

Phase 2 City Hall Renovation Cost Comparison

January 2021

Elements of the Cost Comparison

- Construction Cost
- Historical Tax Credit
- Debt Service
- Annual Operating Cost
- Equipment Replacement Cost

Phase 2 City Hall Renovation

- Phase 2 costs include:
 - 1916 City Hall Completion
 - Construction of Fire/EMS Structure
 - Addition to Apparatus Bay
 - Design and Administration Cost
- Does Not Include:
 - Phase 1 Renovation Cost (approx. \$1 million)

Phase 2 City Hall Renovation

• <http://www.independencesks.gov/AgendaCenter/ViewFile/Item/3188?fileID=7905>

Additional Costs and Credits

- Costs and Credits include:
 - Bond Preparation Fees and Other Premiums/Discounts
 - Historic Tax Credit Cash Value of between \$722,500 and \$866,000
 - (12/2/2020, V. Kelley, TreanorHL)
 - Midpoint \$794,250

Average Bond Debt Payment

- Bond Debt Structuring:
 - Specific Payments for Interest and Principal
 - Specific Time for start of payments
 - Tax-Free Municipal Bonds Available w/ restrictions
- Average Debt Payment
 - Total Debt Service divided by Term in years

20 Year Bond

- Raymond James Estimated Total Cost - 12/3/2020

Average Bond Payment – 20 years

- Total Debt Service (12/3/2020) \$ 8,725,700
- Average Annual Debt Payment: \$436,285

- Historic Tax Credit midpoint (\$794,250)
- Avg Annual Tax Credit: (\$39,710)

- **Average Annual Debt Payment – tax credit = \$396,575**

- Total Interest on 20 year debt: \$2,760,700

1916 Annual Costs of Operation

- Actual Cost 2014: \$107,771
- Actual Cost 2015: \$109,462
- Estimated Operating Cost:
 - 1916 plus addition(6/16): \$139,000
 - 1916 plus Public Safety Building(6/16): \$209,500
 - **1916 plus Fire/EMS Bldg(midpoint): \$174,250**
- Other costs not considered:
 - Relocation Costs
 - Furniture and Fixtures

1916 Phase 2 Renovation Cost Summary

- Annual ongoing costs - first 20 years:

- Debt Service \$396,575
- Operations \$174,250
- Total \$570,825

Temporary City Hall Occupancy

- Annual Operating Cost
 - 2021 Budget: \$414,275
- Irregular Maintenance Costs
 - Chiller Overhaul – Year 4 \$45,000
 - Chiller Overhaul – Year 10 \$45,000
 - Boiler Replacement – Year 10 \$150,000
 - Chiller Replacement – Year 15 \$200,000
 - Roof Replacement – Year 28 \$216,000
 - **Total Irregular Cost** **\$656,000**
 - Annualized Irr. Cost - 20 yrs: \$32,800
- Other costs/revenues not considered:
 - No Income/Rent
 - No Investment/Savings
 - No Modification of Power Factor

Cost Comparison

• Building D	
• 2021 Operating Cost	\$414,250
• Annualized Irregular Expense	\$32,800
• Total	\$447,050
• 1916 City Hall Phase 2	
• Amort. Const. Cost less Credits	\$396,575
• Est. Annual Operating Cost	\$174,250
• Total	\$570,825
Annual Cost Increase to City	\$123,775
20 Years - Additional cost to City	\$2,475,500

10 Year Bond

- Raymond James Estimated Total Cost - 12/3/2020

Average Bond Payment – 10 years

- Total Debt Service (12/3/2020) \$ 7,465,858
- Average Annual Debt Payment: \$746,586

- Historic Tax Credit midpoint (\$794,250)
- Avg Annual Tax Credit: (\$79,425)

- **Average Annual Debt Payment – tax credit = \$667,161**

- Total Interest on 10 year debt: \$1,345,858

1916 Annual Costs of Operation

- Actual Cost 2014: \$107,771
- Actual Cost 2015: \$109,462
- Estimated Operating Cost:
 - 1916 plus addition(6/16): \$139,000
 - 1916 plus Public Safety Building(6/16): \$209,500
 - **1916 plus Fire/EMS Bldg(midpoint): \$174,250**
- Other costs not considered:
 - Relocation Costs
 - Furniture and Fixtures

1916 Phase 2 Renovation Cost Summary

- Annual ongoing costs - first 10 years:

- Debt Service \$667,161
- Operations \$174,250
- Total \$841,411

Temporary City Hall Occupancy

- Annual Operating Cost
 - 2021 Budget: \$414,275
- Irregular Maintenance Costs
 - Chiller Overhaul – Year 4 \$45,000
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Cost Comparison

• Building D	
• 2021 Operating Cost	\$414,250
• Annualized Irregular Expense	\$32,800
• Total	\$447,050
• 1916 City Hall Phase 2	
• Amort. Const. Cost less Credits	\$667,161
• Est. Annual Operating Cost	\$174,250
• Total	\$841,411
Annual Cost Increase to City	\$394,361
10 Years - Additional cost to City	\$3,943,610

Questions?

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- What is the operating cost target?
- What is the cost impact of administrative space?
- What technology is available to aid in the solution?
- What can we learn from current infrastructure utilization?

Thank you.

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Documents

- City Hall Task Force docs - <https://www.independenceks.gov/DocumentCenter/Index/149>
- Other Meeting Agendas and Minutes
 - 1/14/2016 Minutes Jane Phillips Lease
 - 1/28/2016 Minutes Demolition of Hospital South Wing
 - 6/30/2016 Agenda Packet Cost Estimates Including Operating Costs
 - 12/19/2016 Minutes – Energy Improvements to Building D/Treanor HL Contract
 - 6/22/2017 Agenda Packet TreanorHL City Hall Task Force Full Report
 - 8/15/2019 Documents TreanorHL Building Options
 - 10/15/2020 Agenda Packet Preliminary 1916/Fire/EMS Programming
 - 11/19/2020 Agenda Packet 1916/Fire/EMS Programming