

# Executive Summary

In August 2015, the Village Council adopted a Long Range Plan with *Create a Facility Sustainability Plan* identified as a top priority action item. The process to develop the plan including the following phases: 1) Define the issue; 2) Identify available resources; 3) Create and consider a wide range of options; and 4) Develop the plan. A summary of each phase and work completed within it is described below.

## Define the Issue

A 2012 Facility Condition Assessment identified \$10.3 million of maintenance needs in both buildings - [\\$3.6 million in the Police Station](#) and [\\$6.7 million at Village Hall](#). In addition, the age and condition of both facilities ([Police Station/Village Hall](#)) have resulted in operational deficiencies that can interfere with efficient service delivery and effective employee/customer interaction. The Village has limited resources available to undertake improvements to these facilities.

## Identify Available Resources

In [October 2015](#), the Village Council discussed financial and other resources that it would be willing to consider using for improvements to these facilities. The majority of the Council at the time preferred to use existing revenues and existing assets in evaluating options for these facilities. This resulted in the establishment of a \$16 million project budget. Specifically, the Village would pay for this project with cash on hand (currently approx. \$2.2 million) and through the issuance of bond. Annual debt service payments of up to \$1.1 million would be supported by

- \$600,000 of property taxes that had been used to pay debt service related to Library improvements;
- \$200,000 of existing gasoline tax, previously used for improvements to Fairview Avenue; and
- \$300,000 from capital fund previously used for new sidewalk construction.

## Create and consider a wide range of options

Between January and [April of 2016](#), the Village considered a range of options for facility improvements based on the resources the Village Council was willing to consider. Options included replacement of existing systems, remodeling of one or both buildings, and construction of an addition to the Police Station.

## Develop the plan

On [May 17, 2016](#), the Village Council approved a Facilities Sustainability Plan that called for the expansion and renovation of the Police Station and minimal maintenance improvements to Village Hall with a budget of \$16 million supported by existing revenue sources. \$14.5 million would be allocated to Police Station addition/renovation and the remaining \$1.5 million would be available to address the most critical maintenance needs of the Village Hall facility.

## Evaluating Additional Options

In July and October, the Village Council discussed the Downtown Focus Area Plan as part of the update of the Comprehensive Plan. During these discussions, Council members expressed support for the redevelopment of the Civic Center property with mid-rise multi-family residential uses.

Based on the Village Council discussion of the Downtown Focus Area Plan and formal direction provided by the Council in October, the Village published a [Request for Proposals \(RFP\)](#) for the redevelopment of the Civic Center property with a new combined Police Station & Village Hall and multi-family residential development. The purpose of the RFP was to determine the viability and financial impact of redeveloping the Civic Center. The key question to be addressed with the RFP process was:

*Can the Village construct a new combined Police Station & Village Hall on the Civic Center property using the revenue generated from the multi-family residential development and \$16 million or less from existing revenue sources?*

A new combined Police Station/Village Hall constructed on the east side of the Civic Center property is estimated to cost approximately \$30 million and would fully address all of the facility issues. To pay for this new facility, the Village would use the money in the current plan (\$2.2 million cash on hand along with \$1.1 million per year) plus the money generated from private development from the sale of land and annual property taxes.

The original RFP required that the private development be constructed in two-phases in order to allow the Police Station to operate during construction. After evaluating the proposals, it became clear that there were significant financial benefits in allowing for a one-phase development, thereby requiring temporary relocation of the Police Station. All four of the developers were invited to submit additional information regarding a one-phase development.

The Village received four development proposals, all of which have been reviewed and evaluated to determine whether the revenue generated by the proposed private development would cover the additional \$14 million (\$30 million less \$16 million) needed to build a new Combined Police Station/Village Hall. The responses and results of the analysis are summarized below.

| <b>Developer</b>               | <b>Proposed Private Development</b>     | <b>Can development cover additional \$14 mil?</b> |
|--------------------------------|---|---|
| Location Finders International | 60,000 sq. foot medical office building | No (falls short by \$240,000 to 355,000/yr)       |
| K. Hovnanian                   | 42-unit townhome development            | No (falls short by \$186,000 to \$400,000/yr)     |
| Next Generation *              | 234-unit apartment development          | Yes   |
| Flaherty and Collins *         | 350-unit apartment development          | Yes   |

\* While the two apartment development proposals vary substantially in size and scope, both developers indicated a willingness to modify their projects to meet the Village's preferences.

Evaluation of the development proposal with the assistance of the Village's TIF consultant has determined that all of the developers are qualified and have the capability to undertake the project as proposed. In addition, there are a number of other factors for the Village Council to consider in determining which option to pursue. Information provided in the following report addresses risks and risk mitigation strategies that uniquely relate to each of the development proposals. Several preliminary options for improvement to the Washington Ave. railroad crossing have also been developed as part of this plan and appear as attachments.

Discussion of this topic scheduled to begin on February 28, 2016 seeks Village Council direction on which option(s) to further pursue; one or more of the four development proposals that were submitted or further consideration of the previous plan that included addition/renovation of the Police Station and minimal maintenance to Village Hall.

**How is this plan to redevelop the Civic Center different from the plan proposed in 2014?**

1. This plan does not propose to relocate the Police Station and Fleet Maintenance Facility to Ogden Avenue (along with relocation of a Fire Station).
2. Development proposals and purchase price for a portion of the Civic Center property are being sought in advance to minimize risk.
3. This plan includes a facility that combines the Police Station and Village Hall to allow for shared spaces and a more efficient use of the property.

# Civic Center Private Development Options & Funding Sources for Combined Facility

■ Village Equity    
 ■ Sale of Land    
 ■ Property Taxes from Development    
 ■ Village Tax Revenues

Funding sources from private development  
that lower cost to Village taxpayers

