Community-based Solution to Local Government Space Needs

Mayor Tom Henry
August 2009
What were the guiding principles in the space needs analysis?

- Relocate the Fort Wayne Police Department
- Be centrally located
- Deliver cost-effective, high-quality services
- Prepare for the future and find long-term solutions
- Reduce property tax appropriation
- Create new opportunities for the community
What opportunity may be available to the community?

- City’s 200 East Berry Street plan prompted renewed County interest in a joint solution
- County’s proposal was promising
- City dedicated to a plan that will benefit all taxpayers & residents
- 200 East Berry Street is a one-of-a-kind opportunity
- Space needs include the relocation of the Police and Sheriff
- Having two unique buildings so close together positions the community for the future
What opportunity may be available to the community? (continued)

• MOU contains agreement on many key issues between City and County:
  • Common goal of joint solution for building and space needs
  • Need to better serve the public and use our resources wisely
  • Desirability of greater collaboration
  • Value of the Working Group
  • Accelerated timeline put forth by the County
  • Co-location imperatives to ensure delivery of high-quality, cost-effective services, increase access and promote operational efficiencies for all citizens
What is the Working Group and its mission?

• Representatives appointed by the County Commissioners and Mayor

• Working Group led by John Stafford

• Committed to making recommendations from the citizen’s perspective as well as a public-agency and financial perspective

• Provide information to make decisions based on facts

• Recommendation due to the County Commissioners and Mayor by Sept. 30, 2009
Why is it important to move forward now?

• The purchase of the building is critical to any decision that needs to be made
• There are dates in the purchase agreement that need to be met for this deal to work
• The case for purchasing is strong
• There is a window of opportunity currently available
• The momentum and feasibility of an excellent outcome is now
• The long-term benefits for both the City and County are outstanding
Why is the City considering moving the Fort Wayne Police Department?

• Creighton lease expires Sept. 30, 2009
• Building built in 1907
• Building adapted for Police use in 1994
• 10 yr. old issue with growing financial concern
• Fire safety issues
• Inability to separate staff, suspects, witnesses
• Hampers staff productivity
• Energy issues
Why is the City considering moving the Fort Wayne Police Department? (continued)

- Rental payments $200,000
- High and growing maintenance costs (over $400,000)
- Fort Wayne Police Department’s need for additional 50,000 sq. ft.
- Insufficient and poorly configured space
Current Fort Wayne Police Department Facility
Current Fort Wayne Police Department Facility
What other issues were considered?

• Mayor’s commitment to space that will effectively serve public and save taxpayer dollars
• City-County Building lease expires December 31, 2010
• Evaluation of all City and Police space needs
• National and local economic challenges
What Police space options were considered?

- Remain at Creighton Avenue
- Anthony Wayne Bank Building
- “Big Box” commercial space
- Merging Police and Sheriff Departments in City-County Building
- Build new building
- 200 E. Berry Street
What would other Fort Wayne Police Department options cost?

<table>
<thead>
<tr>
<th>Option</th>
<th>Purchase (millions)</th>
<th>Renovations (millions)</th>
<th>Total (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remain Creighton Avenue</td>
<td></td>
<td>$17.3</td>
<td>$17.3</td>
</tr>
<tr>
<td>Anthony Wayne Building</td>
<td>$5.0</td>
<td>$14.0</td>
<td>$19.0</td>
</tr>
<tr>
<td>“Big Box” commercial space</td>
<td></td>
<td><strong>Unsuitable location and functionality</strong></td>
<td></td>
</tr>
<tr>
<td>County Merger</td>
<td></td>
<td><strong>Could not meet mutually agreeable terms</strong></td>
<td></td>
</tr>
<tr>
<td>New building for Police Dept.</td>
<td>$22.0</td>
<td>$ -</td>
<td>$22.0</td>
</tr>
<tr>
<td>200 E. Berry Street</td>
<td>$7.3</td>
<td>$7.2</td>
<td>$14.5</td>
</tr>
</tbody>
</table>
What are the City’s conclusions?

- 200 E. Berry Street has the capacity to deliver cost-effective, high-quality services
- Centrally located
- Condition of building
- Open space layout
- Prepares for future with long-term solution to space needs
- Reduces property tax appropriation
Why is the City moving all departments and not just the Fort Wayne Police Department?

• City-County Building lease expires December 31, 2010
• Ability to leverage opportunity with need to relocate Police
• 200 E. Berry Street has capacity for all departments
• Financial projections support opportunity
• City will own building in 20 years
What are the current and projected space needs of the City?

<table>
<thead>
<tr>
<th></th>
<th>Current Space</th>
<th>Projected Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>100,000</td>
<td>115,000</td>
</tr>
<tr>
<td>Police</td>
<td>38,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Fire Administration</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Neighborhood Code</td>
<td>6,500</td>
<td>6,500</td>
</tr>
<tr>
<td>Total</td>
<td>154,500</td>
<td>211,500</td>
</tr>
</tbody>
</table>

Usable Space at 200 E. Berry Street: 220,000
<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$ 7.19</td>
</tr>
<tr>
<td>Land – north of building</td>
<td>$ 1.14</td>
</tr>
<tr>
<td>Land – east of the History Center</td>
<td>$ 0.21</td>
</tr>
<tr>
<td>Total</td>
<td>$ 8.54</td>
</tr>
</tbody>
</table>
How are property taxes affected by this purchase?

- There are 3 parcels included in the purchase
- For pay 2009, real estate taxes due are $224,768
- The TIF district will receive $120,552
- Other taxing units will receive $104,216
What is the total cost of building and renovations?

<table>
<thead>
<tr>
<th>Description</th>
<th>COST (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price</td>
<td>$7.26</td>
</tr>
<tr>
<td>Renovations</td>
<td>$7.20</td>
</tr>
<tr>
<td>Total</td>
<td>$14.46</td>
</tr>
</tbody>
</table>
What other opportunities may be available for renovations?

Energy Efficiency and Conservation Block Grant

• Grant Summary
  ➢ Adaptive reuse of vacant building
  ➢ Located in central business district
  ➢ Installation of energy efficient upgrades

• Planned upgrades
  ➢ Chiller
  ➢ Cooling tower
  ➢ Boiler improvements
  ➢ System controls

• Grant amount - $1,237,200
What does City pay in rent and maintenance on average?

<table>
<thead>
<tr>
<th></th>
<th>Average Cost* (annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Rent and Maintenance</td>
<td>$818,019</td>
</tr>
<tr>
<td>Neighborhood Code</td>
<td>$122,798</td>
</tr>
<tr>
<td>City-County Building Rent</td>
<td>$1,517,371</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,458,188</strong></td>
</tr>
</tbody>
</table>

*Over 20 years
What would average operating costs be for 200 E. Berry Street?

<table>
<thead>
<tr>
<th>Description</th>
<th>Average Cost* (annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Costs ($4.50/sq. ft)</td>
<td>$1,496,238</td>
</tr>
<tr>
<td>Communication rent to County</td>
<td>$ 37,619</td>
</tr>
<tr>
<td>Additional Parking</td>
<td>$ 161,222</td>
</tr>
<tr>
<td>Capital Improvement Fund</td>
<td>$ 300,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,995,079</strong></td>
</tr>
</tbody>
</table>

Reduction in Property Taxes: Average $463,108/yr.

*Over 20 years
## Financial Analysis over life of project

<table>
<thead>
<tr>
<th>Cost (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
</tr>
<tr>
<td>Property Tax savings from operating costs</td>
</tr>
<tr>
<td>Net Cost of Project</td>
</tr>
<tr>
<td>Present Value of Net Costs</td>
</tr>
</tbody>
</table>
What parking is needed and available?  
(in spaces)

• City needs: 863

• Parking availability:
  • North of building 81  
  (Free visitor parking)
  • East of History Center 80
  • South of building 99
  • Diocesan Parking Garage 130
  • Town Center Garage 200
  • Plaza Garage 467

  Total available 1,057
Conclusion

- 200 E. Berry Street is least expensive option
- Ability to leverage opportunity with need to relocate Fort Wayne Police Department
- Community-based solution to space needs, consolidating all City departments
- Centrally located
- Financial projections support opportunity
- Reduces property tax appropriation
- City will own building in 20 years