

# Facilities Discussion

April 8<sup>th</sup>, 2024





# Borough Facilities Strategy

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**Goal:** Optimize the Borough's Real Property Portfolio

**Objective 1:** Provide sustainable 30-year space for Borough Staff, MPD, Resident services and Public Works.

**Objective 2:** Boost Economic Development by returning non-productive borough assets to commercial use



## Current Status

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### 34/36 West Allen (Admin/MPD)

- Occupied since 2002
- Built several decades earlier
- Issues with roof, structure, plumbing

### 108 West Allen (HWY/Pub Works)

- Interior office space is unsatisfactory
- Garage is marginal

### 842 W Church (WWtF)

- Newer admin office (top of hill)
- Technically sound, must-sit location

### Manager's Assessment

**Both Allen St properties are beyond meaningful repair.**

**Overhaul cost would be similar to new construction as that would essentially require a tear down and rebuild.**



# Strategy for Modernization

## 2050 Vision

219 E Main – Municipal Office & MPD

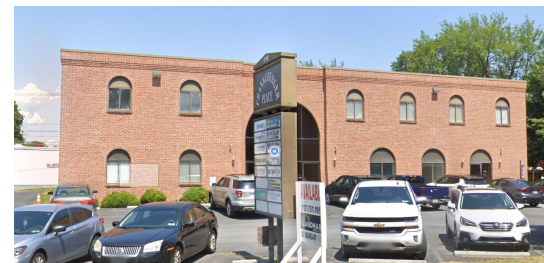
842 W Church Rd – Infrastructure Services (WW and HWY)

### Consolidate HWY into 842 West Church

- Admin office can support 2-3 HWY personnel
- Assess garage and salt storage long term needs
- Sell 108 West Allen property

### Move Admin office and MPD to 219 East Main

- Admin offices, customer service
- Council Chambers, conference rooms
- Sell 34/36 West Allen property in 2025





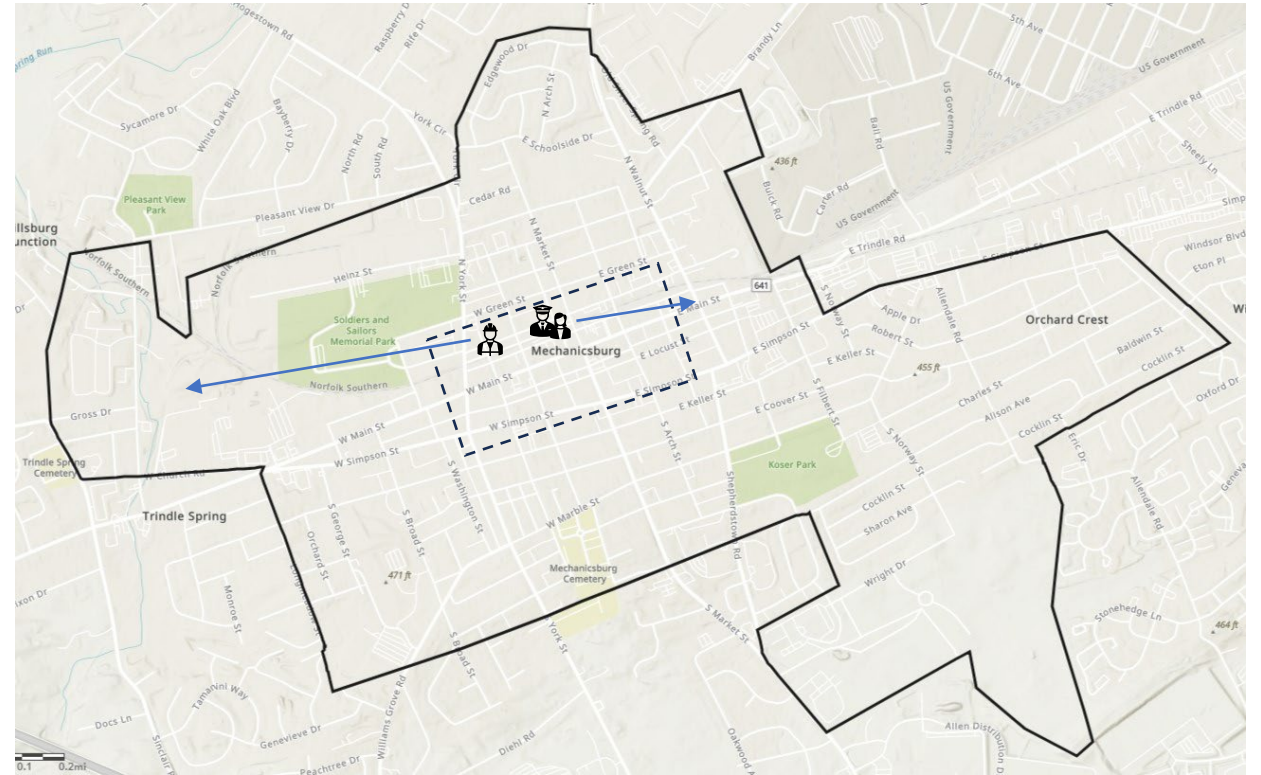
# Strategy Contributes to Economic Development

The movement of Public Works, MPD and the Borough Offices to new locations will move **nearly 2 full acres of land** within the borough's valuable Old Town & Commercial Market/Main district from non-productive public use to new economic development through commercial use.

## Results:

- Revenue growth from sale of land and property taxes
- New and exciting commercial development

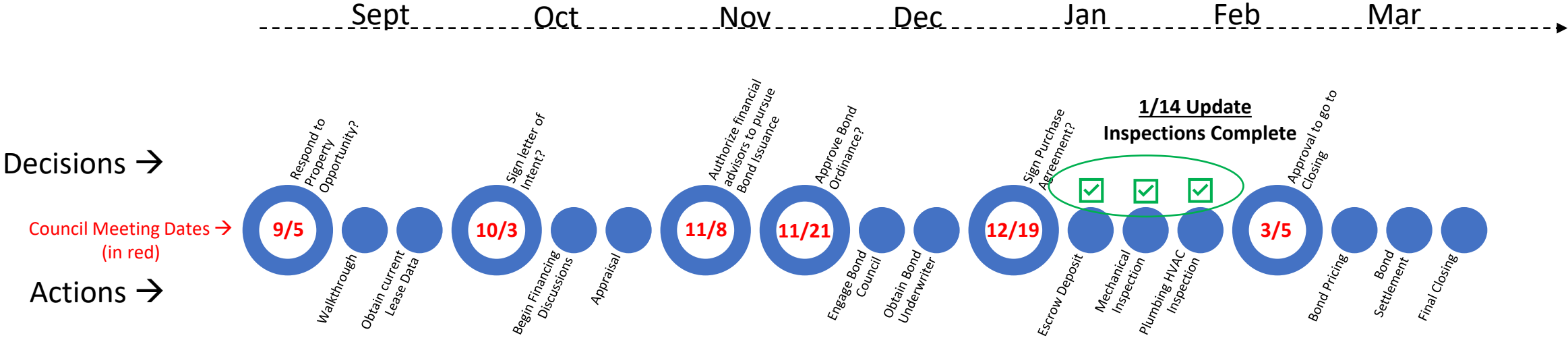
Additional benefit: 219 East Main is a commercial style office building with rental income greater than annual expenses. The facility will be a **revenue generator** for the borough instead of the cost center that 36-38 West Allen currently is.





# Timeline and Decisions

(for the 219 East Main opportunity)



Post-Close Process (if approved)

- Feb-~~Apr~~ May → Design of new space
- May-Dec → Remodeling/Space Prep
- Spring 2025 → Move to new offices

4/8 Update

- **Administrative (title) processes have introduced a delay**
- **Duration of delay is unknown at this time**



# Concerns & Issues Reported

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- Received via the web site form

**Issue:** The resident heard that there was discussion of putting a gated fence structure in the parking lot to restrict parking for vehicles and they wanted to voice concern about how this would diminish the aesthetic value of Main St and the downtown in general.

**Response:** There has been no discussion about fences being installed on the property.

**Issue:** What is the likelihood of selling the old facilities? I have heard at the council meetings comments about how substandard the public works building is. Will it be difficult to sell?

**Response:** We aren't making any assumptions about difficulty of selling the property. It is true that the building has many deficiencies – however, the property is fairly large and may be a great opportunity for replacing the structure with something new.

**Issue:** I Have heard that the borough plans to rent spaces in the new municipal building. Are there any businesses interested in this? If the old buildings cannot be sold in a timely fashion or renters are not found for the new building, how will that affect the borough finances?

**Response:** The building is already 60% occupied with tenants with an average of 3 years remaining on their lease. Rental occupancy and potential impacts on borough finances are certainly part of the decision process.





## Concerns & Issues Reported (cont'd)

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- Received via the web site form

**Issue:** Who are the architect and engineer contracted to provide a detailed cost estimate for proposed renovations for the current borough Allen Street properties to determine it is less cost effective than purchasing another building?

**Response:** The Borough has hired Thynk Design, LLC to provide a project viability assessment, which is a high level, order of magnitude (not detailed) program analysis to collect requirements and determine risks and feasibility issues for moving borough activities to the new facility.

**Issue:** Who has the borough hired as an architect to design the needed renovations to the Frankeberger building to accommodate the borough offices and police department? Was that contract approved at a public meeting? What is the amount of that contract?

**Response:** The borough has not hired an architect for renovation design at this time.

**Issue:** Does the Borough have a contract with Thynk Design, LLC? If so, was the contract subject to public “invitation to bid” and was it approved in a public meeting by Borough Council? If there is a contract, what are the terms of the contract and/or the amount of the contract?

**Response:** Yes, the Borough has contracted with Thynk Design, LLC to provide the viability assessment. This service contract is not required to be competed, although two cost estimates were obtained for the work. The efforts and expenses to pursue this real estate transaction were approved by Council as part of their approval of the Purchase Agreement on 12/19. The value of the contract is Not to Exceed \$6250.





## Concerns & Issues Reported (cont'd)

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- Received via the web site form

**Issue:** When Council goes through the process to select an architect and engineer for the Frankeberger building project, will it be (need to be) by public bid and/or approved publicly by Borough Council?

**Response:** The Borough will continue to follow all applicable laws, regulations and policies as it moves forward with this project. At this time however, we have not begun the process described in this question.



# Concerns & Issues Reported (cont'd)

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## Received via the web site form on April 3<sup>rd</sup>

How much will it cost to clean up the highway department property prior to sale?

**Response: The Borough has not started that phase of the project yet, so the cost to prepare 100 West Allen for sale is not yet known.**

Is there room for the highway department at the wastewater treatment plant?

**Response: Yes, there is adequate space at the Church Rd facility.**

Will there need to be building done to accommodate the department?

**Response: The Borough has not started that phase of the project yet, building requirements are not yet known.**

Are these costs included in the bond amount?

**Response: No, bond proceeds are for the purchase and renovation of 219 East Main St.**

Will there be a secure area at the new police station for officers to load and unload prisoners such as an enclosed garage?

**Response: The police department is part of our facility design team and all of their critical requirements will be met as part of the design process.**

How will the loss of revenue from taxes on the proposed municipal building be mitigated?

**Response: The proposed new building will be taxable real estate for all square footage leased as commercial space. The exact amount of commercial square footage and offsetting rents have not yet been determined.**

Will the tax on the old municipal building and highway department building completely make up for this lost revenue?

**Response: We will not know the answer to this until property values are determined after completion of building projects/improvements on those properties.**



# Concerns & Issues Reported (cont'd)

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## Received via the web site form on April 3<sup>rd</sup>

Are there credible possible buyers for these properties?

**Response: The Borough has not yet started this part of the process.**

What is the probable cost of needed repairs to the old municipal building and highway department versus buying a new building and accommodating the highway department at the wastewater treatment facility?

**Response: Needed repairs are only one of the facility strategy goals. The other objective is to “Boost Economic Development by returning non-productive borough assets to commercial use.” Fulfillment of this goal at 34/36 West Allen St and 100 West Allen St would require partial demolition of existing facilities and a new construction effort to create commercially viable property where the unused facility, 34 West Allen currently sits. This new construction would be estimated at nearly twice the cost per square foot than alternative of purchasing 219 East Main, which is already configured and used as commercial use.**

Will there be more publicity about this proposed purchase especially for the residents who do not have access to computers/smart phones?

**Response: The web site presentation is supporting information to every public Borough Council meeting, where this topic is updated and discussed (where necessary) every two weeks. Residents without access to computer and smartphones are encouraged to attend the public Borough Council meetings on the first and third Tuesdays of each month. The Borough’s communications team will work with local media outlets to broadcast information where appropriate. We can make printed versions of the presentation available upon request.**

Will there be information in the borough newsletter?

**Response: Borough staff is working with Council to determine what information on this topic should be included. What makes this approach complicated is that the content for newsletters is due approximately 6-8 weeks prior to the newsletter being printed and mailed. This naturally makes it difficult to include relevant information about very near-term or evolving initiatives.**