

New Police Station

Presented to City Council

September 18, 2012

- Thanks to Councilwoman Hermacinski and Councilman Myller for their work as we fine-tuned this project.
- In March we were looking at a \$19.5 million campus for police and fire on purchased land west of 13th St.
- Today - \$7.16 million police station on the site of the Iron Horse.
- In March we considered a bond election to construct the project.
- Today – use reserves.

Introduction

- The building was constructed between 1971 and 1975 as the Steamboat Springs Rural Fire Station, Steamboat's population was about 2,500.
- In 1980, a second story was added to house the police department and council chambers; the Steamboat population was 5,098.
- City Council chambers remained in the building until 2001 when Centennial Hall was constructed.
- In 2002, when our population had grown to more than 10,000, a study indicated that the police department needed twice the amount of space that it has in the Yampa building in order to function effectively.
- Almost 40 years' service; 32 years as police headquarters.

History of the Building on Yampa

- Longwood Study since the 1990's has listed Cherry Creek and the 16th St Pedestrian Mall as the number one and number two tourist attraction for Denver.
- Boulder's Pearl Street Mall is a destination.
- Vail and Aspen have pedestrian-friendly town centers.
- Yampa Street provides Steamboat with an opportunity to develop a premier destination attraction with a Steamboat cultural feel.
- Need to move the police and fire presence from the street. YVEA has plans to move as well.

Think of Yampa as
a Destination

Current State of the Project

- No bonding/no debt/no vote.
- Police at Iron Horse *with* sale of Yampa.
- Police at Iron Horse *without* Yampa sale.
- Fire future
 - Much depends on determining our continued relationship with the District.
 - The downtown station is a two-man operation.
 - We have several options to keep equipment on Yampa for the time being.



Impact of Proposed Road
Road Area of Lot 2
Mental Health Subdivision: 57 44 sq ft
Road Width: 30 ft
Road boundary from edge of parcel: 35ft

Projected Cost of Police Station at Iron Horse

Construction 15,055 sq ft @ \$275 sq ft		\$ 3,865,125
Design at appx 12%		\$ 463,815
Contingency of 12%		\$ 463,815
Permits and Fees		\$ 50,000
FF&E and Technology @ appx 12%		\$ 463,815
Demolition and Grading (Asbestos)		\$ 920,000
Legal re: change of collateral		\$ 40,000
Access Road, Sidewalks, Parking Lot		\$ 760,000
Realign bike path, move electrical		\$ 140,000
Total Uses of Funds		\$ 7,166,570

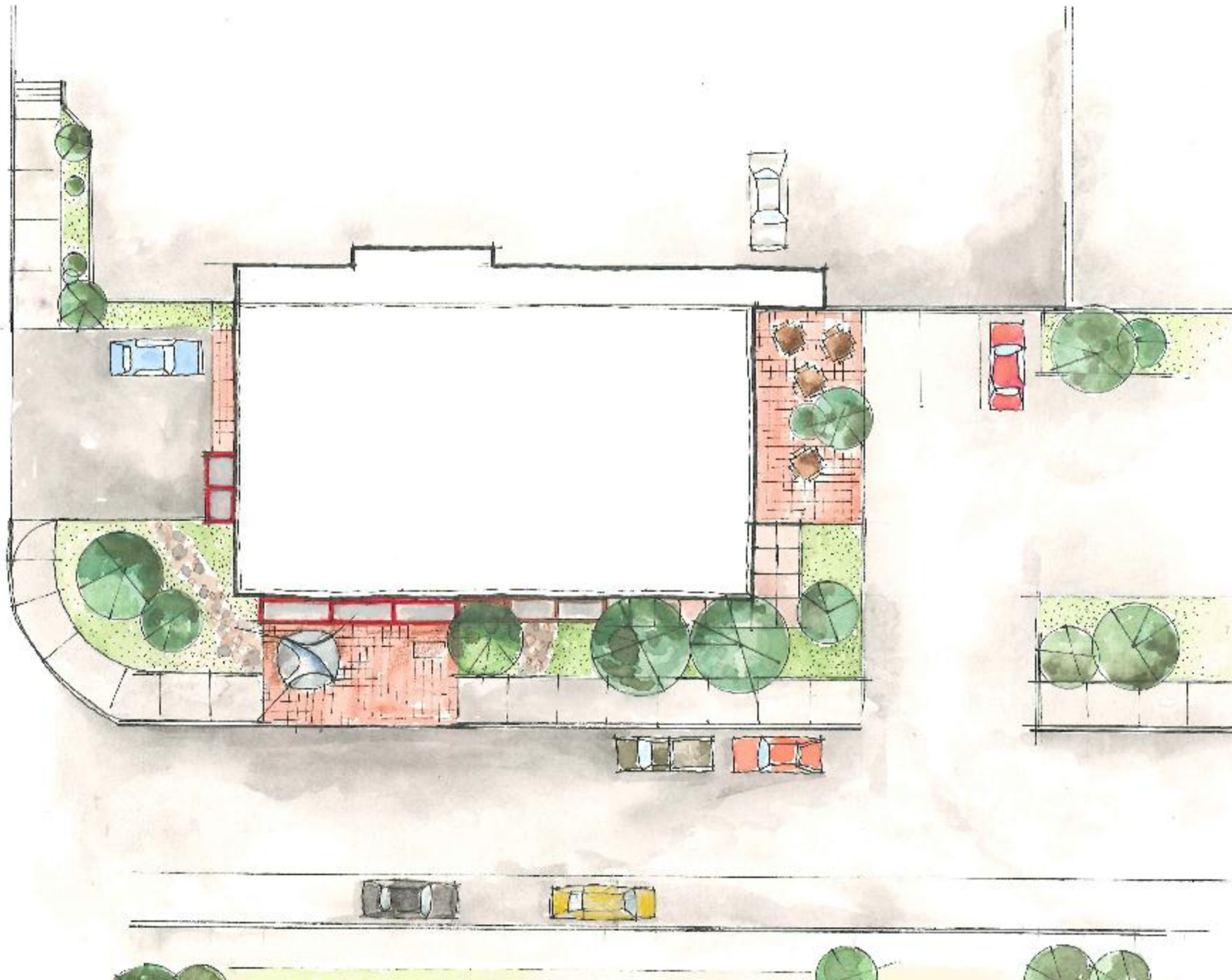
- Unassigned Fund Balance stays positive and dips then grows assuming:
 - The sale of the Yampa property nets \$2 million.
 - We return \$1.3 million annually to the reserves which will happen if:
 - Sales tax revenues meet or exceed 2011 levels.
 - Budgeted expenditures remain flat or grow only by an amount of revenues in excess of 2011 levels.
 - The 6-year CIP is realistic.

Unassigned Fund Balance Impact

<i>Unassigned Fund Balance Cash Flow</i>							
	2012	2013	2014	2015	2016	2017	2018
Unassigned Balance at January 1	\$ 9,704,666	\$ 7,908,166	\$ 8,302,759	\$ 2,790,713	\$ 2,540,549	\$ 3,086,328	\$ 3,906,509
Less							
Transfer to Iron Horse Debt Service	\$ -	\$ 310,000	\$ 477,719	\$ 479,019	\$ 479,719	\$ 479,819	\$ 479,319
Capital Projects Fund Transfer	\$ -	\$ 95,407	\$ 2,017,577	\$ 1,071,145	\$ 274,502	\$ -	\$ -
Loan to Airport	\$ 946,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police Station Completion Costs	\$ 350,000	\$ 2,500,000	\$ 4,316,750	\$ -	\$ -	\$ -	\$ -
Plus							
Revenue in Excess of Budget	\$ 1,300,000	\$ 3,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
Ending Unassigned Balance	\$ 9,708,166	\$ 8,302,759	\$ 2,790,713	\$ 2,540,549	\$ 3,086,328	\$ 3,906,509	\$ 4,727,190
Less Adjustment to Increase Fiscal Reserve	\$ 1,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Unassigned Balance	\$ 7,908,166	\$ 8,302,759	\$ 2,790,713	\$ 2,540,549	\$ 3,086,328	\$ 3,906,509	\$ 4,727,190
TABOR Reserve	\$ 933,000	\$ 933,000	\$ 933,000	\$ 933,000	\$ 933,000	\$ 933,000	\$ 933,000
Assigned for Health Insurance Reserve	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000
Fiscal Reserve Reserve (now 30% of annual expenses)	\$ 5,361,457	\$ 5,361,457	\$ 5,361,457	\$ 5,361,457	\$ 5,361,457	\$ 5,361,457	\$ 5,361,457
Ending TOTAL Fund Balance General Fund	\$ 15,902,623	\$ 16,297,216	\$ 10,785,170	\$ 10,535,006	\$ 11,080,785	\$ 11,900,966	\$ 12,721,647

- Movement of our public safety from Yampa coupled with desire to find a permanent headquarters for Big Agnes and Honey Stinger.
- Big Agnes, Honey Stinger and BAP are a homegrown conglomerate that employs over 60 employees today and has tripled in size over the last 5 years.
- They will be adding 14 more to their staff in the next twelve months – 5 of those in the next two months.
- Their recreational market is a perfect partnership with our Steamboat culture and will provide the venue we want to see on Yampa.

Consider Sale of Property





- Original offer dated 4/27:
\$2,000,000
- Final bid dated 6/19: \$2,108,000
- Final bid included enough above \$2mm so that the City could lease back the bays for the fire department for 18 months.
- If we rented the lower bays for 18 months, the City would net \$2 million on the sale.
- Recent talks indicate BAP would be willing to defer the closing to spring 2013.

Big Agnes Offer

- The appraisal valued the property at \$3mm. However, our buyer felt the appraisal data was dated.
- Recent sale of Chase Furniture property at 3rd and Lincoln might be more appropriate, although a Lincoln location carries more value.
- Chase was listed at \$3.9 mm, and sold for \$3.0mm.
- Chase: .55 acres, 20,650 sq ft building fully remodeled in 2006.
- Yampa: .78 acres, 13,200 sq ft building in fair condition, but not recently remodeled.
- Chase sold for \$145.28 per square foot
- Yampa would sell for \$159.69 per square foot (at \$2.1mm)
- Appraisal indicated that sales along the Yampa during the “boom” sold for between \$125/sq ft and \$190/sq ft.
- Larger discrepancy is in the acreage. BAP wants the entire parcel in order to continue to grow their business. The Chase purchase paid about \$125 per sq ft for their .55 acres. The Yampa sale at \$2.1mm would equate to about \$60 per sq ft for .78 acres.

Compared to the Yampa Appraisal

- Shall we sell the Yampa property to Big Agnes for \$2.108 million?
 - If so we will immediately begin negotiations for closing and will locate temporary space for the police department.
- Shall we build the Police Station as planned at the Iron Horse Site?
 - If so, we will submit a supplemental budget ordinance at the next meeting to begin the purchase of property or easements for the access road. We will also contact our certificate holders to receive approval to swap collateral and we will begin the design process. We will add the police station to our 6-year CIP for future budgets.

Direction Needed