

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
10/20/2015

SUBJECT:	SUBMITTED BY:
Discussion of a Facilities Sustainability Plan	Michael Baker Deputy Village Manager

SYNOPSIS

Discussion regarding the Village's Top Priority Action Item *Create a Facilities Sustainability Plan*. Specifically, this meeting will involve discussion of the resources that could be used to address facility planning issues. The discussion will allow the Village Council to identify which resources it would like to consider prior to options being identified and evaluated.

STRATEGIC PLAN ALIGNMENT

The Strategic Goals established by the Village Council 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

N/A

BACKGROUND

During the period between September 2015 to August 2016, the Village Council will create a facility sustainability plan focusing on the Police Station and Village Hall. The plan will identify improvements that should be made and how to pay for them. The first meeting, which focused attention on the issue to be resolved, took place on September 15, 2015 and the Report to Village Council for that meeting can be found here: <http://bit.ly/1X96LMp>.

Summary of the Issue

This process is designed to develop a long-term plan for the sustainable maintenance and operations of its facilities, with particular emphasis on the Police Station and Village Hall. The issues facing the Village are summarized below:

1. A 2012 Facility Condition Assessment identified **\$10.3 million of maintenance needs** - \$3.6 million in the Police Station and \$6.7 million at Village Hall. The reports are available here: <http://www.downers.us/govt/village-managers-office/facility-sustainability-plan>.

2. The age and condition of both facilities have resulted in **operational deficiencies** that can interfere with efficient service delivery and effective employee/customer interaction.
3. The Village has **limited resources available** to undertake improvements to these facilities.

Proposed Process and Timeline

To develop a Facility Sustainability Plan that will guide decision-making for many years to come, the following process is proposed. It includes at least monthly public meetings beginning on September 15, 2015.

Proposed Process and Timeline

September 2015	October-December 2015	January-June 2016	July-August 2016
1. Issue >>> 2. Resources >>> 3. Options >>> 4. Plan			
<p>1. Define the Issue - The facility issues faced by the Village will be clearly defined.</p> <p>2. Identify Available Resources - Available and potential resources that could be allocated to fund or enable any of the improvements will be identified. These include sources of revenue, land, partnership opportunities, etc.</p> <p>3. Create and Consider a Wide Range of Options - During this stage of the process, a wide range of options will be considered and evaluated. These will range from maintaining the existing facilities to new construction, on the existing site or at alternate locations. Town hall meetings will take place during this time. The Village will consider involving outside experts to provide assistance regarding pre-design services and cost-estimating.</p> <p>4. Develop the Plan - The plan will be developed in preparation for the 2017 budget. It will include specific information about which improvements to undertake, where those improvements will occur and how they will be paid for.</p>			

Public Participation

It is important that this process actively engages the community and provides many opportunities for participation. Opportunities for participation include:

- **Attend Public Meetings** - Meeting dates, times and locations will be publicized on the Village webpage and through the Village's Facebook page and Twitter feed.
- **Email the Village** at dgfacilities@downers.us
- **Watch meetings live** on YouTube and Channel 6
- **Look for other opportunities to participate**, such as Town Hall Meetings, Coffee with the Council events, etc. all of which will be publicized in advance.

Identification of Available Resources

The following list summarizes the resources that could be allocated to fund or enable the facility improvements identified as part of the Facility Sustainability Plan. The discussion planned for October 20 will provide Council an opportunity to determine which of these resources it is willing to consider. Obtaining this Council feedback will help staff prepare options for consideration and analysis in the future meetings.

Council members were provided this list in advance and afforded the opportunity to meet with staff to identify individually which resources they were willing to consider. As part of the discussion on Tuesday night, staff will share the results of those individual conversations in order to allow for a productive conversation among the entire Village Council regarding resource allocation.

1. Existing Revenues

- a. Property Tax Levy for Library Improvements Bond Debt Service - In 1996, the Village of Downers Grove issued bonds for the renovation and expansion of the Downers Grove Public Library. Property taxes were levied to make annual payments, and the bonds will be paid off in 2016. The Village could choose to levy an amount equal to the annual debt service payment of approximately \$600,000 and direct that funding to the facility improvements.
- b. Local Gasoline Tax for Fairview Avenue Improvements Bond Debt Service - In 1996, the Village of Downers Grove issued bonds for the reconstruction of Fairview Avenue from 63rd to 75th Streets. A 1.5 cents/gallon gasoline tax was established to make annual payments, and the bonds will be paid off in 2016. The Village could choose to continue collecting the gasoline tax, which generates approximately \$200,000 annually, and direct that funding to facility improvements. Alternatively, the Village could direct the gasoline tax funding to street improvements and redirect a corresponding general revenue source that is currently funding street improvements to pay for facility projects.
- c. Revenues Historically Used for New Sidewalk Construction - The Village has been constructing new sidewalks for the past several decades. The Village historically spent about \$300,000 from the Capital Fund for new sidewalk construction. The Village Council decided to temporarily stop constructing new sidewalks on a Village-initiated basis. The revenue traditionally used for new sidewalks could be used to fund facility improvements.
- d. Bond Issuance Supported by Existing Revenues - The Village could issue a bond and use the proceeds to pay for facility improvements. The annual debt service payments on the bond could be made from any or all of the three existing revenue sources described above. The above revenues generate approximately \$1 million per year, which could support a total bond issuance of about \$13 to \$15 million, depending upon the performance of the revenues and the interest rate.
- e. Asset Forfeiture Fund Balance - The Asset Forfeiture Fund accounts for revenues and expenses of proceeds from asset seizures. It is the result of the equitable sharing agreement the Village has with the US Department of Justice. Money seized under this agreement can only be used for law enforcement purposes. Revenues in this fund are unpredictable and highly variable. The FY2016 budget has \$1.5 million available for police facilities. It is possible that future year revenues collected in 2016 and 2017 may be allocated to pay for a portion of project construction costs.

2. New Revenues

- a. Increasing the Property Tax Levy and/or the Rate of Existing Revenues - The Village, as a home rule unit of government, has the ability to increase property taxes or increase the rate of other existing Village revenue sources such as the Home Rule Sales Tax, Hotel Tax and Local Gasoline Tax. Any increase in the property tax levy or rate of other revenues could be used to pay for facility improvements.

- b. Adopting New Revenue Sources (Alternative Revenues) - There are several revenue sources that are available to the Village, but not currently used. New revenues could be used to pay for facility improvements.
- c. Issuing Bonds with Annual Debt Service Payments Made from the Increased or New Revenues - The Village could issue a bond and use the proceeds to pay for facility improvements. The annual debt service payments on the bond could be made from any new revenue sources.

3. Existing Village Owned Assets

- a. Existing Police Department Facility - The Village owns and operates the existing Police Department facility, a 26,700 square foot building constructed in 1979. Although the Facility Condition Assessment report found that the building was in below average condition, requiring a major renovation, this building could be used to address facility needs.
- b. Existing Village Hall Facility - The Village owns and operates the existing Village Hall facility, a 49,500 square foot building constructed in 1929 and in its current use since 1969. Although the Facility Condition Assessment report found that the building was in below average condition, requiring a major renovation, this building could be used to address facility needs.
- c. Existing Counseling Services Facility - The property located just west of the Police Station was originally constructed as a single family residence. It is currently occupied by Associates in Family Care, which has leased the property since 2010. The lease can be terminated by either party. The structure or the land could be used for some other purpose.
- d. Using the Civic Center Land - The Civic Center property owned by the Village includes approximately 8.2 acres of land. All or a portion of the site could be used to address facility issues.
- e. Using other Village Owned Facilities - The Village owns and maintains several other facilities including four fire stations and the public works facility. The Village could evaluate the use of one or more of those facilities and reallocate space as necessary to accommodate other Village facility needs.
- f. Selling or Monetizing Village Owned Land or Buildings - The Village could evaluate options for the sale or lease of Village-owned property.

4. Partnerships & Assets Owned by Other Parties

- a. Acquiring Buildings or Land Not Owned by the Village - If the Village considers any options that involve relocation of facilities to another site, it would likely require the purchase of land and/or buildings not currently owned by the Village.
- b. Using Ogden Avenue Tax Increment Financing District Resources - The Village could use all or a portion of the revenue that has accumulated in the Ogden Avenue TIF Fund for site acquisition and redevelopment purposes, provided that the use of these funds complies with TIF statutes. One such requirement is that the site must be within the boundaries of the Ogden Avenue TIF District.
- c. Seeking Partnerships with Other Governments - The Village could explore opportunities with other units of government that may have facility needs that would allow the solutions for both

organizations to be coordinated. Potential partnership opportunities may include School District 58 or DuPage County, both of which have been in contact with the Village regarding their own facility needs.

- d. Seeking Partnerships with Private Sector Real Estate Developers - The Village could work cooperatively with a private sector developer to address facility issues in conjunction with a private sector development. The partnership would reduce construction costs for both parties. The development could take place on Village-owned land or other land to be acquired.
- e. Creating New Financial Tools to Capture Revenue from Private Sector Real Estate Development - The Village could establish tools, such as the creation of a new TIF district, that would allow the Village to capture revenue from private sector real estate development that occurs on the site and within the boundaries of the new TIF district. The revenue stream could be pledged to reduce the costs of construction for public facilities.