the required search radii for an ATSM Phase I Environmental Site Assessment and pose no environmental hazard to the subject property.

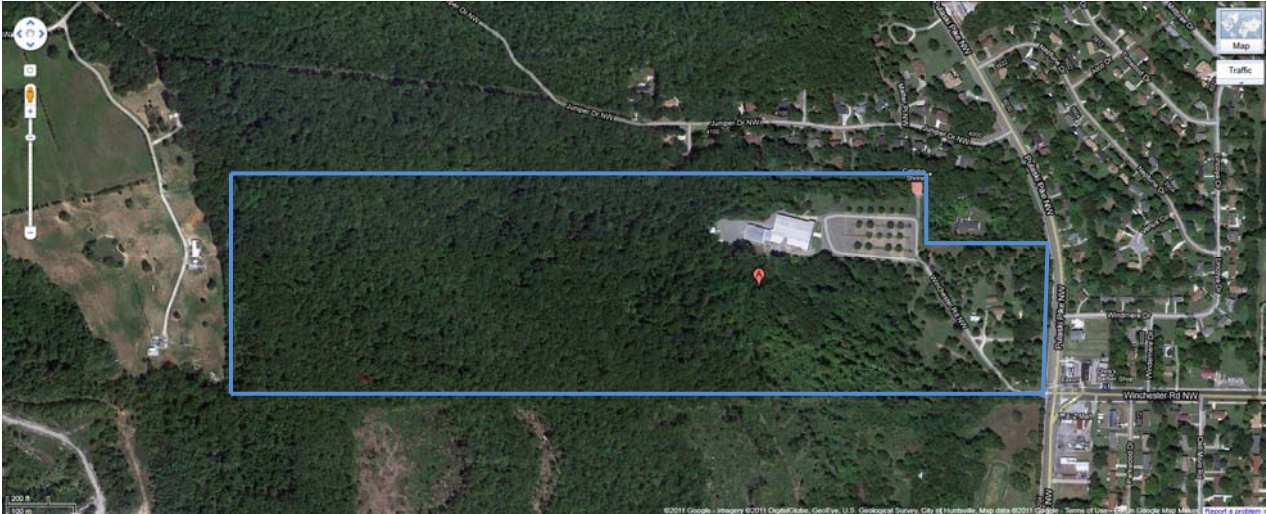
If the NSS chooses to consider this property for purchase, a full Phase I Environmental Site Assessment should be performed to determine any potential impacts to the property from the LUST at the EZ Mart. This would be required by most financing institutions before a mortgage would be issued. Environmental Response appreciates the opportunity to provide environmental services to the NSS. If we can be of further assistance or you require additional information, please do not hesitate to contact me.

Sincerely,

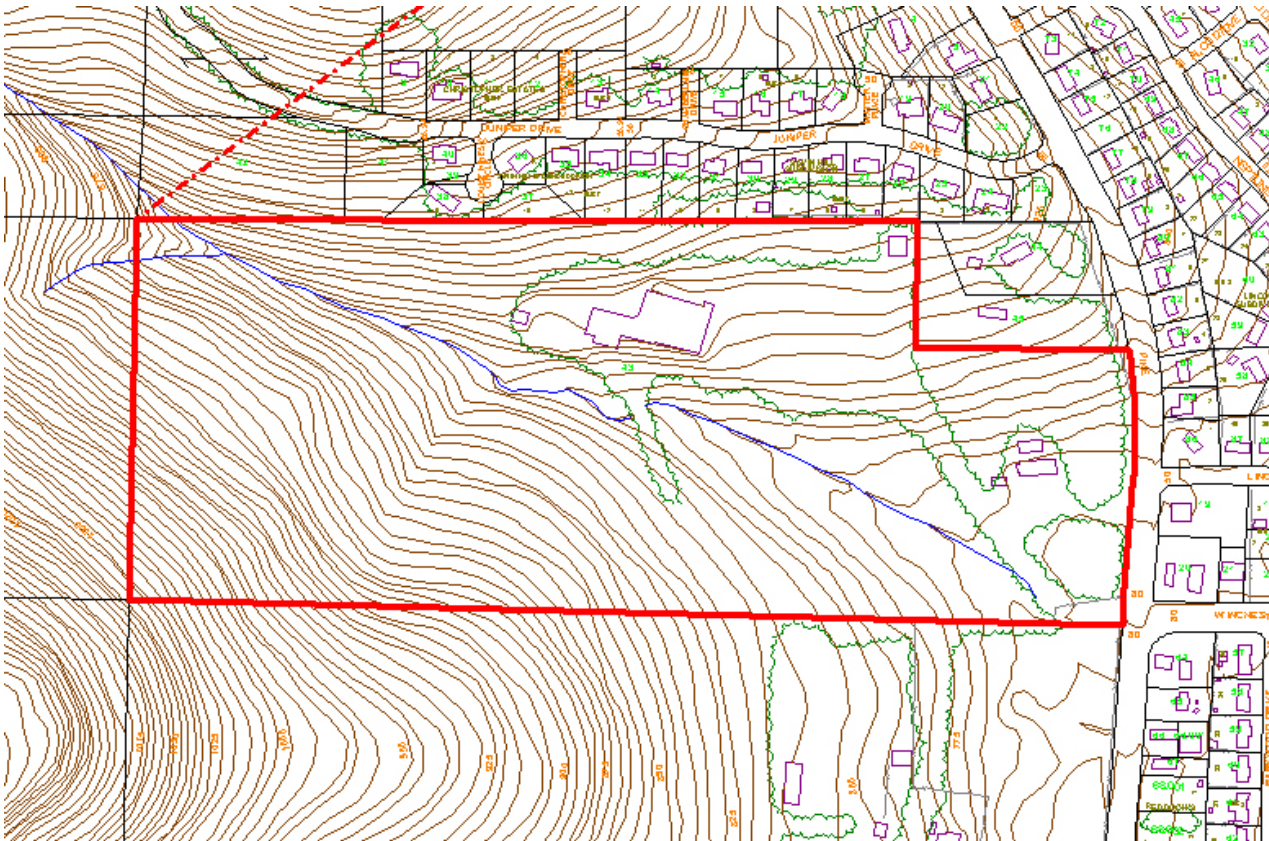
ENVIRONMENTAL RESPONSE

Maureen Handler
Environmental Engineer

Appendix G
Maps Pictures, Schematics, Etc.



Overlay of Property Line – Both Parcels (89.19 Acres)



Overlay of Front Parcel (62.19 Acres) on Topographic Map



Enlargement of Main Structure (31,580 sq.ft.)



Enlargement of Camping Area Near Gate



Current Façade – Right Side



Current Façade – Left Side



Proposed Entry Design for the New NSS Headquarters

This Report is intended for internal use of the National Speleological Society, Inc.; its members, directors, and officers. Please do not distribute.

Appendix H—Endorsements

City Council

Mark Russell
President
District Two

Richard Showers, Sr.
President Pro Tempore
District One



Sandra Moon
District Three

Bill Kling, Jr.
District Four

Will Culver
District Five

The Space to be in the 21st Century

Tommy Battle
Mayor

March 9, 2009

TO WHOM IT MAY CONCERN:

As an elected official in Huntsville, Alabama, I wish to go on record to keep the National Speleological Society in our community and District One, which I represent.

The National Speleological Society has been dedicated to the exploration, study and conservation of caves for over 65 years. It was founded in 1940 by Bill Stevenson, and was originally named the Speleological Society of the District of Columbia. The Society's original purpose was to accumulate a library of Speleo-literature that the membership could access. As the library grew, in 1969 it became obvious that the location in D.C. had become too small to accommodate the needs of the Society.

The National Speleological Society relocated to Huntsville, Alabama, from Washington, D.C. shortly after the Shelta Cave Preserve located on Cave Avenue in northwest Huntsville was purchased in 1969. The office building site was purchased from a small church in 1970, and has since become the headquarters for the National Speleological Society with a membership of 12,000 people from around the world. Cave Avenue houses the NSS Research Library, NSS Bookstore, provides a home base for its administrative and accounting operations and employs four residents of Madison County. The NSS office building has over 300 visitors a year and is centrally located in the Caving Community of Tennessee, Alabama, and Georgia (TAG). These three states are home to more caves and cavers than any other region the United States.

I would like to commend the National Speleological Society for their vision, objectives and mission in helping to build a better society in which to live. The members are very dedicated to the Society and are sought out by many visitors when in this region. I cannot think of any organization more worthy of re-consideration for staying the National Speleological Society in Huntsville which is a tremendous positive influence in our community.

The National Speleological Society is a vital part of the community, and I solicit your assistance in aiding them in their efforts to remain operational in Huntsville, Alabama. Please feel free to contact my office at (256) 427-5011 if I can provide any additional information. With every best personal and professional good wish, I remain.

Sincerely,

A handwritten signature in cursive script that reads "Richard Showers, Sr.".

Dr. Richard Showers, Sr., President Pro Tem
Councilman representing District One
Huntsville City Council

RS/pms

P. O. Box 308 • Huntsville, AL 35804 • Phone (256) 427-5011 • FAX (256) 427-5024
Web Site: www.hsvcity.com



March 6, 2009

The National Speleological Society
Board of Governors
2813 Cave Avenue
Huntsville, AL 35810

To whom it may concern:

This letter is in support of the Huntsville Grotto and keeping its office and activities in the Huntsville community. The Chamber of Commerce of Huntsville/Madison County supports the educational efforts of the NSS, and values the work done by the professional staff.

The local grotto has the highest concentration of members of the National Speleological Society in our three-state area (Alabama, Georgia and Tennessee), and the relocation of the office will negatively impact the activity level our community enjoys in the area's 200+ caves. Ongoing projects and events include organized hikes and seminars on topics ranging from bats to other plant, mineral and animal life found in caves. Classes of school children as well as families participate in these well-received programs.

Future goals of the Huntsville office include establishing a formal library system, a museum and a program of events designed to work in concert with Huntsville's convention and tourism offices.

I appreciate your taking into consideration the financial and logistical advantages of maintaining the office in Huntsville, as well as the benefits Huntsville receives from the availability of quality programs our local grotto provides. Please feel free to contact me with any questions.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Brian Hilson".

Brian Hilson
President & CEO
Chamber of Commerce
of Huntsville/Madison County

Chamber of Commerce of Huntsville/Madison County
225 Church Street / Huntsville, AL 35801 / 256.535.2000 / fax 256.535.2015
www.HuntsvilleAlabamaUSA.com



HUNTSVILLE

March 12, 2009

Tommy Battle
Mayor

National Speleological Society
Board of Governors
2813 Cave Avenue NW
Huntsville, AL 35810

To Whom It May Concern:

As Mayor, and on behalf of the city of Huntsville, Alabama, I am writing this letter in support of the Huntsville Grotto's proposal to keep the National Speleological Society (NSS) in Huntsville.

This community is behind the Society's efforts to rebuild and improve upon the existing facilities. I, along with Councilman Richard Showers and the Huntsville Chamber of Commerce, would like to see the NSS remain in this community.

The Huntsville Grotto has created a proposal for presentation to the NSS Board of Governors on behalf of the thousands of cavers who live and cave in Tennessee, Alabama, and Georgia (TAG). The southeast has more caves and cavers than any other region of the United States. There are more than 200 caves in Madison County alone, including the Shelta Cave Nature Preserve which is home to the current office facilities in Northwest Huntsville. The Huntsville Grotto has over 150 members who are always willing to volunteer their time and effort to help the Society.

I look forward to the day that the functions of the Society can be expanded upon and improved in our community. The Society has been a part of Huntsville since 1971; and we would like for them to continue to be part of our community if possible.

I thank you for taking the time to consider Huntsville not only as the Society's current home, but the future home of the NSS as well. Please feel free to contact me with any questions.

Sincerely,

Tommy Battle
Mayor,
City of Huntsville

The Star of Alabama

PO Box 308 • Huntsville, Alabama 35804-0308 • Phone 256-427-5000 • FAX 256-427-5257
www.hsvcity.com



HUNTSVILLE

D. Shea
Director of
Natural Resources

Tommy Battle
Mayor

June 20, 2011

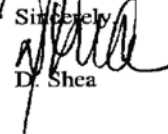
Board of Governors
National Speleological Society
2813 Cave Avenue
Huntsville, AL 35810

Dear Board Members:

I am writing to you to voice my strong support for retaining the national headquarters of the National Speleological Society in Huntsville. Of course, you each know even better than I do that the incredible number and spectacular beauty of the cave systems in North Alabama make Huntsville an ideal choice for your national headquarters. You may be less aware of the benefits the Society provides to the area and the value of the Society's knowledge and resources to the City of Huntsville Division of Natural Resources and Environmental Management.

Our office performs Environmental Site Assessments for the City of Huntsville and on occasion we have communicated with your headquarters staff to gain insight into potential sinkhole formation on property being considered for purchase by the City. Whenever we have done so, the staff persons we have talked to have been courteous, knowledgeable and very helpful. Of even greater value than assistance with Site Assessments is the contribution the Society provides to groundwater protection. As you know, Karst topography is characterized by numerous connections between surface water and groundwater, and groundwater movement can be very rapid. Unattenuated contaminants that enter groundwater from the surface can be rapidly transported and pose a serious threat to groundwater quality. The better our understanding of our cave systems and their interconnections, the more effective our groundwater protection efforts will be. Although we obtain much of our drinking water from the Tennessee River, we also rely very heavily on groundwater to supply the City's drinking water needs. Surrounding communities rely even more heavily on groundwater than those served by Huntsville Utilities. In our continuing efforts to protect our groundwater resources, it would be a terrible shame to lose the readily accessible expertise and resources the Society's headquarters provides.

Having the national headquarters of the National Speleological Society in Huntsville provides our community with a unique asset and valuable resource and is a source of pride for many Huntsville residents, myself included. I strongly urge you to keep the Society headquarters in Huntsville. You have been a valued member of our community for many years. Thank you very much for your consideration.

Sincerely,

D. Shea

The Star of Alabama

P. O. Box 308 · Huntsville, AL 35804-0308 · Phone 256-427-5750 · FAX 256-427-5751
www.hsvcity.com



HUNTSVILLE

Joy McKee
Director of
Landscape Management

Tommy Battle
Mayor

June 16, 2011

To Board of Governors of the National Speleological Society, Inc:

Please accept this letter of support to keep the national headquarters of the National Speleological Society in Huntsville, Alabama. With the many caves in and around our city we understand the importance of the NSS's work as listed on your website "to study, explore, and conserve cave and karst resources; protect access to caves; encourage responsible management of caves and their unique environments; and promote responsible caving".

As director of the City's Operation Green Team and Landscape Management Departments there are numerous opportunities to work with the NSS to further educational efforts of the society increasing awareness of the work done by your organization.

Please give your every consideration to the request to leave your national headquarters in Huntsville, Alabama.

Sincerely,

Joy McKee

Director of Cemeteries, Landscape Management & Operation Green Team

The Star of Alabama

308 Fountain Circle · Huntsville, AL 35801 · Phone 256-564-8030 · FAX 256-427-5172
www.hsvcity.com