

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**  
**6/6/2017**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
Facilities Sustainability Plan	Michael Baker Deputy Village Manager

**SYNOPSIS**

Discussion is requested regarding the Village's Top Priority Action Item *Create a Facilities Sustainability Plan*.

The June 6, 2017 Village Council meeting agenda will include a discussion of the Facilities Sustainability Plan. The purpose of this discussion is to:

- Summarize the Facilities Planning Efforts (May 2015 - May 2017)
- Provide Updated Information about Issues Affecting Facilities Planning
- Describe Next Steps if a Facilities Sustainability Plan is Not Adopted
- Obtain Council Direction on the Facilities Sustainability Plan

**STRATEGIC PLAN ALIGNMENT**

The goals for 2015-2017 include *Steward of Financial, Environmental and Neighborhood Sustainability and Exceptional Municipal Services*. *Create a Facilities Sustainability Plan* is a Top Priority Action Item.

**FISCAL IMPACT**

N/A

**RECOMMENDATION**

Action at the discretion of the Council.

**BACKGROUND**

May 2017 marks the two-year point in the facilities planning process. In May 2015, the Village Council stated that the 2014 version of the Facilities Plan was not to be implemented and directed that work begin on a new plan (a summary of the recent planning efforts is attached).

Recent review and consideration of development proposals have indicated that a complete solution to the facilities issues (construction of a combined new Police Station and Village Hall) would require one of the following:

1. Approximately \$2.4 million for annual debt service payments

2. Approximately \$1.4 million for annual debt service payments and a Medical Office Building development
3. Approximately \$1.2 million for annual debt service payments and a 56-unit townhome development
4. Approximately \$1.1 million for annual debt service payments and a +/-235-unit apartment development

The facilities planning process has not yet resulted in a plan supported by a majority of the Council. It appears that there are a variety of differing Council member opinions regarding:

- Acceptable land uses and density for the redevelopment of the Civic Center property
- The financial impacts and risk to taxpayers associated with each development option
- The amount of financial and other resources available to address facilities issues

Given that consensus on a Facilities Sustainability Plan has not yet been established, and in light of the items that have changed in the past two years, the June 6 Council discussion will re-focus on the first two phases of the facilities planning process - *Defining the Issue* and *Identifying Resources*. Obtaining Council direction on these fundamental components is imperative to taking the next steps in the facilities planning process.

### **Updated Information About Issues Affecting Facilities Planning**

The overarching issues with the Police Station and Village Hall have not changed in the past 24 months. Both buildings are functionally obsolete and have systems which are past their useful life. Approximately \$10 million in maintenance needs have been identified. However, a few things have changed which may affect how the Council approaches the next round of facilities planning discussions.

- **Increase in Project Cost** - Construction prices have been increasing and are projected to continue to increase. The project cost estimate was prepared several months ago and assumed that construction would commence in early 2018. It now appears that construction would not commence until late 2018 or early 2019. The project cost estimate may have to be increased by 5-7% to reflect the likely schedule.
- **Potential Risk of Losing Asset Forfeiture Funds** - Facilities Plan resources include the use of approximately \$1.75 million of the Asset Forfeiture Funds. The U.S. Department of Justice, which administers this program, has allowed the Village to accumulate these funds since 2012 based on the understanding that they were being earmarked for a specific planned capital project. In the absence of a defined facilities plan, it may be necessary to redirect the use of these funds, or risk losing a significant portion of them.
- **Maintenance Work on Police Station and Village Hall** - The two-boiler system which serves both the Police Station and Village Hall is no longer functioning at full capacity and is need of repair or replacement. Further, the roof on the front portion of Village Hall is developing cracks resulting in leaks as the 20-year old membrane deteriorates. While the cracks are repaired shortly after they appear, new cracks continue to develop on a regular basis. These repairs, with an estimated cost of \$150,000 to \$300,000, should be made within the next 12 months.
- **Plan to Enact a Food & Beverage Tax** - To address the revenue shortfall in the General Fund, the Council recently approved a plan to enact a Food & Beverage tax.

- **Expiration of the Library Improvement Debt Service Tax Levy** - In 2016 the debt on the mid-1990's library improvements was retired. Therefore, no property tax for this purpose was levied in 2017. The 2016 levy was \$329,000. The 2015 and previous years' levy amount was about \$620,000.
- **Increase in the Public Safety Pension Levy** - The 2018 property tax levy for required contributions to public safety pension funds will increase by at least \$216,000 and could increase by up to \$735,000.

### **Next Steps if a Facilities Sustainability Plan is Not Adopted**

If a Facilities Sustainability Plan is not adopted prior to the preparation of the Proposed FY18 Budget, staff recommends that the Village address the immediate building maintenance issues, use the money in the Asset Forfeiture fund on Police Station improvements and continue to address building maintenance issues over the next three to five years. These actions would be included in the Proposed FY18 Budget. More specifically, these actions would include the following:

1. Use up to \$1.1 million of existing revenues for the following:
  - Up to \$400,000 per year to maintain Police Station & Village Hall based on a maintenance schedule
  - Up to \$700,000 per year for General Fund revenue, if necessary
2. Use \$2.2 million of cash on hand (primarily Asset Forfeiture revenue) to remodel the Police Station to address operational deficiencies. While the specific improvements have not been identified, a \$2.2 million remodel would address only a small portion of the identified operational deficiencies.

### **ATTACHMENTS**

Police Station and Village Hall Maintenance Schedule  
Facilities Sustainability Plan History

*Police Station and Village Hall Maintenance Schedule*

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Police Station</b>						
Install new boiler	150,000					150,000
Roof replacement					200,000	200,000
Replace air handling unit			17,000			17,000
Replace pneumatic controls			20,000			20,000
Replace overhead doors		12,000	12,000	12,000	12,000	48,000
Replace entrance doors		30,000				30,000
<b>Village Hall</b>						
Replace air handling units		17,000		17,000		34,000
Repair/replace planters/stairways			30,000			30,000
Repair/replace garage ramp				25,000		25,000
Tuckpointing		20,000			20,000	40,000
Roof replacement		150,000		320,000		470,000
Replace boiler			350,000			350,000
PD/VH Contingency Amount	100,000	100,000	100,000	100,000	100,000	500,000
<b>Total</b>	<b>250,000</b>	<b>329,000</b>	<b>529,000</b>	<b>474,000</b>	<b>332,000</b>	<b>1,914,000</b>

## Facilities Sustainability Plan History

May 2015	Village Council permanently stops work on the 2014 Facilities Plan
Sep. 8, 2015	Village Council adopts Long-Range Plan with Top Priority Action Item <i>Create a Facilities Sustainability Plan</i>
Sep. 15, 2015	Village Council meeting to discuss/define the <b>Issue</b> . The Council confirms the maintenance and operational challenges for both buildings.
Oct. 20, 2015	Village Council meeting to review available <b>Resources</b> that could be used to address facilities planning issues. The Council pledges existing revenue sources and the use of the Civic Property and creates a \$16 million project budget. Partnerships with developers and other government agencies are specifically excluded from the resources.
Dec. 1, 2015	Village Council approves pre-design contract with Williams Architects
Jan. 19 - Apr. 19, 2016	Village Council meets with Architect and discusses <b>Options</b> for the Plan
May 10, 2016	Village Council formally accepts the Facilities Sustainability <b>Plan</b> including addition to/renovation of the Police Station and maintenance improvements to Village Hall
Jun.-Jul. 2016	Village Council discusses Downtown plan and unanimously recommends mid-rise multi-family residential development (5 stories) on the Civic Center property
Jul. 19, 2016	Village staff presents full design contract with Williams Architects ( <i>not voted upon</i> )
Aug. 16, 2016	Downers Grove EDC issues RFP to determine developer interest in potential redevelopment of the Civic Center property
Sep. 20, 2016	Deadline for EDC RFP process - 5 responses received
Oct. 11, 2016	Village Council adopts a motion <i>directing staff to pursue an alternative option for a mixed-use redevelopment of the Civic Center property including a new combined Police Station &amp; Village Hall with a multi-family residential development</i>
Oct. 18, 2016	Village Council approves a contract extension with Williams Architects and a contract to complete an ALTA/Topographic Survey of the Civic Center Property
Nov. 1, 2016	Village Council adopts a motion <i>directing staff to issue a Call for Offers / Request for Proposal to purchase and develop a portion of the Civic Center Property</i>
Nov. 7, 2016	Village issues Call for Offers / Request for Proposal
Dec. 16, 2016	Deadline for Village Call for Offer / RFP process - 4 responses received
Dec. 20, 2016	Village Council approves contract with Kane McKenna for TIF Consulting Services
Feb. 24, 2017	Village releases Facilities Plan Report, including an evaluation of the development proposals
Feb. 28 - Mar. 21, 2017	The Village Council provides opportunities at five public meetings to allow for input and discussion of the development proposals and facilities plan. On March 21, Village Council directs staff to initiate negotiations with K. Hovnanian for a townhome development.

Apr. 18 - May 2, 2017	Village Council considers key terms of a Redevelopment Agreement with K. Hovnanian. On May 2, 2017, the motion to approve the key terms fails for a lack of a second.
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