

# City of Hudson Proposed Public Works Facility 2018

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## **Introduction**

The City's Public Works Department (PWD) was created within the first few years following the merger of Hudson's former Village and Township. The City secured leased space on Georgetown Road for the newly formed Public Works Department (PWD) in 1999. The PWD divisions operating out of the Georgetown facilities include streets maintenance, signs, storm water maintenance, water distribution, fleet services and PWD administrative support.

The Georgetown space was considered to be a temporary landing place for the PWD, with the anticipation that the department would grow and change as it took on increased and more diverse service responsibilities. For example, the City became responsible for the upkeep and maintenance of additional infrastructure including streets, storm water and sewers that were formally maintained by the County within the former township.

## **Business Problem**

The most prevalent of the many challenges in carrying out city services from the Georgetown facility is the lack of adequate space to operate safely and efficiently as well as the ability to accommodate basic employee occupancy requirements. The construction and layout of the Georgetown building was initially designed as general warehouse space and is now antiquated. The overall layout of the employee space is disjointed resulting in limitations with regards to staff interaction and day-to-day operations. The restroom spaces are undersized and decentralized with only one shower stall for staff use and emergencies. As the facility was not originally designed for its current use, there are challenging environmental issues such as indoor air quality due to open ceiling plenums.

The storage and movement of equipment and materials is extremely difficult within the current space. This results in the overlapping use of spaces that are not appropriate such as the sharing of locker room space with kitchen space and food prep space and training room space with equipment and inventory space. The under roof area is inadequate and does not allow for ease of access or parking. When City vehicles are parked inside the facility they must be placed bumper-to-bumper in a manner which requires moving some or all of the vehicles to access another. When vehicles and equipment occupy the indoor space there is little room for staff to maneuver through the remaining area to perform work or repairs indoors. Most often, due to the lack of indoor square footage, staff is forced to store and stage a number of vehicles and many pieces of equipment outdoors in the elements on a year round basis with the majority being located at the Owen Brown service yard. The exposure of equipment to the weather leads to increased maintenance and repair costs, reduced longevity, and an overall unsightliness of the facilities.

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Of all the operations housed in the facility, the Fleet Maintenance Division faces one of the most significant challenges. Due to the limited ceiling heights, fleet staff is unable to utilize proper lift equipment to raise any of the City's large fleet equipment or vehicles. This makes it difficult to effectively inspect, diagnose and make repairs. In addition, there are also no makeup air units or exhaust evacuation systems within the space which further impacts indoor air quality.

## **Anticipated Outcomes of New Project**

Plans for a proposed new PWD facility would address and resolve all of the department's core operational problems identified above.

1. Space, Safety and Efficiency
  - a. Operational space will be properly sized to accommodate vehicle, equipment and materials storage as well as practical ingress and egress patterns.
  - b. Space will be designed to allow logical and efficient movement of equipment, vehicles and personnel within both the building space and service yard spaces.
  - c. New facility and property safety systems meeting modern security, fire, health and access requirements will result in a safer more user functional facility.
  - d. Efficiency of designed space including shared and multipurpose space will result in improved workflow and ease of access to equipment and vehicles improving production while reducing construction costs.
  - e. Utilization of modern facility design methods and installation of energy efficient modern building systems will reduce long-term costs and provide a quality built, flexible, safe and environmentally friendly employee spaces.
2. New Combined Facility Benefits and Value
  - a. Eliminates current leases and associated sunken costs.
  - b. Eliminates separation of Service and HPP operations (increased efficiencies, cross training and space sharing)
  - c. Provides for long-term City owned asset
  - d. Reduces maintenance costs using modern, functional and durable building materials and efficient systems and components in one location.
  - e. Increases life cycles of equipment and fleet vehicles by housing them under roof
  - f. Builds in system infrastructures to accommodate ever changing technologies.
  - g. Provides premium land parcels for Phase II development.

## **Organizational Impact/Project Justification**

By combining the PW operations within one single structure and utilizing associated storage yard(s), efficiencies will be realized in the use of both equipment and staff. For example, equipment sharing will increase as employees begin to interact with one

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another on a daily basis learning tasks where equipment utilization can be combined. In much the same way, over time, staff will see improvements in efficiencies through task sharing or cross training in such areas as inventory management, purchasing, task and safety training, equipment and vehicle management, and supervision, etc. In addition, properly designed, functional space will result in increased safety, productivity and operational effectiveness.

From a financial perspective given that the Georgetown properties lease payments from 1999 through 2018 have been approximately 4.5 million, these buildings could have been purchased outright two times over at current value.

Listed below are the estimated project costs for design, construction, construction management and miscellaneous items:

- Design and Construction Management .....1,750,000
- Construction Cost.....13,300,000
- Environmental and Testing.....85,000
- Utilities.....35,000
- Furnishings & Equipment.....100,000
- Project Contingency 10%.....1,300,000
  
- **Project Grand Total.....\$16,570,000**

The annual lease payment for the Georgetown facilities is currently \$247,000. It will likely increase to \$252,000 as we have seen an average lease increase of approximately 2% annually. The new annual debt service calculations which would be divided between the HPP fund and Service (general) fund have been attached for review. By relieving the City of ongoing lease payments and associated O&M costs on an aged and deteriorating building, the benefits of owning the facility asset can be realized through appreciated value and equity, and full control and use of the asset for the long term.

## **Conclusion/Recommendation**

A new Public Works Facility designed specifically to meet the needs of the current operations while also being flexible for future use, would improve efficiencies and effectiveness of the PWD operations. New shared space would also open opportunities for cross functions among both staff and equipment utilization.

A new facility would represent a physical asset rather than the continuance of sunk costs into substandard space. The project cost would be able to be split between the electric fund and the general fund.

Staff recommends the City move forward with the final design and construction of a new Public Works Facility to be sited on a portion of the former YDC property.