



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Matthew R. Walsh, Deputy City Manager – Development

DATE: April 4, 2024

SUBJECT: Results of pre-acquisition due diligence for real estate located at 4 Bouton Street and 124 North State Street for a new Police Station and authorization to complete purchase

Recommendation:

1. Accept this report; and,
2. Authorize the City Manager to complete purchase of real estate located at 4 Bouton Street and 124 North State Street for a new Police Station.

Background:

On December 11, 2023, the City Council approved Resolution #9604 which authorized the City Manager to enter into a Purchase and Sales Agreement with the Duprey Company L.L.C. (or related entity) to acquire certain real estate located at 4 Bouton Street and 124 North State Street (the Premises) for the purposes of a new Police Station. The same resolution also appropriated the sum of \$4,090,000 to finance said purchase. Simultaneously with the approval of Resolution #9604, the City Council also authorized City Administration to utilize \$75,000 of approved funding in CIP #643 (New Police Station), which was previously appropriated in June 2023 as part of the FY2024 Budget for a site selection study for a new Police Headquarters, to fund due diligence activities related to this potential acquisition. Both appropriations are General Fund supported general obligation bonds.

The Premises consist of two parcels comprising 2.16 acres of land with approximately 717' of frontage on Bouton and North State Streets. This includes a 38,778SF (gross) office building, which was constructed in 1957, together with approximately 113 parking spaces. The Premises are served by municipal water and sewer, customary private utilities (electric, telephone, cable television, natural gas).

Additionally, the Premises has three driveways which access adjacent streets. The primary driveway is located at a fully signalized intersection with Bouton Street / North State Street. The property also has direct access to the North State Street / Horseshoe Pond Lane intersection, which is signalized as well. The property has level topography and is devoid of steep slopes and wetlands.

The Premises is located in the Institutional (IS) Zoning District. Additionally, a portion of the premises is located in the Historic (HI) Overlay District; however, the existing building is not located within the HI District. Please see the attached map of the HI District for more information. In accordance with NH State Law, the City is exempt from Zoning regulations. However, the City strives to comply with these regulations whenever possible.

The Premises are located within the Urban Growth Boundary, an area of City identified in the City's Master Plan that is served by transportation and utility infrastructure, and is targeted for higher intensity development.

Additionally, the Premises are centrally located in the community and sited on a major roadway with excellent access to Interstate 393 and 93, as well as Route 3.

The Premises is conveniently located close to other City facilities. Specifically, the Premises are less than one mile from City Hall; 0.2 miles to the Fire Department Central Station, and very close to the City Prosecutor's Office.

The Premises have an assessed value of \$3,346,000 (combined). The City's current equalization ratio is 79.4%; thus, indicating that the fair market value of the property may be in the range of \$4,214,100. The Premises currently generates \$89,873 in property taxes annually.

The Premises was previously owned and operated by the Concord Mutual Insurance Group. In the spring of 2023, the Concord Group implemented a plan to consolidate and relocate its operations from Concord to a facility located elsewhere in southern New Hampshire. In addition to the 4 Bouton Street property, the Concord Group leased space from the Duprey Company elsewhere in Concord. As an inducement to prematurely terminate said lease, the Concord Group offered the Duprey Company an exclusive first right of refusal to acquire 4 Bouton Street / 124 North State Street prior to listing on the open market.

Recognizing the unique attributes of this site, coupled with past public discussions about the City's need to replace the current Police Station, the Duprey Company made the City aware that this property was becoming available prior to listing on the open market. Discussions ensued during the late spring and summer of 2023, following which the City and the Duprey Company developed a strategy whereby the Duprey Company would acquire the property from the Concord Group, as well as simultaneously enter into a Purchase and Sales Agreement with the City, whereby the City would have up to 6 months to study the property to determine suitability thereof for a new Police Headquarters.

On December 15, 2023, the Duprey Company acquired the Premises for the sum of \$3,500,000.

Also, on December 15, 2023, the City entered into our Purchase and Sales Agreement with the Duprey Company for the Premises. The Purchase Price is \$3,500,000 plus the Duprey Company's "*commercially reasonable, actual, verifiable*" carrying costs associated with its acquisition, ownership, and subsequent sale of the property to the City. With projected carrying costs, the estimate total price of the property is \$3,951,000+/-.

A copy of the Purchase and Sales Agreement is attached. A summary of the Duprey Company's estimated carrying costs is included in Exhibit B of the Agreement.

Unless otherwise agreed by the Parties, the City is obligated to close on the purchase by June 12, 2024. The City's obligation to close is expressly subject to the City completion of due diligence, with results acceptable to the City in its sole discretion.

Due diligence includes, but is not limited to, verification of clean and marketable title, environmental and hazardous building materials assessments, space programming and preliminary schematic designs for development of a police station at the premises. The Purchase and Sales Agreement expressly states "*If Buyer shall discover or determine prior to the expiration of the Due Diligence Period that it is not satisfied in any way with the status of the Premises or the results of any of its due diligence or inspections for any reason or no reason, Buyer shall have right to terminate this Agreement and the Parties shall thereafter be released from any further obligations hereunder.*"

Discussion:

1. **Police Department Needs:** The Police Department is currently located at 37 Green Street. It is part of the City Hall Campus, which consists of 5 buildings (City Hall, City Hall Annex, Police Station, Green Street Community Center and Library) totaling 123,500SF+/- (gross) set on 3.03 acres. The Campus has 115 on-site parking spaces, of which 32 are available for the general public.

The existing Police Station was constructed in 1974. At the time, the City's population was approximately 30,200 people.

Originally a 2-storey building, the facility was expanded with a third floor in 1986, and later renovated in 2001. Presently, the 50-year old facility is a 3-storey, 21,790SF building and 37 on-site parking spaces reserved for the Police Department's exclusive use.

Much has changed in the ensuing five decades since the current facility was initially constructed. Population growth, increased calls for service, and the evolution of community policing have rendered the current facility inadequate to meet the needs of the community and the department. Please see the table below which details the evolution of the Police Department and Concord's population since 1980, and provides projections for 2044.

**Table 1: Summary of Population, Calls for Service, and Police Department Staff
1980-2023 With 2044 Projection**

	1980	1990	2000	2010	2020	2023	% Change (1980-2023)	Average Annualized % Change (1980-2023)	2044 Projection
Concord Population	30,400	36,994	40,765	42,695	43,976	44,733	47%	1.1%	56,286
Police Calls for Service	22,680	32,234	38,926	57,476	41,185	48,166	112%	2.6%	82,572
Calls for Service Per Resident	0.75	0.87	0.95	1.35	0.94	1.08	44%	1.0%	1.33
Staff - Sworn Officers	60	71	73	79	87	90	50%	1.2%	113
Staff - Non-sworn Personnel	15	16	21	24.5	22	26.2	75%	1.7%	37
Staff - Total	75	87	94	103.5	109	116.2	55%	1.3%	151

*1974 CD Dept Estimate; 1980-2020 US Census; 2023 Estimate

www.worldpopulationreview.com

These changes, coupled with the limitations of the current site and facility, have resulted in significant challenges for the Police Department.

Major challenges with the existing Green Street facility include, but are not limited to:

- Lack of available space at the City Hall campus for expansion;
- Lack of on-site, secured parking for Police Department staff;
- A variety of code compliance issues, including compliance with Americans with Disabilities Act (ADA); and,
- The antiquated design and layout of the existing 50-year-old facility impedes the Department's ability to comply with modern police standards and industry best practices, and, in turn, hinders the Department's ability to achieve state and national accreditation.

Recognizing the inadequacies of the current Green Street facility, in 2021, the City completed a facility needs assessment and space planning study of the current Police Headquarters (the 2021 Study). The 2021 Study determined that significant spatial issues resulting from the 1974 facility's antique design cause serious inefficiencies, operational challenges, and safety concerns. Examples include:

- Lack of dedicated, autonomous sally port to transfer detainees from police vehicles for processing. (Current sally port is in vehicle and personnel storage areas). If a detainee or suspect were to break free they could endanger other staff in the space.
- The transfer of detainees to the booking area is a safety concern. The booking area is located in the basement of the building. Detainees must be escorted through the first floor to a small elevator to be moved down stairs. Detainees pass by the entrance to

- the men's locker room on the way to the booking area, possibly surprising officers coming out of the locker room.
- The booking area design creates safety concerns which impair detainee observation.
 - The lower level has moisture and air circulation issues. Flooding has occurred in lower level in the past.
 - The public lobby is too small and a public restroom has not been provided.
 - The dispatch room is small and a supervisor's office is required. Restroom facilities should be provided within the suite.
 - The location of the first-floor interview room is not private and should be located in a semi secure area to reduce public interactions with the majority of the staff.
 - The existing corridors in the building are narrow and presents a safety concern when escorting the public or detainees. Stairways are too narrow to meet current code requirements.
 - Patrol reporting office space is too small for the number of officers typically on duty.
 - The women's locker room is too small for the number of officers. It's location, directly adjacent to the staff fitness room creates a privacy concern.
 - The fitness room is also directly above the dispatch area and causes noises in the dispatch area.
 - Spaces providing services to youth, juveniles and domestic issues are very remote from the public entry.
 - The evidence storage space is severely inadequate. The space provided the second-floor mezzanine and is not sufficiently secure. The space is not walled and must be separated from the rest of the building for security and safety. All station evidence storage spaces are overloaded and require additional space due to the length of time evidence must be held. Other spaces are not in spaces with sufficient climate control (heating, cooling, etc.) The 1975 design called for two distinct areas within the building to house property/evidence. Currently this has expanded to 10 areas throughout the building and one off-site storage area.
 - The majority of the restrooms in the building are not ADA compliant (handicapped accessible).
 - The detective suites are insufficient for the number of staff; office configurations make it difficult to maintain privacy between cases.
 - The computer crimes office is insufficient for the number of staff and the work flow within the suite. The heat load of the computer equipment puts large demands on the HVAC system making the space very uncomfortable.
 - The large conference room/training room is undersized for a majority of the groups that utilize the space. The space is also remote from the public entrance causing a concern when public groups are invited to different events.

These findings, coupled with the lack of available acreage at the campus, the severely outdated, inefficient design of the 1974 facility, as well as limitations associated therewith for renovation to achieve required adjacencies (or separations) of internal spaces, the 2021 Study recommended that the Police Department should be relocated to a new facility elsewhere in the community.

The findings and recommendations of the 2021 Study have been previously presented to City Council. A copy of the 2021 Study is attached.

In addition to resolving space needs for the Police Department, relocation of the Police Headquarters from the City Hall Campus would also allow for reorganization of other municipal offices located at the Campus to address other significant space needs.

2. **Due Diligence:** As previously noted, during its December 11, 2023 meeting, the City Council authorized the City Manager to execute the Purchase and Sales Agreement for acquisition of real estate located at 4 Bouton Street and 124 North State Street, as well as complete due diligence related thereto.

The following is a summary of the results of due diligence completed for the Premises.

- 2.1. **Title:** A title review, including ALTA boundary survey of the Premises, has been completed. City Administration is satisfied that the property has clean and marketable title, and is free and clear of any significant easements or encroachments which would inhibit the City from using the Premises for the purposes of a new Police Station.
- 2.2. **Environmental:** A Phase I Environmental Site Assessment (Phase I ESA or ESA) and Hazardous Building Materials Survey (HMB) have been completed for the Premises.
 - 2.2.1. **Phase I ESA:** The purpose of the Phase I ESA was to identify recognized environmental conditions in connection with the site, which are defined in ASTM Practice E 1527-21 as (1) the presence of hazardous substances or petroleum products in, on or at the subject property due to a release to the environment; (2) the likely presence of hazardous substances or petroleum products in, on or at the subject property due to a release or likely release to the environment; or (3) the presence of hazardous substances or petroleum products in, on or at the subject property under conditions that pose a material threat of a future release to the environment.

Additionally, the Phase I ESA was completed so as to comply with US Environmental Protection Agency “all appropriate inquiry” requirements. Compliance with these requirements affords the City certain protections from potential environmental liability, and makes the City eligible for potential Brownfields Cleanup Grants to help facilitate future redevelopment of the property.

As is customary, the Phase I ESAs relied on existing local, state and federal records / databases for the subject property and other parcels in the vicinity, as well as on-site field recognizance. This effort did not include any soil or ground water sampling.

The Phase I ESA identified that the Premises once had four (4) petroleum underground storage tanks (heating oil and gasoline). With the exception of a 500-gallon gasoline storage tank, all tanks had formal closure reports. Additionally, three large electrical transformers are located in the basement of the building. Said transformers once contained PCB based oils. There was no evidence of leaking, and said transformers have since been converted to non-PCB fluids.

City Administration does not have significant concerns about these items. Moreover, in the event either prove to be an issue at a future date, the City would be eligible to seek NH Department of Environmental Services grants for petroleum related issues and US Environmental Protection Agency grants for any potential PCB issues.

- 2.2.2. Hazardous Building Materials Survey: The purpose of the Hazardous Building Materials Survey (HBMS) was to identify potential building materials at the Premises which may require special handling or removal during subsequent building renovation or demolition efforts. Typically, such items include asbestos, lead paint, PCB containing materials (paint, electrical components), and other similar items.

The HBMS identified a variety of asbestos containing materials located at the property, including floor tile, pipe insulation, drywall, and window caulking. The estimated cost of remediating these materials is approximately \$260,000 (2024 dollars). It is important to note that the asbestos inspection was a non-destructive survey. Therefore, additional asbestos containing materials may be identified during subsequent building renovations / demolition.

Additionally, the report identified that lead paint is present on various interior and exterior surfaces at the property. This was not surprising given the age of this structure. Lead paint was commonly used in the United States prior to 1979. Lead paint would have to be removed or encapsulated as part of any renovation effort; however, it is likely no special handling would be required in the event of demolition. No cost estimate is presently available for lead abatement.

Lastly, the HBMS also identified a variety of universal / general wastes at the property. Such items included fluorescent light bulbs and ballasts, mercury containing thermostats, as well as three large electric transformers located in the basement of the building which would be removed as part of any potential renovation/demolition. No cost estimates are currently available for these items.

2.3. 2024 Facility Assessment and Space Program: Additionally, a facility condition assessment and space program has been completed for the property. A copy of this report is attached.

2.3.1. Facility Assessment: The facility assessment determined that the current building is in excellent structural condition and is suitable for potential adaptive reuse. However, as is typical for a building of this vintage (1957), various building components are in fair to poor condition, and likely would need to be upgraded or replaced as part of any potential renovation. Building system issues include, but are not limited to:

- Although in excellent structural condition, some modifications would be required to bring the structure into compliance with current codes;
- Original “single pane” windows are present throughout the building. These are very energy inefficient for thermal control (heating and cooling). Therefore, full window replacement would be appropriate.
- Lack of adequate moisture control and insulation in exterior glass / metal panel curtain walls. Retrofit or replacement of curtain wall with modern system would be appropriate.
- Lack of universal compliance with Americans with Disabilities Act (ADA).
- The Fire Alarm system is antiquated and beyond its useful life. Additionally, the building does not have a sprinkler system. The existing water service to the building would need to be replaced and upsized to support sprinklers as part of any renovation effort.
- The existing plumbing system is beyond its useful life and will require complete replacement as part of any renovation.
- The existing heating system (plant and distribution system) is beyond its useful life and functionally obsolete, and will require complete replacement as part of any renovation.
- The central plant for the cooling system was overhauled in 2015. Subject to final design, the system could potentially be reused as part of a renovation. However, ventilation systems will likely require full replacement.
- The electrical and lighting system is at the end of its useful life and requires full replacement. However, the exterior emergency generator appears to be in good condition and potentially could be reused as part of a renovation.
- Telecommunication systems are also antiquated and require full replacement.

2.3.2. Space Program: As part of the City’s due diligence, an updated space program was prepared by the consultant. This effort built upon the 2021 Study previously completed by the HL Turner Group.

To meet the current and projected needs of the Police Department for the next 20 years, a facility with a minimum of 44,396SF with 106 parking spaces (76 Police, 5 Visitor, 25 Community Room Visitor Spaces).

Please see the table below for more information which details the current Green Street facility, as well as current and future space needs.

Table 2: Summary of Green St Facility and Recommended Space Program for New Police Station

	Existing 35 Green Street Facility 21,790	Current Needs + 20 Year Growth N/A
Gross Square Footage		
Useable Square Footage		
Common/Shared Spaces	1,741	3,920
Records Storage	375	1,110
Community Resources	675	1,185
Administration	3,303	5,926
Dispatch/ComCenter & Watch Commander Office	448	970
Booking and Intake	1,881	3,088
Property and Evidence	1,781	4,550
Investigations/Detectives	2,256	5,574
Patrol/Operations/Training	2,500	4,186
PD Departmental Support	2,350	4,344
PD Firing Range	0	4,100
Facility support	3,183	5,443
Total Useable Square Footage	20,493	44,396

2.3.3. Conceptual Site Plan and Floor Plans: As discussed with City Council in December 2023, the City's consultant completed two conceptual preliminary schematic designs options for the project.

Option #1 calls for demolition of the existing building and construction of a new 47,153SF facility.

Option #2 entails preservation and adaptive reuse of the existing building, as well as additions thereto, in order to achieve a new 52,137SF facility.

Please see the tables below, which provides a comparative summary of each option. Please note that construction budgets for both options presumed Spring 2025 construction. City Administration believes that said schedule is overly optimistic.

Table 3: Summary of Options for New Police Station at 4 Bouton Street Site

	<u>Option #1</u>	<u>Option #2</u>	<u>Comparison</u>
	Demolition & New Construction	Preservation, Renovation & Expansion	(Renovation vs New Construction)
<u>Building Square Footage</u>			
<u>Subtotal - Gross Square Footage</u>	47,153	52,137	4,984
<u>Building Square Footage - Useable</u>			
Common/Shared Spaces	3,990	5,369	1,379
Records Storage	1,201	1,352	151
Community Resources	1,375	1,376	1
Administration	5,987	6,058	71
Dispatch/ComCenter & Watch	1,350	1,520	170
Commander Office			
Booking and Intake	3,081	3,061	-20
Property and Evidence	4,590	5,968	1,378
Investigations/Detectives	5,940	5,951	11
Patrol/Operations/Training	4,320	4,250	-70
PD Departmental Support	4,350	4,216	-134
PD Firing Range	2,700	0	-2,700
Facility support	4,131	5,566	1,435
Shell for future growth	1,457	3,315	1,858
<u>Subtotal - Useable Square Footage</u>	<u>44,472</u>	<u>48,002</u>	<u>3,530</u>
<u>Parking Spaces</u>			
Surface Lot	72	83	11
Garage (Excluding Sally Port)	8	8	0
<u>Subtotal - Parking Spaces</u>	<u>80</u>	<u>91</u>	<u>11</u>
<u>Estimated Project Cost (Spring 2025 Construction)</u>			
Site Work / Utilities	\$ 2,015,625	\$ 1,854,375	\$ (161,250)
Building Construction	\$ 32,162,680	\$ 26,606,157	\$ (5,556,523)
Design / Permitting / Special Inspections /			
Fixtures, Furnishings, Equipment / Signage	\$ 8,019,227	\$ 6,761,317	\$ (1,257,910)
/ Security / Radio Antenna			
Hazardous Building Materials Abatement	Excluded	Excluded	N/A
Contingency	\$ 3,417,831	\$ 2,846,053	\$ (571,778)
<u>Subtotal - Total Project Cost</u>	<u>\$ 45,615,363</u>	<u>\$ 38,067,902</u>	<u>\$ (7,547,461)</u>
<u>Cost / Gross Square Foot</u>	<u>\$ 967.39</u>	<u>\$ 730.15</u>	<u>\$ (237.24)</u>

Table 4: Summary of Options #1 & #2

	Current Green Street Facility	Bouton St Option #1: Demolition & New Construction	Bouton St Option #2: Preservation, Renovation & Expansion
Total Building Square Footage	21,790	47,153	52,137
Achieves Minimum 20- Year Space Program (44,396SF)	No	Yes	Yes
Includes Shell Space for Future Expansion	No	No	Yes (3,315SF)
Facility Capable of Police Accreditation	No	Yes	Yes
Includes Space for Parking Division	Yes	Yes	Yes
Includes Space for Prosecutor's Office	No	Yes	Yes
Includes Space for Parking Division	Yes	Yes	Yes
Total Parking Supply	37	80	91
Preserves 1958 Mid-Century Modern Building	N/A	No	Yes
Estimated Total Project Cost (Architect's Spring 2025 Projection)	N/A	\$45,615,363	\$38,067,902

3. Staff Recommendation:

- 3.1. Acquisition: Based upon the results of due diligence activities, City Administration believes the site is suitable for a new Police Station and recommends that City Council authorize the City Manager to complete the acquisition of #4 Bouton Street and #124 North State Street for this purpose.
- 3.2. Preferred Option: Should the City Council desire to acquire the Premises for a new Police Station, City Administration recommends that the City Council endorse Option #2 (i.e. Preservation, Adaptive Reuse, and Expansion of the existing 1958 building located at 4 Bouton Street) as the City's preferred option for a new Police Station.

City Administration believes that Option #2 is in the City's best interests as it:

- Meets the Police Department's current and projected needs through at least 2044;
- Has the capability of yielding a new, modern facility which will allow the Department to achieve accreditation, strengthen morale, as well as enhance retention and recruitment efforts;
- Preserves and reuses an existing structure, which happens to be one of the few quality examples of mid-century architecture in Concord;

- Relocates the Police Headquarters to a new, centralized location within the City's Urban Growth Boundary, with excellent access to transportation and utility infrastructure required to support a modern police station;
- Allows the City to relocate the Prosecutor's Office from leased property to the new Police Station. This will save taxpayers funds on rent, as well as achieve operational efficiencies for the Police Department and Prosecutor's Office through co-location at the new Police Station;
- Is being offered by a willing seller, therefore allowing the City to avoid potential eminent domain; and,
- Is significantly more economical for the taxpayers than demolition and construction of a new Police Station at the site (i.e. Option #1).

3.3. Preliminary Schedule to Implement Preferred Option: Subject to future appropriation of funds by the City Council, City Administration recommends the following schedule for this project.

Table 5: Project Schedule

Activity	Schedule	Duration (Months)	City Fiscal Year
Property Acquisition	On/Before June 12, 2024		FY2024
Weatherization	Spring / Summer 2024	2	FY2024 / FY2025
Design & Permitting	July 1, 2024 - December 31, 2025	18	FY2025 / FY2026
Final Bidding for Construction	January 1, 2026 - March 31, 2026	3	FY2026
Construction	April 15, 2026 - August 31, 2027	16	FY2026 / FY2028
Move-In	September 1 - October 31, 2027	2	FY2028
Occupancy	November 1, 2027		FY2028

3.4. Preliminary Financial Estimates for Option #2: The following is a summary of projected weatherization / holding costs, capital costs (design, permitting, construction), and annual operating costs for the new facility.

3.4.1. Weatherization and Holding Estimated Holding Costs: Should the City Council wish to preserve and reuse the existing building for a new Police

Station, the facility will need to be properly weatherized and secured to protect the City's investment.

Weatherization will include securing ground level windows / doorways, decommissioning the HVAC and plumbing systems, interior and exterior lighting improvements, installation of fire alarm and security systems, installation of security cameras with live feed to Police Station via the City's fiber network, as well as securing the perimeter of the property.

Holding costs include utility costs, grounds keeping, snow removal, as well as property insurance. It is anticipated that the property will remain vacant for approximately two years prior to construction.

Please see the table below which details weatherization and interim holding costs.

Table 6: Weatherization and Holding Costs

	FY2025	FY2026	Total	Funding Source
	(July 2024 - (July 2025 - June 2025) April 2026)			
Duration (Months)	12	10	22	
<u>Weatherization</u>				
Weatherization Improvements	\$ 205,800	\$ -	\$205,800	
City Fiber System	\$ 10,000	\$ -	\$ 10,000	
<u>Subtotal</u>	<u>\$ 215,800</u>	<u>\$ -</u>	<u>\$215,800</u>	
Contingency (10%)	\$ 21,580	\$ -	\$ 21,580	
<u>Total - Weatherization</u>	<u>\$ 237,380</u>	<u>\$ -</u>	<u>\$237,380</u>	
<u>Rounded To</u>	<u>\$240,000</u>	<u>\$ -</u>	<u>\$240,000</u>	<u>G.O. Bond</u>
<u>Holding Costs</u>				
Electricity	\$ 24,000	\$ 20,600	\$ 44,600	
Water / Sewer	\$ 2,000	\$ 1,717	\$ 3,717	
Natural Gas	\$ -	\$ -	\$ -	
Snow Removal	\$ 9,893	\$ 10,190	\$ 20,083	
Landscaping	\$ 15,000	\$ 15,450	\$ 30,450	
Property Insurance	\$ 2,515	\$ 2,666	\$ 5,181	
<u>Subtotal</u>	<u>\$ 53,408</u>	<u>\$ 50,623</u>	<u>\$104,031</u>	
Contingency (10%)	\$ 5,341	\$ 5,062	\$ 10,403	
<u>Total -Holding Costs</u>	<u>\$ 58,749</u>	<u>\$ 55,685</u>	<u>\$114,434</u>	<u>Cash</u>

- 3.4.2. Preliminary Estimated Capital Costs: The table below summarizes the estimated capital cost for design, construction, and associated costs of Option #2 at 4 Bouton Street. It is important to note that the Architect's \$38,067,902 project budget as predicated on Spring 2025 construction start date. City Administration believes that it is more likely that the project will start construction in Spring 2026. As such, the project budget has been updated for a Spring 2026 start.

Additionally, the proposed budget has been updated to include some items which were excluded from the Architect's suggested budget. Please see the table below for more information.

Table 7: Project Budget New Police Station Option #2

	<u>April 2026 Estimate</u>
<u>Building Square Footage (Gross)</u>	52,137
<u>Hard Costs</u>	
Site Work & Utilities	\$ 2,039,813
Building Renovations	\$ 14,950,102
Building Additions	\$ 14,316,671
Asbestos Abatement	\$ 311,212
Lead Paint Abatement / Universal Wastes	Excluded / TBD
<u>Subtotal - Hard Costs</u>	<u>\$ 31,617,797</u>
<u>Soft Costs</u>	
Property Acquisition	N/A
Design / Permitting / Construction Administration	\$ 3,130,659
Owner's Project Manager	Omitted
Special Inspections	\$ 316,178
Communications Antenna	\$ 550,000
Insurances	\$ 316,178
Fixtures / Furnishings / Equipment	\$ 939,198
Emergency Generator	Reuse Existing at Site
Signage	\$ 200,000
Security / IT / Data	\$ 626,132
Moving Expenses	\$ 35,000
Connection to City Fiber Network	In Weatherization Budget
<u>Subtotal - Soft Costs</u>	<u>\$ 6,113,344</u>
<u>Contingency</u>	
Hard Cost Contingency	\$ 3,161,780
Soft Cost Contingency	\$ 611,334
<u>Subtotal - Contingency</u>	<u>\$ 3,773,114</u>
<u>Total Project Cost</u>	\$ 41,504,255
	<u>Rounded to \$ 41,500,000</u>
Per Square Foot	\$ 795.98

- 3.4.3. Preliminary Estimated Operating Costs: Presently, it is anticipated that the new facility would be completed in August 2027, and fully occupied by November 1, 2027 (or 4 months into FY2028). Thus, FY2029 is projected to be the first full year of operation for the new facility.

The table below provides a comparison existing facility expenses for the Green Street Police Station, as well as projected expenses for the existing Police Station and new facility proposed at 4 Bouton Street for FY2029. Presuming that the City would retain and renovate the current Police Station for other municipal purposes, operating costs associated with the new Bouton Street Police Station would be fully new expenses to the City.

Given the size of the new Bouton Street facility, custodial and maintenance staffing will increase from 1.7 to 3.75 FTEs.

Table 8: Existing Green Street and New Proposed Bouton Street Police Station Operating Costs FY2029 Projection

	Current Expenses	FY2029 Projection	FY2025	FY2029 Projection	Difference
	Existing Green St Facility	Existing Green St Facility	4 Bouton St Police Station	4 Bouton St Police Station (1st Full Year Operations)	Bouton vs. Existing Green St
Building Square Footage (Gross)	<u>21,790</u>	<u>21,790</u>	<u>52,137</u>	<u>52,137</u>	<u>30,347</u>
Repairs and Maintenance	\$ 5,600	\$ 6,062	\$ 13,399	\$ 14,504	\$ 8,442
Software/Hardware Maintenance	\$ 4,400	\$ 4,763	\$ 10,528	\$ 11,396	\$ 6,633
Communications	\$ 41,251	\$ 44,651	\$ 41,251	\$ 44,651	\$ -
Building Supplies	\$ 1,350	\$ 1,461	\$ 3,230	\$ 3,496	\$ 2,035
Electricity	\$ 86,910	\$ 94,074	\$ 207,950	\$ 225,092	\$ 131,017
Natural Gas	\$ 10,560	\$ 11,430	\$ 25,267	\$ 27,350	\$ 15,919
Water and Wastewater	\$ 3,690	\$ 3,994	\$ 8,829	\$ 9,557	\$ 5,563
Property Insurance	\$ 3,240	\$ 3,507	\$ 7,752	\$ 8,391	\$ 4,884
Water Backflow Meter Charges	\$ -	\$ -	\$ 410	\$ 453	\$ 453
Custodial Staff Salaries & Benefits	\$ 134,304	\$ 145,375	\$ 297,954	\$ 322,515	\$ 177,140
Snow Removal (by Parking Fund)	\$ 3,891	\$ 4,212	\$ 8,409	\$ 9,103	\$ 4,890
<u>Subtotal - Facility O&M Expenses</u>	<u>\$ 295,196</u>	<u>\$ 319,530</u>	<u>\$ 624,980</u>	<u>\$ 676,507</u>	<u>\$ 356,977</u>
Per Square Foot	\$ 13.55	\$ 14.66	\$ 11.99	\$ 12.98	\$ (1.69)

- 3.5. City Hall Campus Master Plan / Renovation: Should the City proceed with plans to relocate the Police Station to 4 Bouton Street, City Administration recommends completion of a Master Plan for the City Hall Campus. The Master Plan would include the current Police Station, as well as City Hall, City Hall Annex, and Green Street Community Center.

The purpose of the plan would be to identify space needs and develop plans to renovate the Police Station, as well as other potential facilities at the City Hall Campus, to meet the City's current and foreseeable future needs. Goals would likely include:

- Returning the Human Services Department to the Campus, which is currently located in leased space at a private office building;
- Consolidating the four Divisions of the Community Development Department into a single location;
- Merging the Office of Management and Budget with the Finance Accounting Division;
- Improving handicap accessibility; including potentially relocating "retail-oriented departments" such as the Clerk's Office and Collections, to locations which are more easily accessible for those with mobility disabilities, as well as potential renovations to City Council Chambers.
- Additional meeting spaces.

A preliminary budget for this effort is below. Please note the design / construction budget is for the renovation of the existing Green Street Police Station into a new use. Construction would not occur until the new Police Station is completed and occupied in Q2 of FY2028.

Estimating the potential renovation cost of other facilities and spaces at the Campus would be premature until the Master Plan is completed and space needs and recommendations associated therewith are identified. Hence the table below focuses strictly on projected renovation costs for the current Police Station building.

Table 9: Budget for City Hall Campus Master Plan & Police Station Adaptive Reuse for New Municipal Functions

	<u>Budget</u>	<u>Funding Source</u>	<u>Fiscal Year</u>
City Hall Campus Master Plan	\$ 250,000	G.O. Bond	FY2025
Renovate Police Station For New Municipal Use (21,790 SF)			
Design	\$ 1,089,500	G.O. Bond	FY2026
Construction	\$ 10,895,000	G.O. Bond	FY2028
<u>Subtotal</u>	<u>\$ 12,234,500</u>		
Per Square Foot	\$ 561.47		

4. **Projected Total Investment and Potential Tax Rate Impacts:** Using the information included in Section 3 above, staff has prepared a comprehensive financial analysis of the potential financial impacts of developing a new Police Station at 4 Bouton Street, as well as renovating the existing Police Headquarters for other municipal purposes. Said analysis has been prepared for City FY2025-2030, and includes anticipated tax rate impacts associated therewith. Please see Table 10 on the following page for more information.

When reviewing Table 10, please note that the total taxable assessed value of the City has been held at 2023 amount of \$5,197,027,215. This figure is likely to change over the coming 5 years.

Additionally, the attached summary anticipates that the Parking Fund will rent space in the new Police Station for the Parking Division. Rent is based on a proration of square footage in the facility likely to be allocated to the Parking Division based upon the 2024 space program completed by the Architect.

Further, the analysis also anticipates that the City will terminate leasing space for the Prosecutor's Office. Presently, the City leases 6,145SF of office space for the Prosecutor's and Human Services Department in a private office building. Said lease was renewed in 2022 and expires on October 31, 2027. However, it may be extended for an additional 5 years. The City will need to negotiate with the Landlord to terminate that portion of the lease for the Prosecutor's Office, while extending for the Human Services Department until such time as it can be returned to the City Hall Campus. Anticipated savings on rent and utilities for the Prosecutor's Office is incorporated into the attached analysis.

Lastly, the analysis anticipates that any bonds approved for the design of the new Police Station or renovation of the existing facility for new municipal uses would be sold when construction bonds are subsequently issued. This allows for design related debt service to be repaid over a 20-25-year term, in lieu of 5-year horizon if issued separately as required by State Law.

Additionally, staff anticipates that debt service for the construction of the new Police Station, which totals nearly \$38.7 million, would likely be sold in two separate issuances over 2 fiscal years.

Please see Table 10 on the following page for more information.

Table 10: Financial Analysis by Fiscal Year for New Police Station and City Hall Campus Renovation

Project	Bond Amount	Bond Appropriation Year	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
<u>4 Bouton Street Police Station</u>								
Property Acquisition Bond	\$ 4,090,000	FY2024	\$ -	\$ 347,650	\$ 340,493	\$ 333,335	\$ 326,178	\$ 319,020
Due Diligence Bond (Formerly Site Selection)	\$ 75,000	FY2024	\$ -	\$ 17,625	\$ 17,100	\$ 16,575	\$ 16,050	\$ 15,525
Weatherization Bond	\$ 240,000	FY2025	\$ -	\$ 20,400	\$ 19,980	\$ 19,560	\$ 19,140	\$ 18,720
Interim Property Maintenance	N/A	N/A	\$ 58,749	\$ 55,685	\$ -	\$ -	\$ -	\$ -
Design Bond	\$ 3,130,659	FY2025	\$ -	\$ -	\$ 234,799	\$ 230,416	\$ 226,034	\$ 221,651
Construction Bond (Issuance #1; 50%)	\$ 19,184,671	FY2026	\$ -	\$ -	\$ 1,438,850	\$ 1,411,992	\$ 1,385,133	\$ 1,331,416
Construction Bond (Issuance #2; 50%)	\$ 19,184,671	FY2026	\$ -	\$ -	\$ -	\$ 1,438,850	\$ 1,411,992	\$ 1,385,133
Operating & Maintenance	N/A	N/A	\$ -	\$ -	\$ -	\$ 492,159	\$ 676,507	\$ 696,802
Subtotal	\$ 45,905,000		\$ 58,749	\$ 441,360	\$ 2,051,222	\$ 3,942,887	\$ 4,061,033	\$ 3,988,267
<i>Credit - Parking Fund Rent*</i>			\$ -	\$ -	\$ -	\$ (59,143)	\$ (81,221)	\$ (79,765)
<i>Credit - Rent Savings Prosecutors Lease Termination**</i>			\$ -	\$ -	\$ -	\$ (50,034)	\$ (68,041)	\$ (69,429)
<i>Credit - Rent Savings Human Services Lease Termination***</i>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Net Raised by Property Taxes</u>			\$ 58,749	\$ 441,360	\$ 2,051,222	\$ 3,833,710	\$ 3,911,771	\$ 3,839,073
<u>Projected Tax Rate Impact****</u>			\$ 0.01	\$ 0.08	\$ 0.39	\$ 0.74	\$ 0.75	\$ 0.74
<u>City Hall Campus Renovation</u>								
Campus Master Plan	\$ 250,000	FY2025	\$ -	\$ 58,750	\$ 57,000	\$ 55,250	\$ 53,500	\$ 51,750
Design - Police Station Conversion	\$ 1,089,500	FY2026	\$ -	\$ -	\$ -	\$ -	\$ 92,608	\$ 90,701
Construction - Police Station Conversion	\$ 10,895,000	FY2028	\$ -	\$ -	\$ -	\$ -	\$ 926,075	\$ 907,009
<u>Net Raised by Property Taxes</u>	\$ 12,234,500		\$ -	\$ 58,750	\$ 57,000	\$ 55,250	\$ 1,072,183	\$ 1,049,460
<u>Projected Tax Rate Impact****</u>			\$ -	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.21	\$ 0.20
<u>Combined Annual Cost</u>			\$ 58,749	\$ 500,110	\$ 2,108,222	\$ 3,888,960	\$ 4,983,953	\$ 4,888,532
<u>Combined Projected Tax Rate Impact****</u>			\$ 0.01	\$ 0.10	\$ 0.41	\$ 0.75	\$ 0.96	\$ 0.94
<u>Projected Annual Property Tax Impact****</u>								
\$100,000 Assessed Value Property			\$ 1.13	\$ 9.62	\$ 40.57	\$ 74.83	\$ 95.90	\$ 94.06
\$250,000 Assessed Value Property			\$ 2.83	\$ 24.06	\$ 101.41	\$ 187.08	\$ 239.75	\$ 235.16
\$350,000 Assessed Value Property			\$ 3.96	\$ 33.68	\$ 141.98	\$ 261.91	\$ 335.65	\$ 329.22
\$500,000 Assessed Value Property			\$ 5.65	\$ 48.12	\$ 202.83	\$ 374.15	\$ 479.50	\$ 470.32

* Presumes Rent from Parking Fund for Parking Division (Prorated on SF)

** Presumes Termination of Lease for Prosecutors Space on 10/31/2027

*** Presumes Termination of Lease for Human Services Space

**** Based on 2023 City Total Taxable Assessed Value of \$5,197,027,215

5. **Benefits for the Organization:** Should the City Council desire to purchase 4 Bouton Street / 124 North State Street for a new Police Station, the following benefits will accrue to the organization and the community:

5.1. **Police Department:**

- Achieves new, modern facility which will meet the Department's current and projected needs through at least 2044;
- New facility will remove hinderances for achieving State / National accreditation due to facility related issues;
- New facility will strengthen morale, as well as enhance retention and recruitment efforts; and,
- Improves safety and efficiency of operations.

5.2. **Other City Operations:**

- Provides opportunity to renovate existing Police Station at City Hall Campus for other municipal uses, thus addressing space needs of other City Departments;
- Creates the opportunity to relocate the Human Services Department to City Hall Campus, thus allowing City to terminate existing lease;
- Results in Prosecutor's Office moving into Police Station, thus improving operational efficiencies and interdepartmental coordination, as well as allowing the City to terminate existing lease; and,
- Relocates the Police Department closer to Fire Department Central Station for improved operational efficiencies.

5.3. **Other Benefits:**

- Preserves and reuses quality mid-century modern building.