

Attachment 1

Police/Fire Yampa/Iron Horse

Council Meeting
October 16, 2012

Issues at Hand

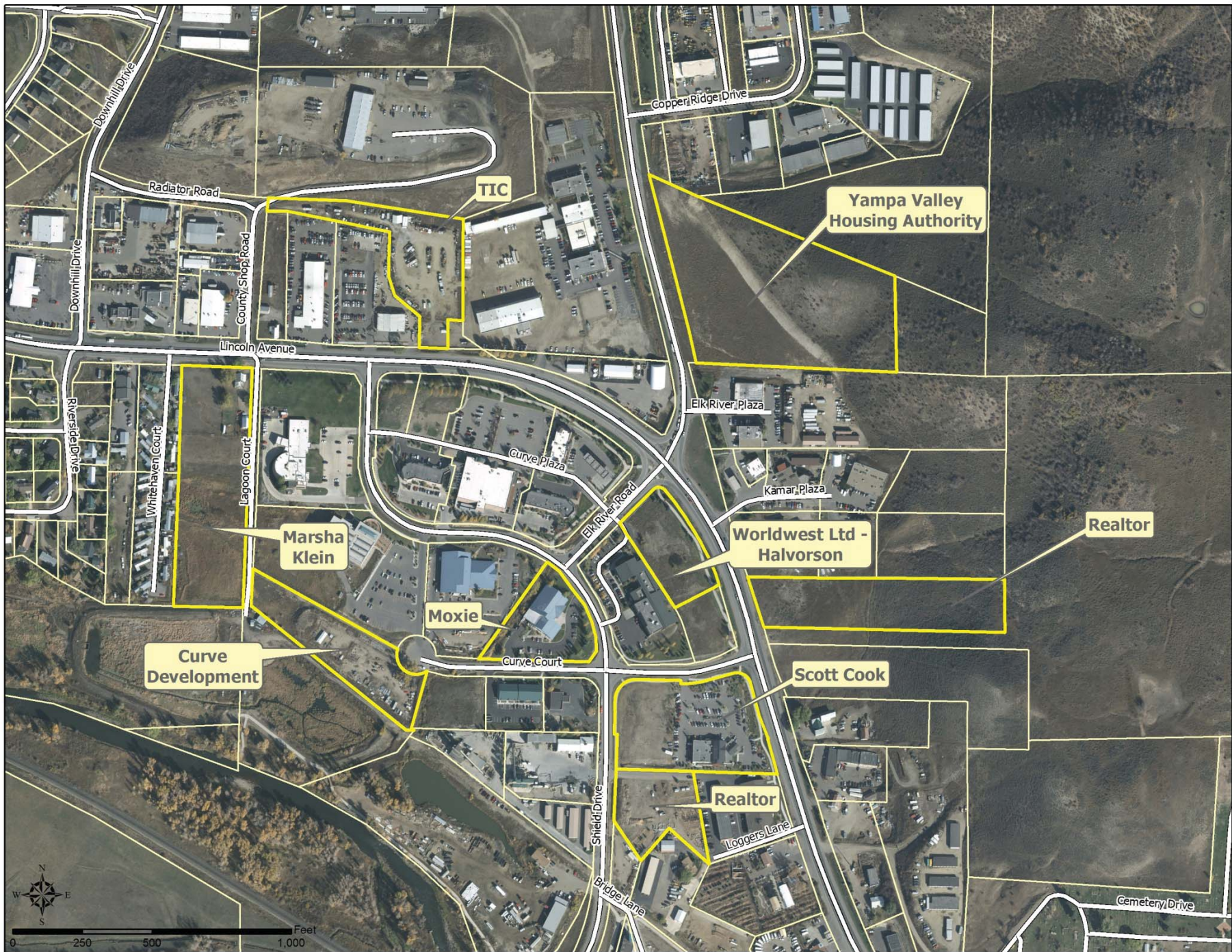
- Encourage Yampa St. Redevelopment.
- Build a new fire station designed for efficiency and effectiveness.
- Build the first Steamboat Springs Police Headquarters designed for that specific use.
- Mitigate the costs of the Iron Horse/remove it as soon as possible from the list of City assets.
- Accomplish all without asking citizens for additional tax revenue.

Fire/Police Building

- 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.

A Little More History

- Every year since 2002, a new police facility has been on the CIP – each year it was pushed out beyond the current year and never fulfilled.
- In 2007 the City unsuccessfully pursued grants to purchase the Klein property for a new police facility.
- In November 2011, we began this project.



Property Search

- Every property carried a price, so we decided to research City-owned property as well.
- Since our own property provided feasible sites, we narrowed our focus to them.
- For Fire, our ISO ratings and the concentration of downtown calls provided a strong case not to relocate any further than the Stockbridge Transit Center.

Two Final Plans

- As we neared the completion of our research, we realized there were two logical sites for consideration and we asked Council to appoint two Councilpersons to help us choose a final site.
 - We could build both facilities at Stockbridge.
 - We could build the police facility at the Iron Horse site and fire at Stockbridge.



8,400 SF Footprint

8,400 SF Footprint

Lincoln Avenue

Indian Trails



0 37.5 75 150 Feet

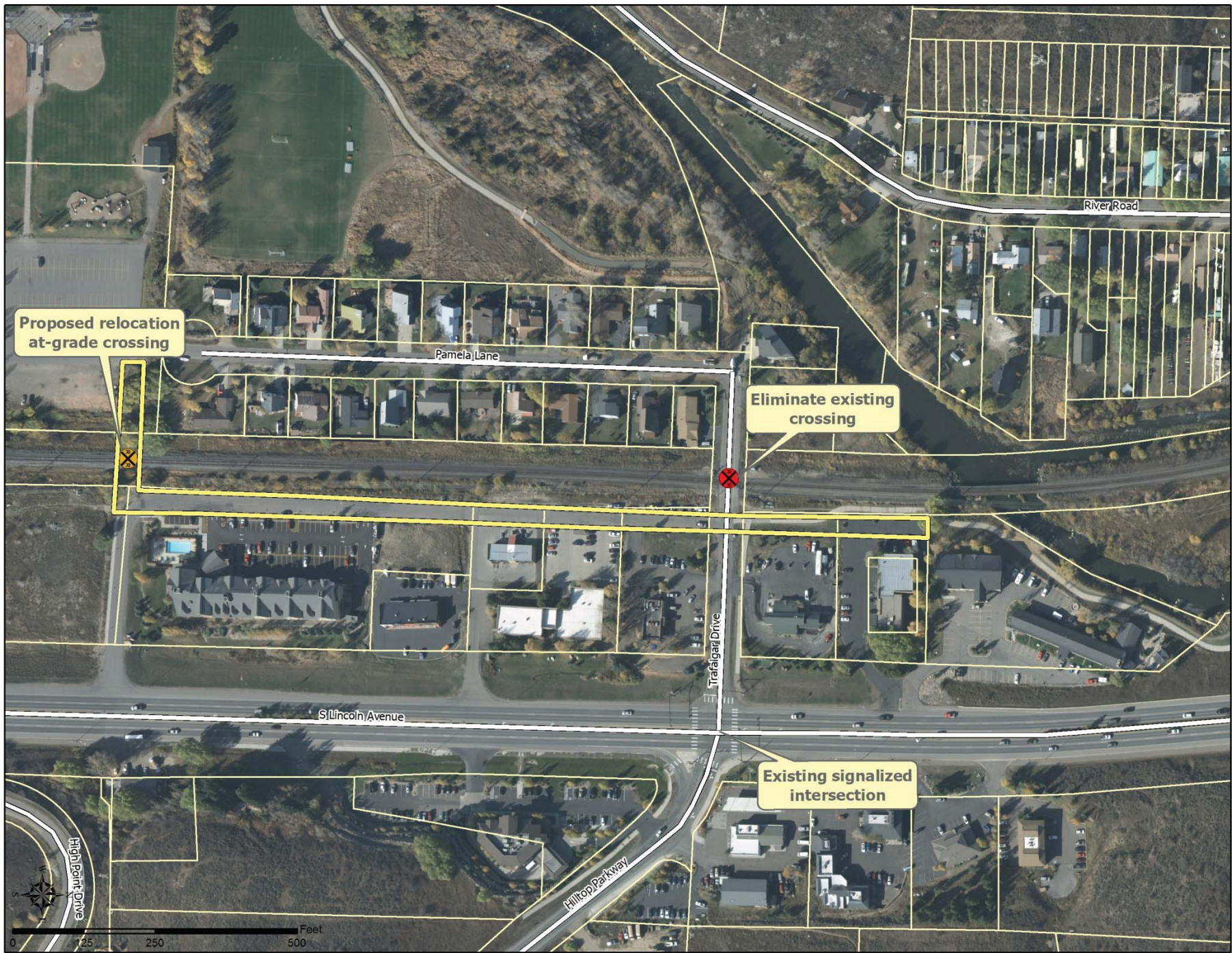


Pros of Combining at Stockbridge

- Reduces initial costs by \$1.6 million.
- Lower long-term maintenance costs to the public safety department.
- Better continuity of operations under the public safety model.
- One location for the public.
- Police are closer to jail, courts, DA, Sheriff.
- As Steamboat develops west, will become a more central location.
- The site is currently underutilized.

Cons of Combining at Stockbridge

- Will obliterate the parking lot which is a popular river take-out location.
- Adds an emergency stop light on Highway 40.
- Might add to the Highway 40 bottleneck during morning and evening rush hours.



**Proposed relocation
at-grade crossing**

**Eliminate existing
crossing**

**Existing signaled
intersection**

Pamela Lane

River Road

S Lincoln Avenue

High Point Drive

Huroop Parkway

Traifgar Drive

0 125 250 500 Feet

Pros of the Separate Locations

- Iron Horse site provides a central location and convenient community access a short distance from each of our two main population centers.
- Relocating the access to Trafalgar decreases the public safety risks for those accessing the office and police buildings at that site from Highway 40.
- Gets the Iron Horse property off the City's balance sheet more rapidly than the Stockbridge alternative.

Cons of the Iron Horse Site

- Site may become less central as the City develops west.
- More expensive.
- Loss of some operational savings and oversight in the public safety environment.
- Easement purchases for the access road have not been fully settled at this site.

<i>Police and Fire at Stockbridge</i>	
Sources of Funds	
Net Proceeds from Yampa Sale	\$ 2,000,000
Fire District Payment	\$ 1,420,194
DOLA Grant	\$ 25,000
Energy Impact Grant	\$ 500,000
Reserves	<u>\$ 7,456,486</u>
Total Sources of Funds	<u>\$ 11,401,680</u>
Uses of Funds	
Construction 28,570 sq ft @ \$275 sq ft	\$ 7,856,750
Adjustment for shared common space (2750 sq ft)	\$ (756,250)
Design at appx 12%	\$ 852,060
Contingency of 12%	\$ 852,060
Permits and Fees	\$ 95,000
FF&E and Technology @ appx 12%	\$ 852,060
Temporary Quarters for Police	\$ 180,000
Relocate Search and Rescue	\$ 500,000
Reconfigure Parking at Stockbridge	\$ 120,000
New parking at Depot Triangle	\$ 600,000
Access and Light	<u>\$ 250,000</u>
Total Uses of Funds	<u>\$ 11,401,680</u>

<i>Fire Station at Stockbridge</i>		<i>Police at Ironhorse</i>	
Sources of Funds		Sources of Funds	
Fire District	\$ 1,729,896	Net Proceeds from Yampa Sale	\$ 2,000,000
DOLA Grant	\$ 12,500	DOLA Grant	\$ 12,500
Energy Impact Grant	\$ 250,000	Energy Impact Grant	\$ 250,000
Reserves	\$ 3,512,214	Reserves	\$ 5,084,070
Total Sources of Funds	\$ 5,504,610	Total Sources of Funds	\$ 7,346,570
Uses of Funds		Uses of Funds	
Construction 13,515 sq ft @ \$275 sq ft	\$ 3,716,625	Construction 15,055 sq ft @ \$275 sq ft	\$ 3,865,125
Design at appx 12%	\$ 445,995	Design at appx 12%	\$ 463,815
Contingency of 12%	\$ 445,995	Contingency of 12%	\$ 463,815
Permits and Fees	\$ 80,000	Permits and Fees	\$ 50,000
FF&E and Technology @ appx 12%	\$ 445,995	FF&E and Technology @ appx 12%	\$ 463,815
Reconfigure Parking at Stockbridge	\$ 120,000	Demolition and Grading (Asbestos)	\$ 920,000
Access and Light	\$ 250,000	Legal re: change of collateral	\$ 40,000
Total Uses of Funds	\$ 5,504,610	Temporary Quarters for Police	\$ 180,000
		Access Road, Sidewalks, Parking Lot	\$ 760,000
		Realign bike path, move electrical	\$ 140,000
		Total Uses of Funds	\$ 7,346,570
Add the cost of moving Search & Rescue	\$ 500,000		
Project Total	\$ 9,096,284		

Unassigned Fund Balance Cash Flow	Both at Stockbridge (8-man Fire)						
	2012	2013	2014	2015	2016	2017	2018
Unassigned Balance at January 1	\$ 9,704,666	\$ 10,208,662	\$ 8,496,376	\$ 3,374,594	\$ 3,124,430	\$ 3,670,209	\$ 4,490,390
Less							
Transfer to Iron Horse Debt Service	\$ -	\$ 332,286	\$ 477,719	\$ 479,019	\$ 479,719	\$ 479,819	\$ 479,319
Capital Projects Fund Transfer	\$ -	\$ -	\$ 2,017,577	\$ 1,071,145	\$ 274,502	\$ -	\$ -
Loan to Airport	\$ 946,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Combined campus	\$ 350,000	\$ 4,680,000	\$ 5,871,680	\$ -	\$ -	\$ -	\$ -
Move Stockbridge				\$ 500,000			
Plus							
Funds Specifically for this Project		\$ 2,000,000	\$ 1,945,194				
Revenue in Excess of Budget	\$ 1,800,496	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
Ending Unassigned Balance	\$ 10,208,662	\$ 8,496,376	\$ 3,374,594	\$ 3,124,430	\$ 3,670,209	\$ 4,490,390	\$ 5,311,071
TABOR Reserve	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
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	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569
Ending TOTAL Fund Balance General Fund	\$ 17,729,231	\$ 16,016,945	\$ 10,895,163	\$ 10,644,999	\$ 11,190,778	\$ 12,010,959	\$ 12,831,640
Assumes:							
1) Grant Funds of \$525,000 are available for the project.							
2) The Yampa property sale nets \$2mm and it is used in the project.							
3) Fire District Pays \$1,420,194							
4) Sales Tax revenues remain level, or climb above the 2012 actual level.							
5) General Fund Operations budget remains at 2012 budget levels or grows only by 70% of the amount of sales tax revenue in excess of 2012 actual.							
6) A transfer is made annually from reserves for the Iron Horse debt.							
7) A transfer is made in 2014, 2015 and 2016 for CIP, matching the current CIP planned deficits.							
8) Revenue in Excess of Budget in 2012 also included budgeted expenditure savings.							

Unassigned Fund Balance Cash Flow	Police @ Iron Horse, 8-Man Fire at Stockbridge						
	2012	2013	2014	2015	2016	2017	2018
Unassigned Balance at January 1	\$ 9,704,666	\$ 10,208,662	\$ 11,033,876	\$ 4,354,580	\$ 1,819,632	\$ 2,030,411	\$ 2,850,592
Less							
Transfer to Iron Horse Debt Service	\$ -	\$ 332,286	\$ 477,719	\$ 479,019	\$ 479,719	\$ 479,819	\$ 479,319
Capital Projects Fund Transfer	\$ -	\$ -	\$ 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	\$ 179,820	\$ -	\$ -	\$ -
8 Man Fire Station at Stockbridge	\$ -	\$ 250,000	\$ 1,750,000	\$ 3,004,610	\$ 500,000	\$ -	\$ -
Relocate Search and Rescue			\$ 500,000				
Plus							
Revenue Specifically for this Project		\$ 2,607,500	\$ 582,750	\$ 899,646	\$ 165,000		
Revenue in Excess of Budget	\$ 1,800,496	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
Ending Unassigned Balance	\$ 10,208,662	\$ 11,033,876	\$ 4,354,580	\$ 1,819,632	\$ 2,030,411	\$ 2,850,592	\$ 3,671,273
TABOR Reserve	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
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	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569	\$ 4,820,569
Ending TOTAL Fund Balance General Fund	\$ 17,729,231	\$ 18,554,445	\$ 11,875,149	\$ 9,340,201	\$ 9,550,980	\$ 10,371,161	\$ 11,191,842
Assumes:							
1) Grant Funds of \$525,000 are available for the project.							
2) The Yampa property sale nets \$2mm and it is used in the project.							
3) Fire District Pays \$1,729,896.							
4) Sales Tax revenues remain level, or climb above the 2012 actual level.							
5) General Fund Operations budget remains at 2012 budget levels or grows only by 70% of the amount of sales tax revenue in excess of 2012 actual.							
6) A transfer is made annually from reserves for the Iron Horse debt.							
7) A transfer is made in 2014, 2015 and 2016 for CIP, which matches current CIP planned deficits.							
8) Revenue in Excess of Budget in 2012 also includes budgeted expenditure savings.							

Iron Horse

- Current identified costs of maintenance to continue to operate these facilities for the next 20 years is \$2.9 million.
- While it is collateral on the certificates we cannot sell it without defeasing the debt (today close to \$7 million; in 2017 just a bit over \$5 million), but regardless, the site will likely not sell for an amount to enable us to do that.
- Its current actual value, per the assessor is less than \$1 million.

Plan to Remove the Iron Horse from the City's Assets

- Iron Horse
 - Replace the facilities with a police station and transfer the collateral for the debt to that facility.
- Stockbridge
 - Build the public safety campus and transfer the debt collateral to that facility thus freeing up the Iron Horse site for sale.

Sell the Yampa Street Property to Big Agnes/Honeystinger

- Movement of our public safety from Yampa coupled with desire to find a permanent headquarters for Big Agnes and Honey Stinger.
- Big Agnes, Honeystinger and BAP are a homegrown conglomerate that employs over 80 individuals 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.

Big Agnes/Honeystinger

- After a public process that netted more than one offer, a best and final offer was requested from the two bidders.
- Earnest Money of \$30,000 was requested.
- Only Big Agnes/Honeystinger responded and improved their offer at that time to \$2,108,000.
- The \$108,000 is intended to cover the cost of leasing back from B/H the lower bays for a period of 18 months (target date September 1, 2014).
- This sale would equal \$159.69 per square foot for the building or \$60 per square foot for the property.

An Economic Development Transaction

- Our interest in selling the property for less than appraisal satisfies two economic development goals.
 - It keeps in our town a significant employer.
 - It provides the type of atmosphere we want to foster on Yampa Street.
- In keeping with the economic development atmosphere of the transaction, we will place “clawback” provisions in the sales contract.

Clawback Provisions

- For 7 years would not be able to sell the parking lot parcels unless the City agreed to the sale.
- For 7 years would need to be at a minimum 50% occupied by BAP, Big Agnes and/or Honeystinger.
- If not:
 - Assuming parking lots are still owned, would sell the property back to the City for \$2.108 million plus the documented cost of any capital construction.
 - Assuming the parking lots have been sold, the price would drop to \$1.8 million plus the documented cost of any capital construction.