

## City Council Information Request re: Renaissance Building

The following questions from the City Council (specifically, Councilman Pape) were sent to the County Commissioners on August 19, 2009 at 9:53 a.m. via email.

1. *How many buildings does the County own and lease and perhaps a map of their locations and what departments occupy what space and what costs are there – broken down into lease, maintenance and other.*

The County owns approximately 25 properties throughout Allen County, not counting storage areas, salt barns, parks, and Memorial Coliseum. Of those properties, there are many that could not relocate into the City-County Building or Renaissance Square, such as the Highway garages, Jail, Youth Services, TB Clinic, and the Juvenile Justice Center. The attached list (Exhibit A) includes six downtown buildings owned by the County, plus the Kidder Building occupied by the Sheriff, totaling about 170,000 s.f., that could be considered for relocation. The attached map (Exhibit B) shows the location of the six downtown buildings owned by the County.

These buildings are all County owned, so there is no lease cost. The utilities cost is attached as Exhibit C for the seven buildings mentioned above. The maintenance and other costs are not currently available, as some of those costs are shared (i.e., maintenance staff).

2. *Does the County have any idea, have they ever planned, have they drawn up or played around with in any fashion how to fill the space the City would vacate in CCB (City County Building) if it moved to 200 E Berry as Mayor Henry proposed in June? If so, can we receive the same, and any financial analysis they made related thereto.*

There are no finalized plans or financial analysis related to filling the City-County Building should the City move its entire operations to Renaissance Square. (Note that the County has not seen any of the City's plans on how it would fill the space at the Renaissance Square building should it move out, or a detail breakdown of the renovation costs despite several requests). However, the offices located in the buildings listed in Exhibit A related to question #1 could be candidates for consolidation in the City-County Building should the City move out. We have proactively sought appraisals for a number of these buildings should space in the City-County Building or Renaissance Square become available.

3. *Can we receive the detailed costs estimates they have on the proposed new Sheriff HQ, and state whether that includes infrastructure related to the Sheriff HQ and if not, what those costs might be and how that new building would be financed and what the expected annual maintenance and operating costs of that building.*

The proposed Sheriff's building on Adams Center Road, that the County was ready to bid, was estimated to cost \$2.5 million. The buildings construction was to be financed out of a portion of the cash balance in the County's General Fund. The County expects

the annual maintenance and operating costs of that building to be comparable to other similar facilities, at or below \$6 sq/ft, as calculated below in response to question #6.

4. *I have in my mind that the County has purchased several buildings over the last five years or so. At least a few purportedly to be the new Sheriff's HQ. Can we get a list of those purchases, the costs, the present use, if sold then for what price to whom, if used by the county, for what purpose and at what annual cost (including any mortgage/bond payments, operating costs, etc), and if vacant or not and amount of square feet of each.*

The County purchased a building on New Haven Avenue with an eye to using it to replace the Kidder Building. It has subsequently been decided to use that building as a Board of Health clinic replacing the one on South Calhoun which was significantly outgrown by the unexpected need for services required for the influx of Burmese refugees. It currently is in the remodeling stage.

5. *Related to #4 above, it seems there must have been some amount of costs associated with those purchases or proposed purchases – attorneys fees, realtors fees, design fees, architect fees, engineer fees, etc. Can we get those costs for each such purchase and in instances where those costs were incurred but no purchase made.*

The Board has all of that information and routinely makes that information available for public review and copying upon an appropriate request. However, it is quite voluminous, and the County does not understand how this relates to the proposed purchase of Renaissance Square by the City of Fort Wayne. However, if any member of City Council actually wants to see and thereafter have copies of said documents, the Commissioners' Office could provide those.

6. *I read somewhere that the County budgets like \$2,000,000 per year for maintenance / operation costs for the CCB. At 200,000 sq/ft that would be \$10/sq. ft on those costs. Industry standard is like \$4-\$6 sq/ft. If this is accurate then if they just get their operating costs in line with standard practice that's about \$1,000,000 of annual savings. We need to see what they've budgeted each of last 5 years for CCB maintenance.*

The City elected to move from a cost-sharing arrangement to a lease arrangement with the County for the use of the City-County Building in the 90's. Since that change, accurate breakdowns of operating costs by building have not been maintained. The County has also significantly restructured its maintenance staff since then to add skilled trades persons to perform remodeling internally.

The \$2 million dollar number to which the question refers probably comes from the original proposal that the County made to the City on July 14, 2009. In that proposal, the County proposed sharing the estimated \$2,427,989 in annual operating, maintenance, and capital costs at the City-County Building on a prorated basis. That works out to about \$9.29 per gross sq/ft. (Note that operating costs are typically estimated on gross square foot basis). That original proposal was put together in a two weeks time.

Since that time, the County has revised the original figures to remove maintenance staff payroll that serve other buildings, natural gas used to heat the Courthouse, and to add a few expenses omitted from the original proposal. This resulted in a revised operating and maintenance cost of \$1,705,677, or \$6.52 sq/ft, which was shared with the City Administration on August 6, 2009.

The revised operating and maintenance figures along with funding for a capital improvement fund were the basis for the revised MOU the County offered to the City on August 10, 2009. That number of \$6.52 sq/ft is close to the International Facility Management Association benchmark of \$5.99 sq/ft for comparable buildings.<sup>1</sup> The original costs, adjusted/MOU costs and IFMA benchmarks are shown in the attached Exhibit D. (Note that the County Maintenance Department includes many skilled trades persons that do repairs and renovations that would normally be contracted out by a typical building owner (at a higher cost). So, the slightly higher cost of \$6.52 sq/ft should not be taken as an indication of inefficient building management by the County.)

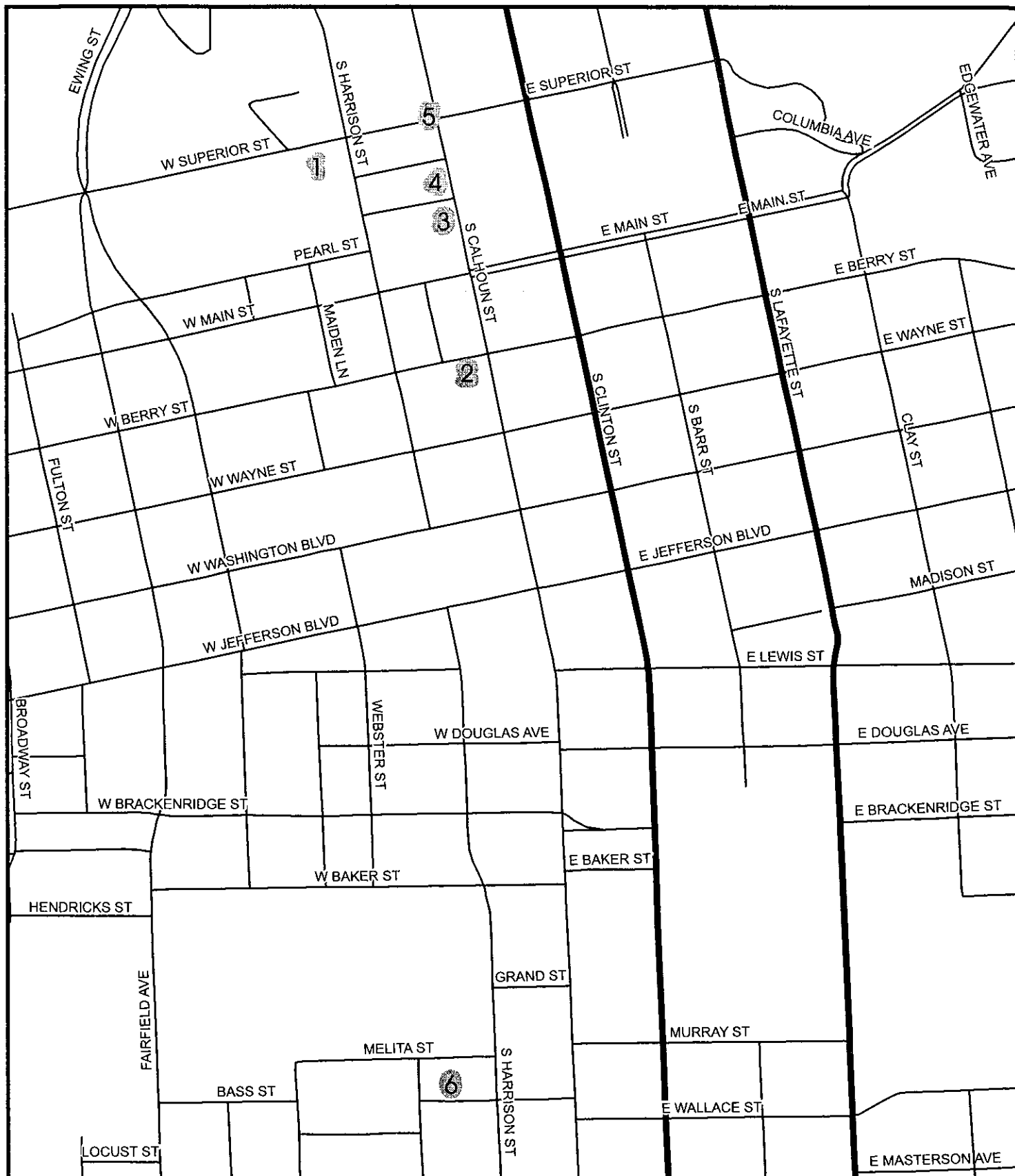
The five-year budget figure requested is not available as the operating and maintenance costs of many the County's buildings are lumped together in the Maintenance Department budget within the County General Fund. This use of these figures would grossly overstate the operating costs of the City-County Building alone.

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<sup>1</sup> Benchmark number compiled from figures published in "Benchmarks V, Research Report #30" and "Operation and Maintenance Benchmarks, Research Report #32", published by the International Facility Management Association.

## County Occupied Buildings

<u>County Owned Buildings</u>	<u>Address</u>	<u>Current Occupant</u>	<u>Gross S.F.</u>	<u>Usable S.F.</u>
City-County Building	1 East Main Street		261,477	189,304
County Space Occupied		County Admin.	144,513	97,765
Community Corrections Annex	201 West Superior Street	Community Corrections	24,780	19,000
Courthouse Annex	113 West Berry Street	Small Claims / Adult Probation	36,882	
Keystone Building	602 South Calhoun Street	Prosecutor's Office	42,780	39,000
Kidder Building	12535 Lima Road	Sheriff's Department	20,948	
West Columbia St. Building	100 West Columbia	Alcohol Countermeasures	12,430	
West Superior Street Building	1 West Superior Street	Building / Highway / Coroner / P.D.	28,000	
West Wallace Street Building	226 West Wallace Street	ATOS	4,900	4,238
Total Excluding City-County Building			170,720	



**County Occupied Buildings**

- |                                  |   |
|----------------------------------|---|
| 1 - Community Corrections Annex  | 4 - West Columbia St. -Alcohol Countermeasures    |
| 2 - Courthouse Annex             | 5 - West Superior Street-Building & Highway Depts |
| 3 - Keystone Building-Prosecutor | 6 - West Wallace Street-ATOS                      |

## County Owned Buildings' Utilities Costs

<u>Key Buildings</u>	<u>Electric</u>	<u>Nat. Gas</u>	<u>Water &amp; Sewer</u>	<u>Utilities Total</u>	<u>Sq. Ft.</u>	<u>Utilities Cost/SF</u>
City-County Building	\$420,915	\$159,176	\$21,325	\$601,416	261,477	\$2.30
Courthouse	\$66,861	\$61,322	\$7,147	\$135,329	94,000	\$1.44
Subtotal	\$487,776	\$220,497	\$28,471	\$736,745	355,477	\$2.07
<u>Other Buildings</u>	<u>Electric</u>	<u>Nat. Gas</u>	<u>Water &amp; Sewer</u>	<u>Utilities Total</u>	<u>Sq. Ft.</u>	<u>Utilities Cost/SF</u>
Community Corrections Annex	\$25,437	\$17,220	\$4,308	\$46,965	24,780	\$1.90
Courthouse Annex	\$43,501	\$24,551	\$3,353	\$71,405	36,882	\$1.94
Keystone Building	\$36,766	\$10,526	\$3,324	\$50,616	42,780	\$1.18
Kidder Building	\$10,577	\$16,784	N/A	\$27,361	20,948	\$1.31
West Columbia St. Building	\$16,587	\$8,597	\$1,303	\$26,487	12,430	\$2.13
West Superior St. Building	\$24,767	\$8,336	\$1,757	\$34,860	28,000	\$1.25
West Wallace Street Building	\$3,007	\$3,624	\$4,031	\$10,662	4,238	\$2.52
Subtotal	\$160,642	\$89,638	\$18,075	\$268,355	170,058	\$1.58
Grand Total	\$648,419	\$310,136	\$46,546	\$1,005,100	525,535	\$1.91

**City-County Building  
Annual Operating & Maintenance Expenses**

	<u>Original / 2008 Total</u>	<u>Adjusted for MOU</u>	<u>Adjusted Cost per GSF</u>	<u>IFMA Benchmark</u>
<b>Janitorial</b>				
Services Contract	\$205,728	\$205,728	\$0.79	
Supplies	\$0	\$51,000	\$0.20	
Trash Removal	\$0	\$23,420	\$0.09	\$0.13
Window Cleaning	\$10,800	\$10,800	\$0.04	
<b>Janitorial Total</b>	<b>\$216,528</b>	<b>\$290,948</b>	<b>\$1.11</b>	<b>\$1.16</b>
<b>Maintenance (Expensed)</b>				
Filters & Chemicals	\$0	\$25,362	\$0.10	
Pest Control	\$1,072	\$1,072	\$0.00	
Payroll	\$1,376,626	\$612,092	\$2.34	
<b>Maintenance Total</b>	<b>\$1,377,698</b>	<b>\$638,526</b>	<b>\$2.44</b>	<b>\$2.20</b>
<b>Security Costs (Payroll only)</b>	<b>\$0</b>	<b>\$171,765</b>	<b>\$0.66</b>	<b>\$0.57</b>
<b>Utilities Expense</b>				
Electric Utilities	\$420,915	\$420,915	\$1.61	\$1.48
Natural Gas Utilities	\$220,497	\$162,198	\$0.62	\$0.40
Water & Sewer Utilities	\$21,325	\$21,325	\$0.08	\$0.18
<b>Utilities Total</b>	<b>\$662,738</b>	<b>\$604,438</b>	<b>\$2.31</b>	<b>\$2.06</b>
<b>Total Operating Cost</b>	<b>\$2,256,964</b>	<b>\$1,705,677</b>	<b>\$6.52</b>	<b>\$5.99</b>
Capital Impr. Fund	\$171,020	\$356,560	\$1.36	N/A
<b>Total Annual Cost with Capital Improvement Fund</b>		<b>\$2,062,237</b>	<b>\$7.89</b>	
Difference from Original Proposal		(194,727)	(0.74)	

Notes: Natural Gas prorated between City-County Building and Courthouse based upon sq. ft. of 94,000 for Courthouse and 261,477 for City-County Building.

Maintenance staff salaries reduced to reflect only pay received by 14 employees that are located and work out of City-County Building.

IFMA benchmarks are from Benchmarks V, Research Report #30 and Operations and Maintenance Benchmarks, Research Report #32, and are for the City/County Industry, Headquarters use, or Midwest region.

IMFA RR #32 lists City/County Government Cost of Operations at \$6.73 per rented square foot. This includes Janitorial, Maintenance, and Utilities.