

*****ATTACHMENTS*****

CITY OF SHEBOYGAN
BUILDING USE COMMITTEE MINUTES
NOVEMBER 29, 2016

Chair Alderperson John Belanger called the meeting to order at 5:45 p.m. The Pledge of Allegiance followed.

COMMITTEE MEMBERS PRESENT: Chair Alderperson John Belanger, Director of Public Works David Biebel, GROTH Design Group Joe Clarke, LJM Architects Erik Jensen

STAFF/OFFICIALS PRESENT: Mayor Michael Vandersteen, Alderperson Jim Bohren, Alderperson Mary Lynn Donohue, Alderperson Todd Wolf, City Administrator Darrell Hofland, City Attorney Chuck Adams, Director of Planning & Development Chad Pelishek, Library Director Garrett Erickson, Bray Architects Steve Kuhnen

PUBLIC PRESENT: Dolcye Johnson, Henry Nelson, Maeve Quinn, Steve Mannchen, Nancy Mannchen,

MINUTES

Motion by Joe Clarke, seconded by Erik Jensen to approve the minutes of February 24, 2016. Motion carried.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

2(b) Presentation by Bray Architects on revised City Hall Renovations. Concerns were raised regarding the \$8 million cost

- corridor widths being too narrow
- elevator not accessible to fourth floor
- basement not being finished

2(c) Motion to convene in closed session under the exemption provided in Sec. 19.85(1)(e) of the Wisconsin Statutes, where competitive and bargaining reasons require a closed session related to a development opportunity in the 600 block of North 8th Street.

2(d) Recommendation by Building Use Committee to Common Council (in closed).

ADJOURN

Motion by Joe Clarke, seconded by Alderperson Belanger to adjourn at 7:54 p.m. Motion carried.

CITY OF SHEBOYGAN

REQUEST FOR BUILDING USE COMMITTEE CONSIDERATION

ITEM DESCRIPTION: R.O. 172-16-17, Council Document 7.1, submitting a summary of options regarding renovating the current City Hall or constructing a new City Hall.

REPORT PREPARED BY: Chad Pelishek, Director of Planning & Development

REPORT DATE: January 5, 2017

MEETING DATE: January 16, 2017

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: 66.1109
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The Common Council has recommended the Building Use Committee provide a recommendation on whether the current City Hall should be renovated or a new City Hall should be constructed. The attached Report of Officer outlines seven options to be considered as follows:

Option 1: Renovate the existing City Hall with the original plan as presented by Bray Architects for \$11,200,000.

Option 2: Renovate the existing City Hall with the revised cost estimate as presented by Bray Architects for approximately \$8,464,000.

Option 3: Construct a new City Hall at 604 N. 8th Street for approximately \$7,911,000.

Option 4: New City Hall at North 10th Street and Wisconsin Avenue for an estimated cost of \$8,089,200.

Option 5: New City Hall on Parking Lot west of Mead Public Library for an estimated cost of \$7,054,300.

Option 6: New City Hall on Parking Lot north of South Ninth Street for an estimated cost of \$7,066,000.

Option 7: New City Hall on Parking Lot adjacent to Pennsylvania Avenue for an estimated cost of \$6,990,800.

STAFF COMMENTS:

Each of the above options has pros and cons to be considered. A few of the options provide for new tax base and jobs to be created downtown as result of a new parking structure being constructed that would allow existing surface lots to be redeveloped. Renovating the current City Hall poses challenges with City Hall operations during construction that need to be considered. City staff has been in contact with at least three potential interested parties in re-purposing City Hall should the decision be to vacate it.

ACTION REQUESTED:

Motion to forward a recommendation to the Common Council.

ATTACHMENTS:

I. R.O. 172-16-17

II

Other Matters

7.1

Building
Use

R. O. No. 172 16 - 17. By CITY ADMINISTRATOR AND
DIRECTOR OF PLANNING AND DEVELOPMENT.
December 5, 2016.

Submitting a summary of options regarding renovating the current City Hall or constructing a new City Hall.

Option 1: Renovate the existing City Hall. Earlier in 2016, the City of Sheboygan hired Bray Architects to complete a feasibility study on renovating City Hall. The original estimate to renovate the facility was approximately \$11,200,000. This option included a complete renovation of the basement, first, second, third and fourth floors. This option added an all glass grand lobby to the north side of the building, new stair towers, new elevator, complete relocation and renovation of the bathrooms, and new front drive through entrance on the north side of the building. This option would follow what other communities are creating in that the public areas of city hall operations would be segregated from the administration.

Option 2: Renovate the existing City Hall. With feedback from the Common Council, the Strategic Fiscal Planning Committee, at its April 11 meeting, established a renovation budget not to exceed \$8,000,000. Bray Architects re-designed the building for a revised cost estimate of approximately \$8,464,500. The revised plan includes complete renovation of the first, second and third floors. The plan does not include renovating the basement and the fourth floor. The revised Bray Architects' budget assumes approximately \$100,000 for relocation activities, but it is difficult to estimate the costs associated with the relocation of office furnishing, set up of computer hub for all City operations, and set up of leased space data and phone services, and office space lease during the construction phase. The cost to relocate during construction could range from \$100,000 to \$500,000.

Option 3: New City Hall at 604 North Eighth Street. The purchase of this Wisconsin Bank and Trust property includes the parking lot to the north and west of the existing 1.5 story bank building. Should the Common Council select this option, the existing bank building would be demolished allowing for a new building with Wisconsin Bank and Trust and City Hall as tenants. The building would function similar to a condominium development where the bank will own their portion of the building and the City owns their portion. The estimated square footage of the new City Hall space would be approximately 25,400 (or first floor at estimated 2,600 square feet, second, third and fourth floors at 7,600 square feet each), similar to the renovated size of the existing City Hall at 25,368 square feet (which is equivalent to the first, second and third floors being remodeled). The estimated cost to acquire the land and construct the City Hall portion of the building is approximately \$7,911,800. The building could be designed, similar to the Mead Library, to allow for another floor to be added in the future, should additional space be needed in an expansion of City Hall staff or a fifth floor shell could be included for a future build-out.

With recent developments in downtown Sheboygan and the interest from major

employers wanting to expand in downtown Sheboygan, the need in the near future to construct a downtown parking structure will become necessary. As part of the TID No. 16 project plan, a parking structure was included to be built in 2018-2019. Under the project plan, a parking structure would be developed as part of the new bank/city hall building in the existing parking lot to the west of the current bank building. Locating the parking structure at this site would allow the opportunity for infill development and additional tax base to occur on five existing surface parking lots that could be consolidated into the parking garage and continue to provide centralized parking within 500 feet of the proposed structure. Under this option, the existing City Hall would be sold to a developer for conversion into market rate apartments, generating approximately \$259,300 in new property tax revenue. This option would also allow for approximately \$530,000 in new property tax revenue from infill development opportunities. Design of the new building would meet the Eighth Street Design Guidelines and be aesthetically appealing to augment the existing historic buildings adjacent to the proposed site.

Option 4: New City Hall at North 10th Street and Wisconsin Avenue. This option includes constructing a new 25,368 square foot City Hall building on property that is owned by the Redevelopment Authority of Sheboygan. This property is considered an open environmental site in the Wisconsin Department of Natural Resources database. With the proposed environmental remediation, this option is estimated to cost approximately \$8,089,200. Under this option, the existing City Hall would be sold for conversion into market rate apartments, generating approximately \$259,300 in new property tax revenue.

Option 5: New City Hall on Parking Lot west of Mead Public Library. This option includes constructing a new 25,368 square foot building in the parking lot that is owned by the Parking Utility. This option would take approximately half of the available parking stalls and require a parking structure to be built to service the library participants. This option is estimated to cost approximately \$7,054,300. Under this option, the existing City Hall would be sold for conversion into market rate apartments, generating approximately \$259,300 in new property tax revenue. The location of the parking structure is outside of the area of daily users and has a large concentration of residential housing to the west that would not have a need to be served by the structure.

Option 6: New City Hall on Parking Lot north of South Ninth Street. This option would include constructing a new 25,368 square foot building in an existing Parking Utility-owned parking lot with the front of the City Hall being on the one-way South Ninth Street and the facility being accessed by existing alleyways. This option is estimated to cost approximately \$7,066,800. Under this option, the existing City Hall would be sold for conversion into market rate apartments, generating approximately \$259,300 in new property tax revenue.

Option 7: New City Hall on Parking Lot adjacent to Pennsylvania Avenue (east of Penn Avenue Pub). This option would include constructing a new 25,368 square foot building in an existing Parking Utility-owned parking lot with the front of the building facing Pennsylvania Avenue. This option is estimated to cost approximately \$6,990,800. Under this option, the existing

City Hall would be sold for conversion into market rate apartments, generating approximately \$259,300 in new property tax revenue. The estimated costs related to the options are listed below:

Preliminary Cost Estimates for City Hall Project

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
	Renovation	WB&T Site*	10th St/ Wisc Av	Mead Public Library	9th St Parking Lot	Penn Av Parking Lot
Revenues:						
Sale of Excess Land	\$ -	\$ 125,000	\$ -		\$ -	\$ -
Sale of Land to Parking Utility		\$ 100,000				
Sale of City Hall		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Total Revenue	\$ -	\$ 525,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Expenses:						
Existing Demolition	\$ 209,400	\$ 150,000	\$ 115,000	\$ 50,000	\$ 50,000	\$ 50,000
Renovation/Construction	\$ 6,254,900	\$ 5,476,600	\$ 5,867,300	\$ 5,466,600	\$ 5,476,600	\$ 5,416,600
General Construction	\$ 543,000	\$ 511,200	\$ 530,300	\$ 510,400	\$ 511,200	\$ 505,700
Project Contingency	\$ 280,300	\$ 513,200	\$ 532,300	\$ 512,300	\$ 513,200	\$ 507,700
Architectural/Engineering	\$ 400,800	\$ 458,600	\$ 475,600	\$ 457,800	\$ 458,600	\$ 453,600
Soft Costs	\$ 481,000	\$ 205,000	\$ 216,500	\$ 205,000	\$ 205,000	\$ 205,000
Land Acquisition	\$ -	\$ 970,000	\$ -	\$ -	\$ -	\$ -
Furnishings	\$ 195,100	\$ 152,200	\$ 152,200	\$ 152,200	\$ 152,200	\$ 152,200
Environmental Remediation			\$ 500,000			
Temporary Relocation	\$ 100,000	\$ -	-	-	-	-
Total Expenses	\$ 8,464,500	\$ 8,436,800	\$ 8,389,200	\$ 7,354,300	\$ 7,366,800	\$ 7,290,800
Net Project Cost Estimate	\$ 8,464,500	\$ 7,911,800	\$ 8,089,200	\$ 7,054,300	\$ 7,066,800	\$ 6,990,800
Leverage Annual Property Taxes	\$ -	\$ 530,580	\$ 259,300	\$ 259,300	\$ 259,300	\$ 259,300

Options 2 - 6: 25,368 square feet for new construction

Options 1 - 6: Does not include land survey nor construction manager

Option 2: Does not include 4,000 square foot of costs associated with the bank (which will be paid by the bank).

CITY ADMINISTRATOR

DIRECTOR OF PLANNING
AND DEVELOPMENT