



City of Pataskala
Mr. BJ King, City Administrator
Administrator's Report to Council

Police Station Construction

History:

The Pataskala Police Department is currently housed in the 100-year old Town Hall on Main Street. This facility previously served as the Village of Pataskala's police station and continued to be the station upon the creation of the city. Due to the growth in the city and the demands placed on our law enforcement officers, the building is no longer adequate to serve as a safe and efficient police station. The current station does not provide a safe and effective booking area to hold those arrested. The entry to the building is unsafe as it is exposed to the elements and requires the officers to focus on typing in a code to enter the building, while also trying to maintain control of someone who has been arrested. The current station lacks adequate areas to hold multiple individuals at once. Additionally, the station lacks sufficient meeting space and has no areas for training. Training must be held in other locations, usually at a cost of facility rental to the department.

The station also is not large enough to house the current staff of the police department. Currently the department has 20 full-time staff (15 patrol officers, 3 detectives, 1 Deputy Chief, and 1 Chief), 3 part-time officers, 5 auxiliary officers, and two part-time clerks. Future budgets will contemplate the addition of full-time officers, with the first to be proposed for 2018.

Action Items:

In 2016, after much discussion and contemplation, Pataskala City Council authorized the issuance of a short-term debt in an amount not to exceed \$500,000 for design service for a new police station facility. The Administration released an RFQ for design services that resulted in the execution of a contract with Horne & King Architects in an amount of \$480,000. Design work was started in the fall of 2016 and has progressed to the point of architectural renderings and preliminary building footprint and construction drawings. The design work continues with the goal of advertising for bids in late spring/early summer 2017.

At the time of signing the contract, a very preliminary cost estimate was provided in the contract that was based on the bubble drawings in the needs assessment. The estimate that was provided at the time of the contract being signed was:

Cost estimate in contract – 13,600 Square Foot Building

Hard costs:	\$3,060,000
Soft costs:	\$765,000 (included \$480,000 for design costs and \$80,000 for issuance costs)
Contingency fund:	\$150,000
<u>Alternates:</u>	<u>\$1,110,000</u> (included shooting range and cruiser shelter)
Total:	\$5,085,000

The most recent cost estimate provided from the architect, which will be used for bidding purposes is:

Cost estimate based on design – 16,744 Square Foot Building

Hard costs:	\$4,029,900
Soft costs:	\$769,100 (included \$480,000 for design costs and \$80,000 for issuance cost)
Contingency fund:	\$100,000
Alternates:	\$180,000 (cruiser shelter)
Total:	\$5,079,000

This cost estimate is attached for your review.

Funding structure:

City Council has completed two readings of an ordinance to issue debt for the construction of a new police station in an amount not to exceed \$5.5-million. This includes the \$480,000 for design services and the cost of the debt issuance.

In anticipation of the police station project, City Council approved a motion to create a capital facilities fund that would receive the lease payments from tenants in the City Administration Building. The idea was to use the lease revenue as part of the payment of the debt for a new police station.

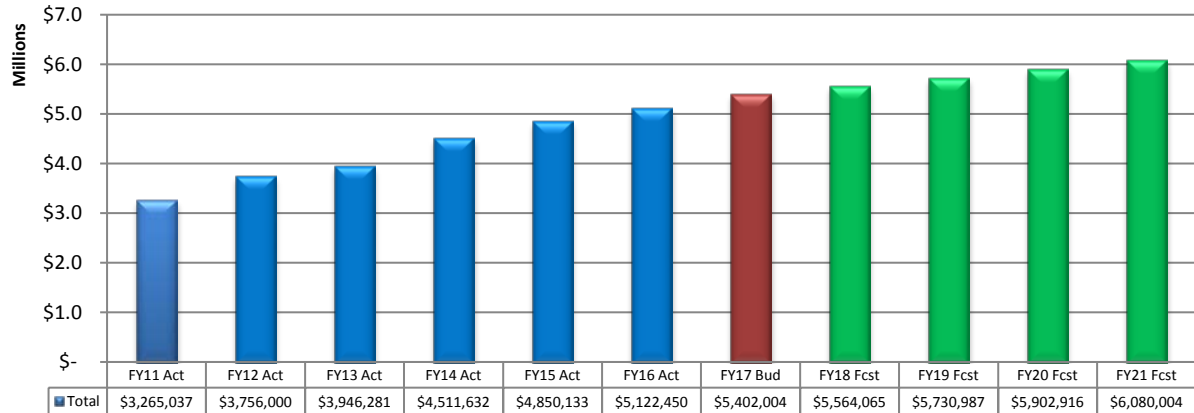
The active leases in the City Administration Building and the amounts collected annually are:

LAPP (expires 7/31/18)	\$23,827.08
Hoovler Financial (expires 12/31/18)	\$11,009.16
All-State Insurance (expires 12/31/18)	\$5,719.92
<u>COTC (expires 8/31/18)</u>	<u>\$65,742.72</u>
Total annual collection	\$106,298.88

The current balance in the Capital Facilities Fund is \$584,000. This amount includes the \$400,000 that was transferred into the fund in 2016.

Payments of the debt issuance would be a combination of revenue from the capital facilities fund and city income tax funding. The 5 year budget projection takes into consideration the payment of the annual debt revenue in an amount of approximately \$315,000 annually. The budget projects that our current proposed funding structure (lease revenue and income tax revenue) can support this debt payment. As shown in the chart below, our income tax collections continue to increase each year. Since implementation of the tax, collections have increased from over \$3.2-million to \$5.1-million. The future projections are based on a conservative 3% increase each year. I anticipate this percentage to exceed this expectation as more current residents file their tax and new residents move into the city and start to pay the income tax. Our income tax collection is strong and growing.

**Income Tax Collections - All Funds
FY 2011 - 2021**



Attached are the amortization schedules for 15-year, 20-year, and 25-year debt issuances. The true cost of the project (and the amount of debt issued) will be determined when bids for construction are received.

Considerations:

- **Lease revenue-** As shown above, the leases currently held by our tenants do expire in 2018. All indications are that each tenant will renew their lease. All-State Insurance has been a tenant prior to the city purchasing the building. LAPP (moved into building in 2015) just spent money to remodel their new office suite. COTC (moved into building in 2006 and have leased additional space since) will be undertaking a renovation project for an additional suite. Hoovler Financial (moved into building in 2014) has indicated that they plan to renew their lease.
- **Cost of construction in future** – Waiting to construct a station in a future year could cost more than the current estimate due to the potential of an increase in the cost of construction materials. Waiting to construct the station, which is a much needed facility, could result in construction costs ballooning to a cost that could impact future budgets. Addressing this need now, based on current cost estimates, may save the city money in the long-term.
- **Budget impact** – The five year budget project supports the funding structure as outlined in this report. Using the lease revenue, with a supplement from the income tax, is an approach that has been built into the future budget projections. The chart above show the increase in income tax collections from 2011 until 2016 and the collection projections for 2017-2021. The projections are capable of supporting this project without hampering service delivery in other areas.
- **Future Council Action** – Council will have to take future action on this project before any of the construction debt is spent and we break ground. Council will have to authorize advertising, receiving and reviewing bids. Council will also have to authorize execution of the construction contract before the project could begin.

City Administrator's Recommendation:

The police station as proposed can be supported by the funding structure that has been proposed. The health of our income tax collections, coupled with our rental revenue, provides a funding source that is affordable to the city. The police need a new facility as their current station is not safe for staff or anyone who is detained/booked at the station. There is inadequate meeting space and no training space (training space is usually rented from another facility). Deferring this project to a future year runs the risk of construction costs increasing due to the unknown on material costs for future years.

The cost of this project has been consistent from initial discussions through where we are today in the process. The cost estimate provided based on the needs assessment bubble drawing to the estimate that will be utilized for construction are almost identical. From the very beginning of this process, the discussion has been that the new station will cost between \$4-million and \$5-million to construct.

I recommend approval of Ordinance 2017-4277 to provide funding for the construction of a new police station facility.

COST ESTIMATE

Date: January 17, 2017

Based on: Design Development plans dated December 19, 2016 and Construction Drawings dated January 10, 2017
Further development of this estimate will be provided at 80 % Construction Drawings status

HARD COSTS**Site Work**

Site preparation, earthwork	\$ 49,800
Utilities on site	180,400
Pavings	105,000
Lawns, Landscaping & Amenities	23,500
Site Lighting	19,000
Site Work subtotal	\$ 377,700

Building Shell

Foundation, slab-on-grade	\$ 220,900
Structure including roof systems	150,400
Roofing	84,600
Exterior walls, windows, doors	376,000
Stairs, elevators	NA
Building Shell subtotal	\$ 831,900

Building Interiors

Floors, walls, ceilings, doors, lites, finishes, specialties	\$ 807,500
Fire Protection	133,800
Plumbing	119,800
Heating, Ventilation, Air-conditioning	471,900
Electrical	597,800
Including Pre-cabled voice/data/telephone	
Detention Electronic Control System	
Technology	
Voice/data rack-mounted equipment/distribution	
Building Interiors subtotal	\$ 2,130,800

Hard Costs subtotal	\$ 3,340,400
----------------------------	---------------------

Contractors Markups

General conditions, overhead, profit, bond	\$ 689,500
--	------------

HARD COSTS TOTAL	\$ 4,029,900
-------------------------	---------------------

Gross square feet (gsf)	16,744
at an average cost per gsf	241

Does Not Include: Utility tap charges. See Soft costs.
Fiber connections to other facilities
Radio tower
Existing buildings demolition
Cruiser Shelter will be treated as an Add Alternate in the Bidding process
Significant utility extensions
Dedicated through-road
Generator for City Hall

SOFT COSTS

The estimates for professional fees assume customary scope of services for the work anticipated by this assessment. They may be revised as the project is defined in greater detail.

Does not include fees associated with a LEED design process.

Site Acquisition

Not included

Fees

Site survey	\$	9,700
Subsurface soils investigation		4,400
Environmental		
Phase 1: research & report		0
Action Phase		
Legal counsel		0
Architecture & Engineering		480,000
Building permit		10,000
Utility charges		0
Bond Counsel		80,000
LEED Commissioning		0
Not included		

Fees subtotal	\$	584,100
----------------------	----	----------------

Miscellaneous

- Bid documents printing & distribution
- Legal notice advertising
- Moving expenses

Miscellaneous subtotal	\$	35,000
-------------------------------	----	---------------

Furnishings & Equipment

- Moveable furnishings
- Telephone
- Computers, copiers, fax, shredders, printers
- Not included
- Physical training equipment
- Not included
- Communications systems/consoles
- Not included

Furnishings & Equipment subtotal	\$	150,000
---	----	----------------

SOFT COSTS TOTAL	\$	769,100
-------------------------	----	----------------

Not including all potential items

CONTINGENCY FUNDS		
Contingency Funds		
Allowance	\$	100,000
CONTINGENCY FUNDS TOTAL	\$	100,000

TOTAL COSTS		
PROJECT COSTS TOTAL	\$	4,899,000
Not including all potential items		

ADD ALTERNATE A		
Cruiser Shelter		
ADD ALTERNATE TOTAL	\$	180,000
Gross square feet (gsf)		4,100
at an average cost per gsf		44

CITY OF PATASKALA
Police Facility Debt Service Projections
15 year private placement, with no call provisions

Dated Date 5/15/2017
 Delivery Date 5/15/2017
 Last Maturity 12/1/2031

Arbitrage Yield 2.250%
 True Interest Cost (TIC) 2.292%
 Net Interest Cost (NIC) 2.288%
 All-In TIC 2.372%
 Average Coupon 2.250%

Average Life (years) 7.88
 Weighted Average Maturity (years) 7.88
 Duration of Issue (years) 7.08

Par Amount \$ 5,050,000
 Bond Proceeds \$ 5,050,000
 Total Interest \$ 895,263
 Net Interest \$ 910,263
 Total Debt Service \$ 5,945,263
 Maximum Annual Debt Service \$ 399,563
 Average Annual Debt Service \$ 408,765

Callable Par \$ -

Bank Placement				
Year	Period Ending	Principal	Interest	Debt Service
1	12/1/2017	\$ 335,000	\$ 61,863	\$ 396,863
2	12/1/2018	\$ 290,000	\$ 106,088	\$ 396,088
3	12/1/2019	\$ 300,000	\$ 99,563	\$ 399,563
4	12/1/2020	\$ 305,000	\$ 92,813	\$ 397,813
5	12/1/2021	\$ 310,000	\$ 85,950	\$ 395,950
6	12/1/2022	\$ 315,000	\$ 78,975	\$ 393,975
7	12/1/2023	\$ 325,000	\$ 71,888	\$ 396,888
8	12/1/2024	\$ 330,000	\$ 64,575	\$ 394,575
9	12/1/2025	\$ 340,000	\$ 57,150	\$ 397,150
10	12/1/2026	\$ 345,000	\$ 49,500	\$ 394,500
11	12/1/2027	\$ 355,000	\$ 41,738	\$ 396,738
12	12/1/2028	\$ 365,000	\$ 33,750	\$ 398,750
13	12/1/2029	\$ 370,000	\$ 25,538	\$ 395,538
14	12/1/2030	\$ 380,000	\$ 17,213	\$ 397,213
15	12/1/2031	\$ 385,000	\$ 8,663	\$ 393,663

CITY OF PATASKALA
Police Facility Debt Service Projections
15 year bond with 10-year call provision

Dated Date 5/15/2017
 Delivery Date 5/15/2017
 Last Maturity 12/1/2031

Arbitrage Yield 2.421%
 True Interest Cost (TIC) 2.662%
 Net Interest Cost (NIC) 2.828%
 All-In TIC 2.807%
 Average Coupon 3.837%

Average Life (years) 7.50
 Weighted Average Maturity (years) 7.66
 Duration of Issue (years) 6.54

Par Amount \$ 5,055,000
 Bond Proceeds \$ 5,467,972
 Total Interest \$ 1,455,403
 Net Interest \$ 1,072,706
 Total Debt Service \$ 6,510,403
 Maximum Annual Debt Service \$ 793,903
 Average Annual Debt Service \$ 447,621

Callable Par \$ 1,815,000

15 Year Capital Markets

<u>Year</u>	<u>Period Ending</u>	<u>Prin.</u>	<u>Int.</u>	<u>Total D/S</u>	<u>Premium used for D/S</u>	<u>NET D/S</u>
1	12/1/2017	\$ 700,000	\$ 93,903	\$ 793,903	\$ 383,259	\$ 410,644
2	12/1/2018	\$ 250,000	\$ 158,475	\$ 408,475	\$ -	\$ 408,475
3	12/1/2019	\$ 255,000	\$ 152,225	\$ 407,225	\$ -	\$ 407,225
4	12/1/2020	\$ 260,000	\$ 145,850	\$ 405,850	\$ -	\$ 405,850
5	12/1/2021	\$ 270,000	\$ 138,050	\$ 408,050	\$ -	\$ 408,050
6	12/1/2022	\$ 280,000	\$ 129,950	\$ 409,950	\$ -	\$ 409,950
7	12/1/2023	\$ 290,000	\$ 120,150	\$ 410,150	\$ -	\$ 410,150
8	12/1/2024	\$ 300,000	\$ 110,000	\$ 410,000	\$ -	\$ 410,000
9	12/1/2025	\$ 310,000	\$ 98,000	\$ 408,000	\$ -	\$ 408,000
10	12/1/2026	\$ 325,000	\$ 85,600	\$ 410,600	\$ -	\$ 410,600
11	12/1/2027	\$ 335,000	\$ 72,600	\$ 407,600	\$ -	\$ 407,600
12	12/1/2028	\$ 350,000	\$ 59,200	\$ 409,200	\$ -	\$ 409,200
13	12/1/2029	\$ 365,000	\$ 45,200	\$ 410,200	\$ -	\$ 410,200
14	12/1/2030	\$ 375,000	\$ 30,600	\$ 405,600	\$ -	\$ 405,600
15	12/1/2031	\$ 390,000	\$ 15,600	\$ 405,600	\$ -	\$ 405,600

CITY OF PATASKALA
Police Facility Debt Service Projections
20 year bond with 10-year call provision

Dated Date 5/15/2017
 Delivery Date 5/15/2017
 Last Maturity 12/1/2036

Arbitrage Yield 2.715%
 True Interest Cost (TIC) 3.063%
 Net Interest Cost (NIC) 3.237%
 All-In TIC 3.177%
 Average Coupon 3.917%

Average Life (years) 10.34
 Weighted Average Maturity (years) 10.44
 Duration of Issue (years) 8.41

Par Amount \$ 5,050,000
 Bond Proceeds \$ 5,435,070
 Total Interest \$ 2,044,446
 Net Interest \$ 1,689,626
 Total Debt Service \$ 7,094,446
 Maximum Annual Debt Service \$ 692,646
 Average Annual Debt Service \$ 362,990

Callable Par \$ 2,730,000

20 Year Capital Markets

<u>Year</u>	<u>Period Ending</u>	<u>Prin.</u>	<u>Int.</u>	<u>Total D/S</u>	<u>Premium used for D/S</u>	<u>NET D/S</u>
1	12/1/2017	\$ 595,000	\$ 97,646	\$ 692,646	\$ 350,383	\$ 342,264
2	12/1/2018	\$ 170,000	\$ 167,450	\$ 337,450	\$ -	\$ 337,450
3	12/1/2019	\$ 175,000	\$ 163,200	\$ 338,200	\$ -	\$ 338,200
4	12/1/2020	\$ 180,000	\$ 158,825	\$ 338,825	\$ -	\$ 338,825
5	12/1/2021	\$ 185,000	\$ 153,425	\$ 338,425	\$ -	\$ 338,425
6	12/1/2022	\$ 190,000	\$ 147,875	\$ 337,875	\$ -	\$ 337,875
7	12/1/2023	\$ 195,000	\$ 141,225	\$ 336,225	\$ -	\$ 336,225
8	12/1/2024	\$ 200,000	\$ 134,400	\$ 334,400	\$ -	\$ 334,400
9	12/1/2025	\$ 210,000	\$ 126,400	\$ 336,400	\$ -	\$ 336,400
10	12/1/2026	\$ 220,000	\$ 118,000	\$ 338,000	\$ -	\$ 338,000
11	12/1/2027	\$ 230,000	\$ 109,200	\$ 339,200	\$ -	\$ 339,200
12	12/1/2028	\$ 235,000	\$ 100,000	\$ 335,000	\$ -	\$ 335,000
13	12/1/2029	\$ 245,000	\$ 90,600	\$ 335,600	\$ -	\$ 335,600
14	12/1/2030	\$ 255,000	\$ 80,800	\$ 335,800	\$ -	\$ 335,800
15	12/1/2031	\$ 265,000	\$ 70,600	\$ 335,600	\$ -	\$ 335,600
16	12/1/2032	\$ 275,000	\$ 60,000	\$ 335,000	\$ -	\$ 335,000
17	12/1/2033	\$ 290,000	\$ 49,000	\$ 339,000	\$ -	\$ 339,000
18	12/1/2034	\$ 300,000	\$ 37,400	\$ 337,400	\$ -	\$ 337,400
19	12/1/2035	\$ 310,000	\$ 25,400	\$ 335,400	\$ -	\$ 335,400
20	12/1/2036	\$ 325,000	\$ 13,000	\$ 338,000	\$ -	\$ 338,000

CITY OF PATASKALA
Police Facility Debt Service Projections
25 year bond with 10-year call provision

Dated Date 5/15/2017
 Delivery Date 5/15/2017
 Last Maturity 12/1/2041

Arbitrage Yield 2.897%
 True Interest Cost (TIC) 3.298%
 Net Interest Cost (NIC) 3.468%
 All-In TIC 3.393%
 Average Coupon 3.953%

Average Life (years) 13.50
 Weighted Average Maturity (years) 13.55
 Duration of Issue (years) 10.24

Par Amount \$ 5,010,000
 Bond Proceeds \$ 5,368,489
 Total Interest \$ 2,674,290
 Net Interest \$ 2,345,851
 Total Debt Service \$ 7,400,289
 Maximum Annual Debt Service \$ 300,200
 Average Annual Debt Service \$ 296,012

Callable Par \$ 3,295,000

25 Year Capital Markets

Year	Period Ending	Prin.	Int.	Total D/S	Premium used for D/S	NET D/S
1	12/1/2017	\$ 480,000	\$ 99,715	\$ 579,715	\$ 284,002	\$ 295,714
2	12/1/2018	\$ 120,000	\$ 173,550	\$ 293,550	\$ -	\$ 293,550
3	12/1/2019	\$ 125,000	\$ 170,550	\$ 295,550	\$ -	\$ 295,550
4	12/1/2020	\$ 130,000	\$ 167,425	\$ 297,425	\$ -	\$ 297,425
5	12/1/2021	\$ 130,000	\$ 163,525	\$ 293,525	\$ -	\$ 293,525
6	12/1/2022	\$ 135,000	\$ 159,625	\$ 294,625	\$ -	\$ 294,625
7	12/1/2023	\$ 140,000	\$ 154,900	\$ 294,900	\$ -	\$ 294,900
8	12/1/2024	\$ 145,000	\$ 150,000	\$ 295,000	\$ -	\$ 295,000
9	12/1/2025	\$ 150,000	\$ 144,200	\$ 294,200	\$ -	\$ 294,200
10	12/1/2026	\$ 160,000	\$ 138,200	\$ 298,200	\$ -	\$ 298,200
11	12/1/2027	\$ 165,000	\$ 131,800	\$ 296,800	\$ -	\$ 296,800
12	12/1/2028	\$ 170,000	\$ 125,200	\$ 295,200	\$ -	\$ 295,200
13	12/1/2029	\$ 175,000	\$ 118,400	\$ 293,400	\$ -	\$ 293,400
14	12/1/2030	\$ 185,000	\$ 111,400	\$ 296,400	\$ -	\$ 296,400
15	12/1/2031	\$ 190,000	\$ 104,000	\$ 294,000	\$ -	\$ 294,000
16	12/1/2032	\$ 200,000	\$ 96,400	\$ 296,400	\$ -	\$ 296,400
17	12/1/2033	\$ 205,000	\$ 88,400	\$ 293,400	\$ -	\$ 293,400
18	12/1/2034	\$ 220,000	\$ 80,200	\$ 300,200	\$ -	\$ 300,200
19	12/1/2035	\$ 225,000	\$ 71,400	\$ 296,400	\$ -	\$ 296,400
20	12/1/2036	\$ 235,000	\$ 62,400	\$ 297,400	\$ -	\$ 297,400
21	12/1/2037	\$ 245,000	\$ 53,000	\$ 298,000	\$ -	\$ 298,000
22	12/1/2038	\$ 255,000	\$ 43,200	\$ 298,200	\$ -	\$ 298,200
23	12/1/2039	\$ 265,000	\$ 33,000	\$ 298,000	\$ -	\$ 298,000
24	12/1/2040	\$ 275,000	\$ 22,400	\$ 297,400	\$ -	\$ 297,400
25	12/1/2041	\$ 285,000	\$ 11,400	\$ 296,400	\$ -	\$ 296,400