



Revised Borough Hall Committee April 26 Report



Agenda

- How we got here
- Final building design
- Updated cost estimates
- Estimated taxpayer impact
- Summary
- Next Steps

Building Design Team Objective – February 2016

- Redesign the current Borough Hall Building in line with the two phase approach identified as option 4 (eliminate large meeting/court room) in the Borough Hall Presentation of January 19
 - Smaller footprint – less bulk
 - Reduce construction costs
 - Maintain the aesthetic of the neighborhood
 - Complete the project in an expedited manner to reduce the risk with the FEMA funding

Final Proposed Building Design – No Substantial Changes



View Looking West



Updated Cost Estimates –Still on Target

	Original Design	March 29 Estimate	Latest Estimate
Building Only	\$ 5,039,000	\$ 3,818,256	\$ 3,953,000
Design Contingency		\$ 491,744	\$ 357,000
Total Building	\$ 5,039,000	\$ 4,310,000	\$ 4,310,000
Construction Contingency	\$ 237,000	\$ 394,000	\$ 394,000
Total Building after Contingencies	\$ 5,276,000	\$ 4,704,000	\$ 4,704,000
<u>Other Net Project Costs</u>			
Initial Soft Costs	\$ 43,622	\$ 43,622	\$ 43,622
Revised Design Costs		\$ 128,110	\$ 128,110
Construction Management	\$ 167,000	\$ 167,000	\$ 167,000
Bond Fees	\$ 57,000	\$ 57,000	\$ 57,000
Subtotal Other Costs	\$ 267,622	\$ 395,732	\$ 395,732
Total Project Costs	<u>\$ 5,543,622</u>	<u>\$ 5,099,732</u>	<u>\$ 5,099,732</u>

Funding Assumptions

- Long Term Bond Rate – 3%
 - First three year's principal payments lower than 20 year average
 - Standard and Poor's "A"
- Full Utilization Of \$1.1 million FEMA Grant
 - Short term note to cover timing of reimbursement
- Secure a Waiver To Eliminate Down Payment Requirement
 - If no waiver - \$275,000 down payment funded from reserves
 - Actual borrowings reduced by equal amount

How Do We Pay For The Building (assumes all contingencies utilized)

	Original Design	Revised Design	Change
Total Project Spend	\$ 5,543,622	\$ 5,099,732	\$ 443,890
<u>Funding</u>			
Current Operations	\$ 43,622	\$ 43,622	\$ -
FEMA Grant	\$ 1,100,000	\$ 1,100,000	\$ -
Taxpayer Reserves	\$ 1,500,000	\$ -	\$ 1,500,000
Long Term Bond (3% 20 years)	\$ 2,900,000	\$ 3,956,110	\$ (1,056,110)
Total Funding	\$ 5,543,622	\$ 5,099,732	\$ 443,890
<u>Interest</u>			
Short Term	\$ 11,000	\$ 11,000	\$ -
Long Term	\$ 954,000	\$ 1,273,650	\$ (319,650)
Total Interest	\$ 965,000	\$ 1,284,650	\$ (319,650)
Total Taxpayer Impact - Net of FEMA	<u>\$ 5,408,622</u>	<u>\$ 5,284,382</u>	<u>\$ 124,240</u>

\$3.9 million Long Term Bond Impact – Per Million Of Assessed Value

- Assessed Value Increases
 - Scenario A
 - 2016 value increases at 1% a year for 20 Years
 - Scenario B
 - Housing Stock returns to pre-storm level over the next 3-5 years
 - Currently 87 open lots that used to have homes – 27 of these now under construction
 - Estimated \$150,000,000 in incremental value over the time frame

\$3.9 million Bond - Taxpayer Impact – Per million dollars of assessed value

Scenario A – 1% assessed value growth

Scenario B – Town rebuilt by 2021

<u>Year</u>	<u>Tax Impact</u>
2016	\$ -
2017	\$ 45
2018	\$ 182
2019	\$ 178
2020	\$ 177
2021	\$ 230
2037	\$ 127
20 Yr. Avg	\$ 180

<u>Year</u>	<u>Tax Impact</u>
2016	\$ -
2017	\$ 44
2018	\$ 178
2019	\$ 171
2020	\$ 168
2021	\$ 217
2037	\$ 120
20 Yr. Avg.	\$ 170

Total Funding Recommendation to Finance Committee

- Timing of Funding Ordinance versus Final Bids Requires Contingencies
 - Design \$ 357,000
 - Construction \$ 394,000
 - Finance \$ 500,000

- Funding Recommendation Not To Exceed
 - Short Term Loan to Cover FEMA Funding Timing - \$1,100,000
 - Long Term (20 Year Bond) - \$3,900,000
 - Finance Committee Contingency - \$ 500,000
 - Total Not to Exceed - \$5,500,000

Summary – Meeting Our Objectives

- Smaller – 23% (30 feet) reduction in length
- Less Expensive – Estimated \$700 thousand building cost reduction
- Better Aesthetic Fit – Yes
- On Time – On target for shovel in the ground – Early September 2016

Next Steps

- May 17 – Council Meeting - Bond approval
- June 7 – Bid packages available
- July 7 – Bids received
- July 19 – Council Meeting - Contract awarded
- Late August/Early September – Shovel in the ground
- Late Fall 2017 – Construction Complete