



CITY OF HUDSON

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MEMORANDUM

Date: October 1, 2014

To: Council President Hal DeSaussure and Members of Council
Mayor William A. Currin

From: Jane Howington, City Manager

Re: Workshop of Major Capital Projects

Introduction:

The purpose of this memorandum is to provide Council with information and a recommendation on implementation of four (4) major capital projects including the redevelopment of the YDC property, the Phase II of First and Main, the development of the facilities to house the MSC and Public Works functions, and the rollout of the broadband project. It is the intent in holding a brief workshop on October 1st to provide an opportunity for discussion on this information and to develop authorization for further actions on this recommendation, especially as it relates to finalizing the 2015 budget proposal.

Background:

Council goals include the advance of strong economic development programs, a city facility program and the continued implementation of the City's strategic plan. The three main goals of the strategic plan include:

1. Create more vibrant and connected residential community.
2. Develop commercial and industrial base.
3. Improve efficiency, effectiveness and quality of services.

As a result of both Council goals and the strategic plan, four (4) major projects have been identified (outside the normal capital budget) as large scale initiatives to move the community toward accomplishing said goals. These four (4) projects include:

1. First and Main Phase II
2. YDC property redevelopment
3. City facilities
4. Community-wide broadband

Analysis:

The four (4) projects, though separate and distinct, are interconnected at multiple points. To implement one without the others would not provide the City with the most effective methodology of accomplishing the strategic plan goals. The following examples of this interconnectedness include:

1. First and Main Phase II depends on public facilities relocation.
2. Public facilities relocation depends on the market analysis for the YDC property.
3. Successful broadband and economic development are interdependent.

Due to the interconnectedness, staff has created a project flow chart depicting how all four of these projects could move forward. The identified elements will be developed in much greater detail as each moves forward; however, for purposes of understanding how to initiate and how each project part fits into the whole, the identified elements should suffice.

Attached to this memorandum is a comprehensive project Gantt chart that takes the four (4) major projects from what is currently being worked on through the end of 2016 when it is projected that Phase I of the fiber could be completed, municipal facilities could be out of the First and Main area, and Phase II of First and Main, as well as the YDC site, could be “shovel ready”.

An information page has been developed for each of the major project elements. The information on this page (much of which has not been completed) will provide details including cost estimates, funding sources, and internal or external staffing needs.

The third page provides the basis for conducting a SWOT analysis on each of the four (4) projects from a present day perspective. Presented as an introduction to the SWOT analytic tool, which reveals several potential threats in common, such as not having timelines or moving forward on fiscal and real (estate) mechanisms.

Recommendation:

I believe Council has already set priorities by identification of these four (4) major projects. After review of the preliminary planning research that has been completed, I believe all four projects are somewhat interdependent and should be initiated simultaneously. As each element is completed, the ability to review and revise implementation decisions should be an integral part of the ongoing implementation process.

Costs:

The initial broadband business plan and the Comprehensive Plan/Phase II are already in process. A commercial property market analysis should be the next capital expense and is estimated to cost between \$30,000 and \$100,000 depending on the project scope.

The next cost I would anticipate is to bring in a high-level economic development project manager as either a consultant or a member of staff.

Costs for property acquisition and/or facilities relocation could be part of the larger implementation plan, and as such, would not be anticipated until feasibility, partnership and development decisions are finalized.

Due to the rapidly approaching expiration of the current TIF, there is a need to determine the viability of maintaining and expanding that TIF to cover Phase II versus the development of a new TIF to service this second phase.