

Public Works Facility Analysis

July 2021

Expanding our understanding...

HPP costs

Operational
efficiency

Drive times

Cost of land

Interest

Useful life

Expert
opinion

Storage

Confirmed
location

Future
renovations

Ongoing
maintenance

Availability of
leasable
space

Best practices

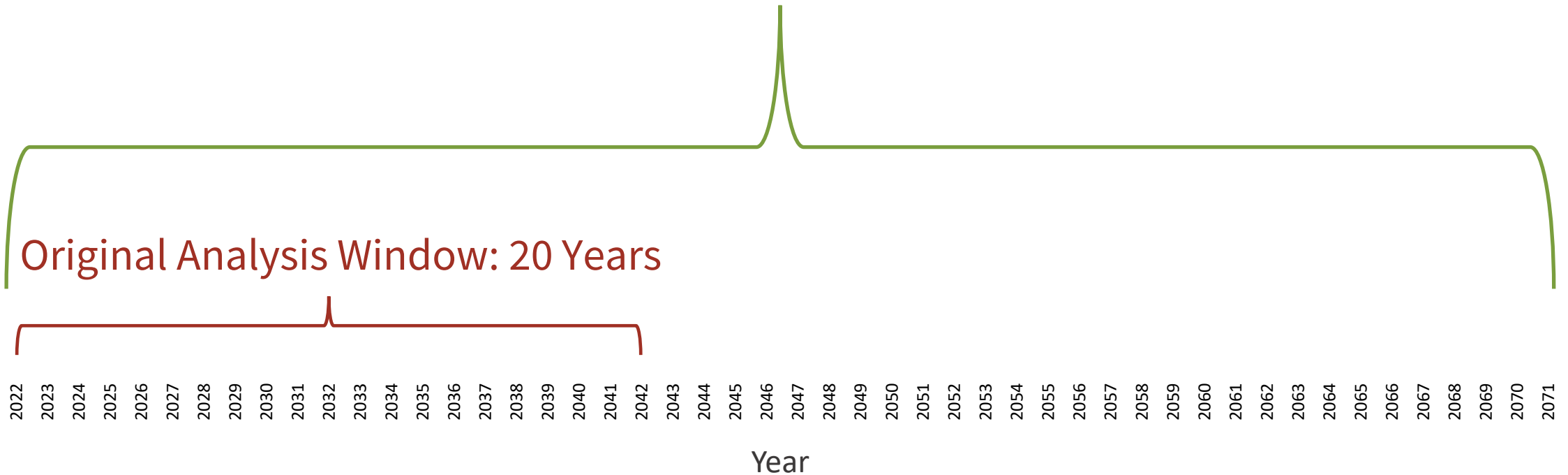
Peer research

Future
expansion

Long-term planning:

Expanded Analysis Window: 50 Years
(useful life of public works facility)

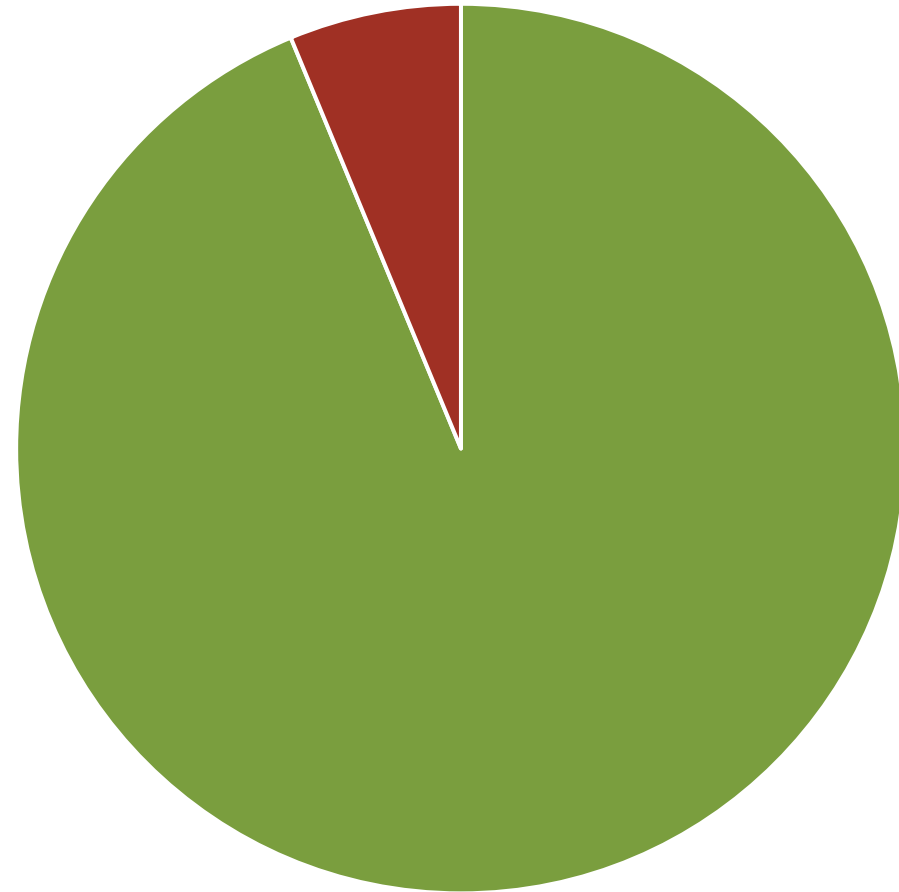
Original Analysis Window: 20 Years



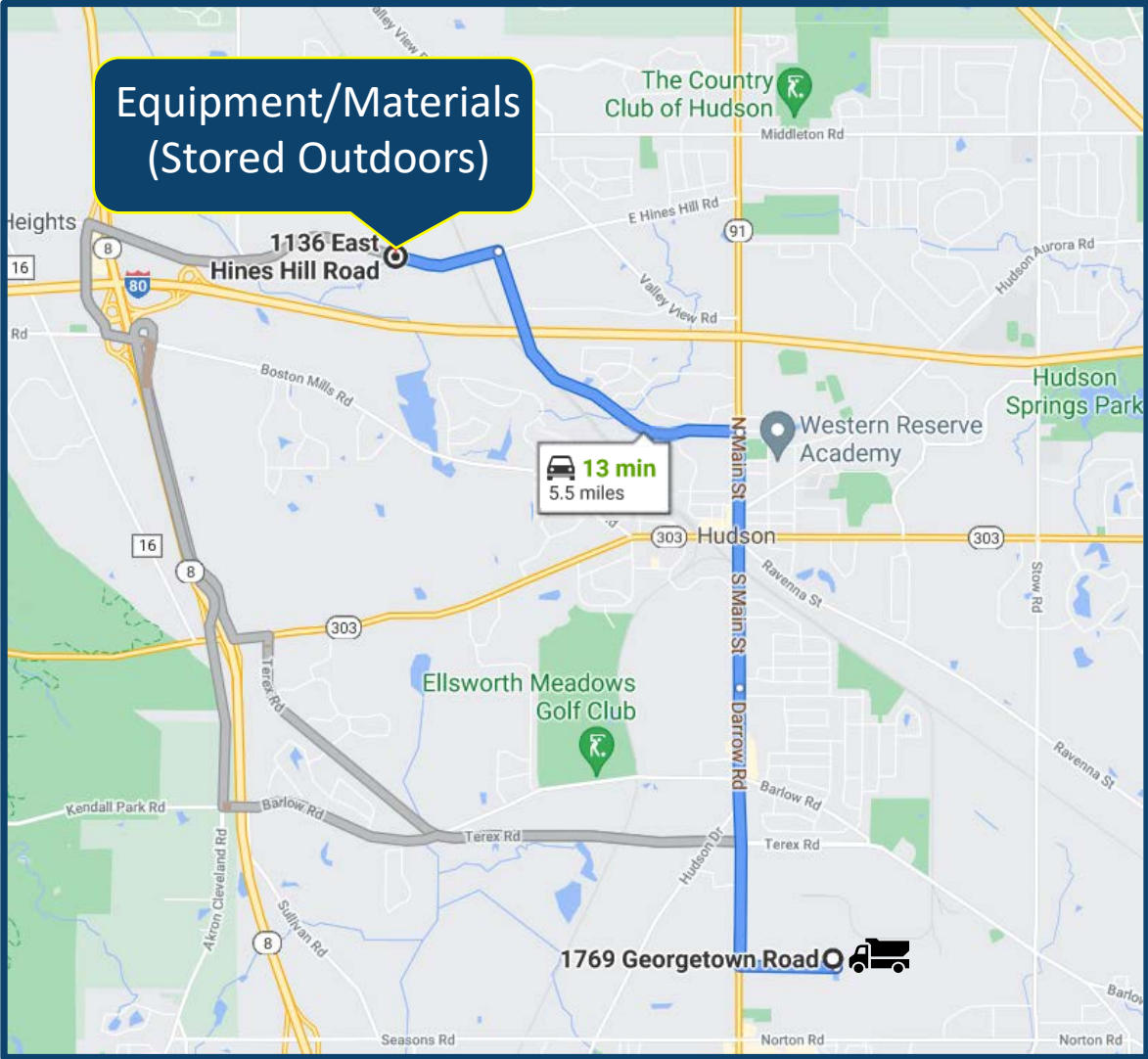
Of 16 local cities, **only 1 rents**
PW space...

- Akron
- Aurora
- Barberton
- Cuyahoga Falls
- Fairlawn
- **Green**
- Kent
- Macedonia
- Pepper Pike
- Richfield (Village of)
- Shaker Heights
- Solon
- Stow
- Streetsboro
- Twinsburg
- Westlake

Own vs Rent

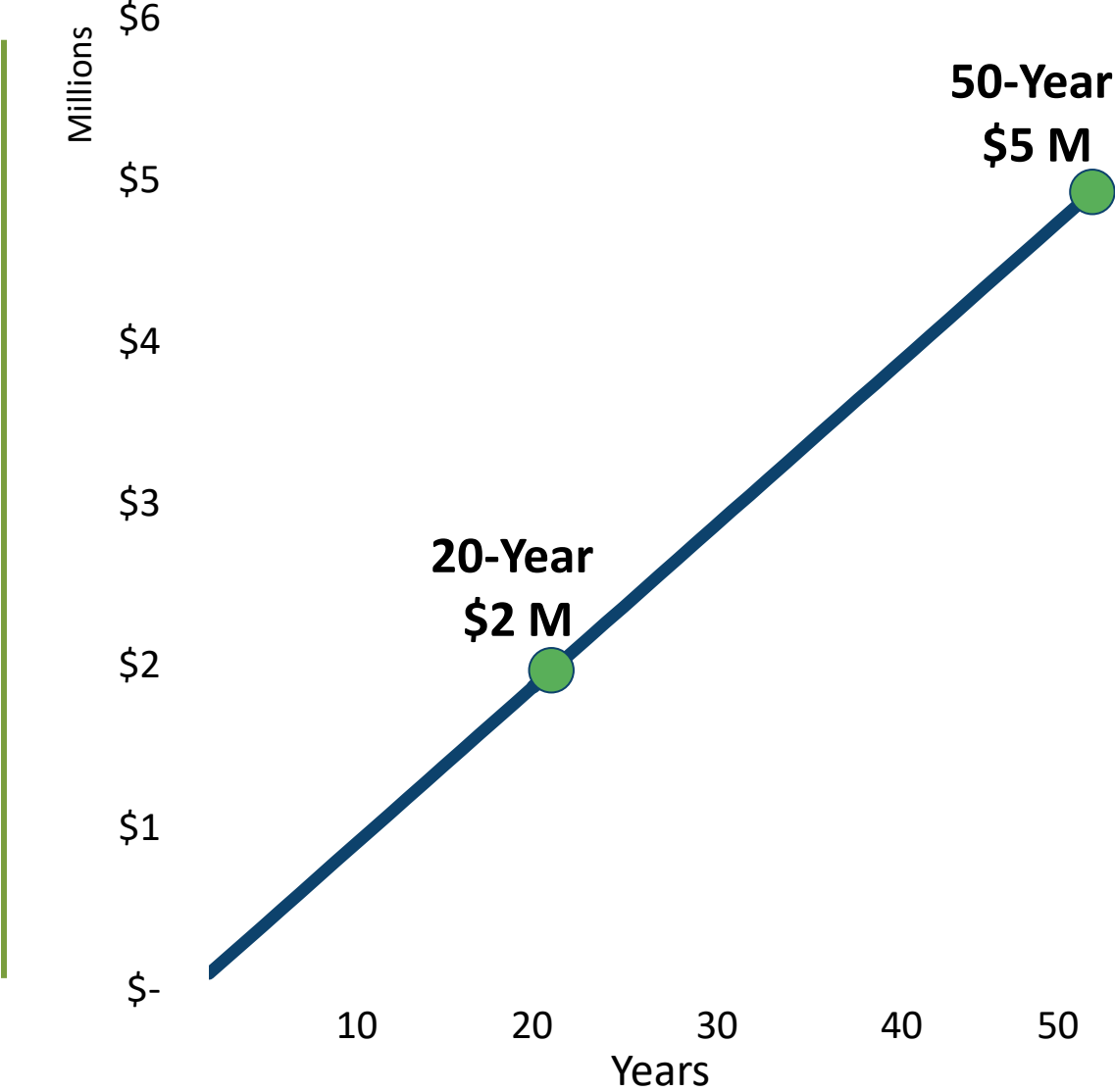


Time Savings

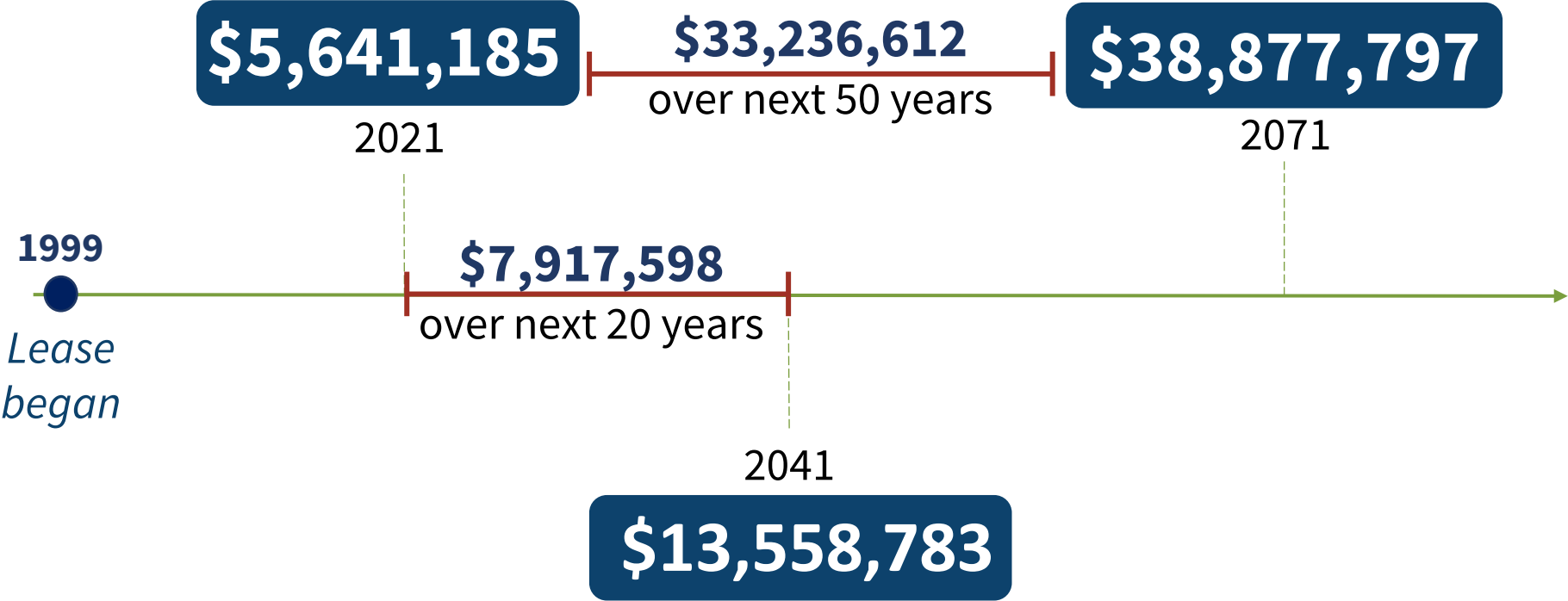











Equipment Savings

INDOOR STORAGE & WASH BAY



Dollars spent on leasing:

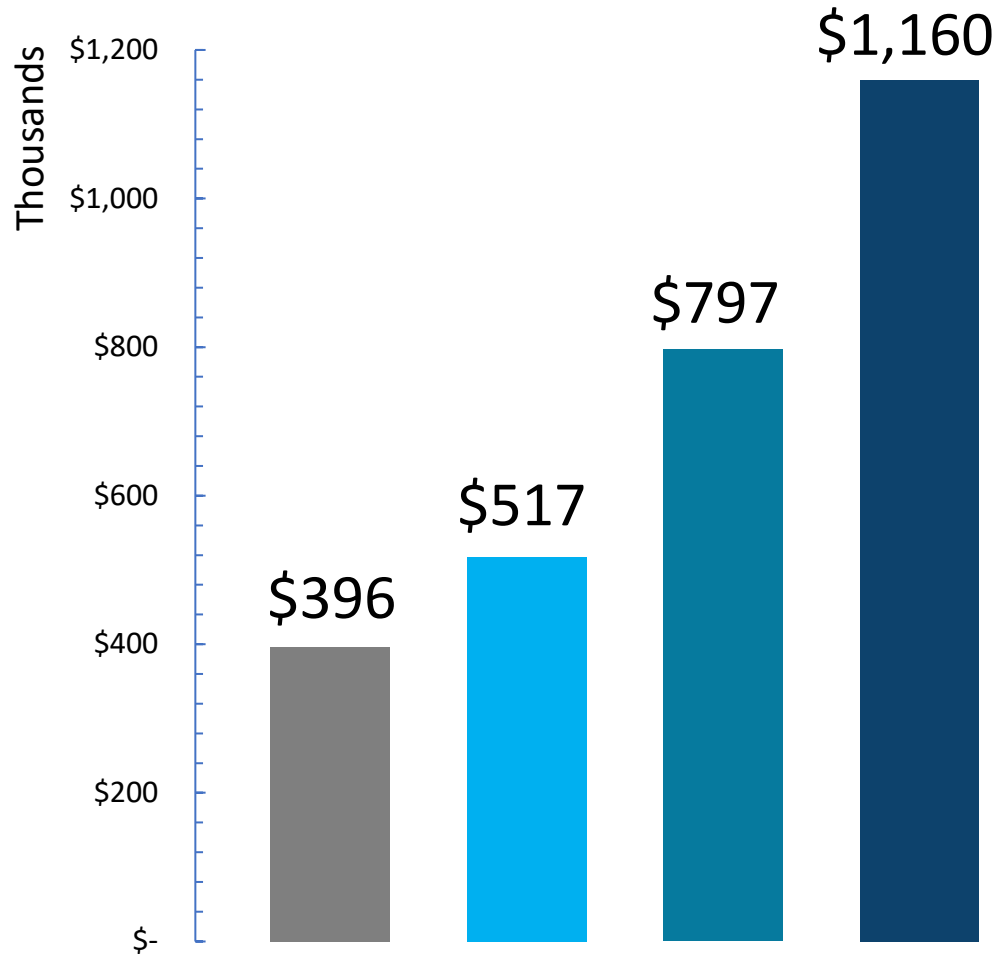


	Lease Georgetown	Buy Georgetown	Build New
Cost Share with HPP			
Equipment is Protected & Centralized			
City Owns Facility			
<i>Term of Solution (years)</i>	4	20-25	50

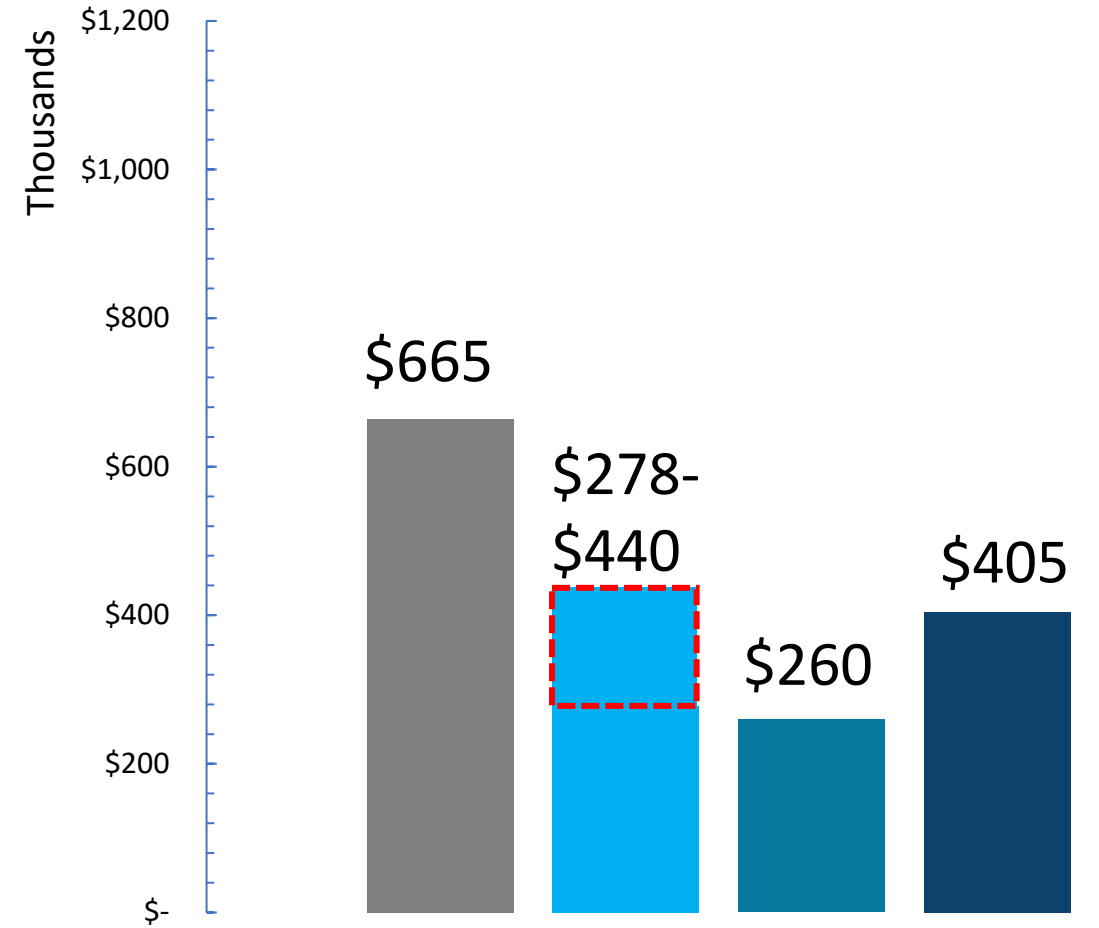
Avg. Annual Cost Impact

■ Lease ■ Buy Georgetown ■ Build New w/o HPP ■ Build New

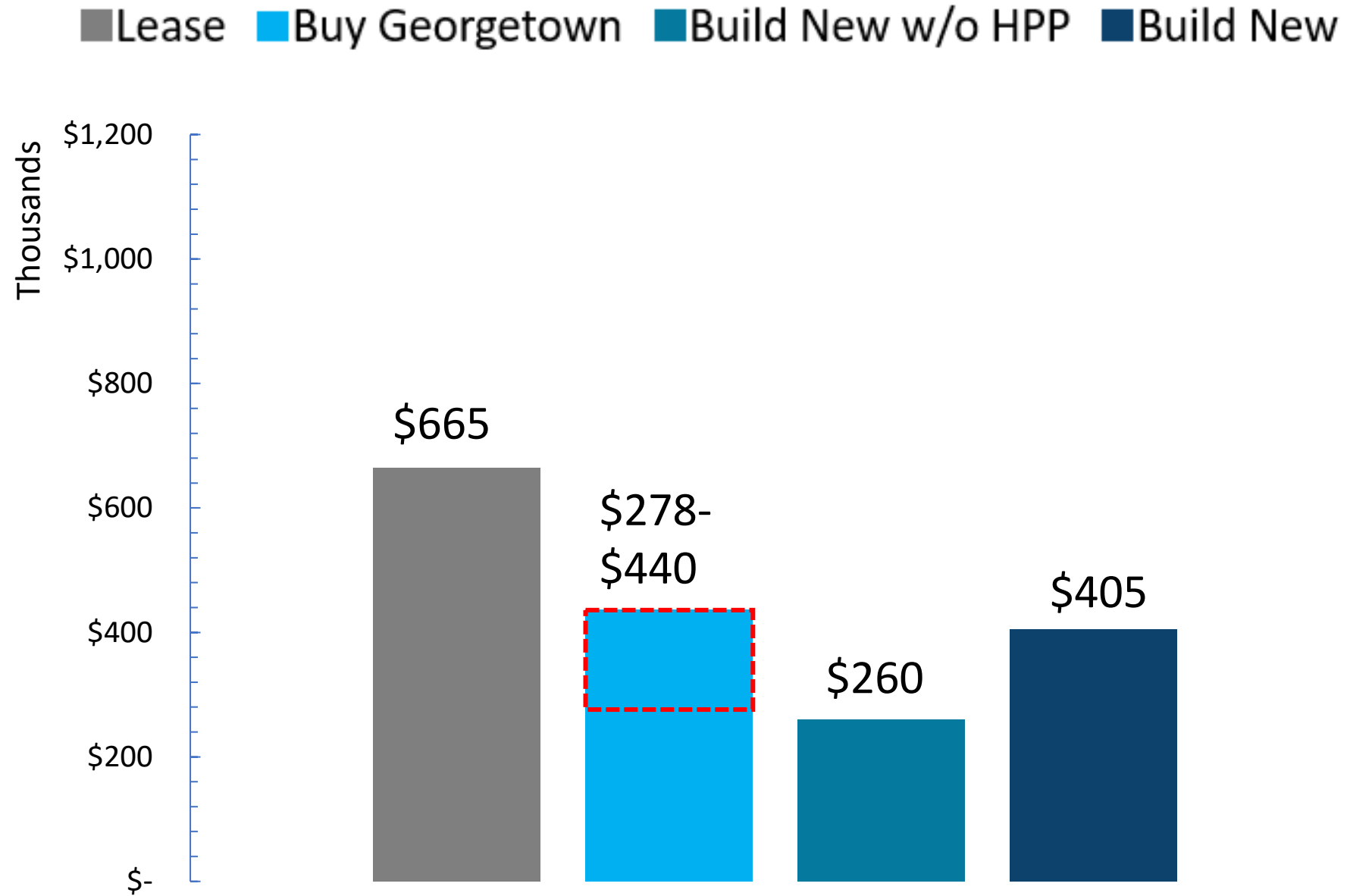
20-YEAR



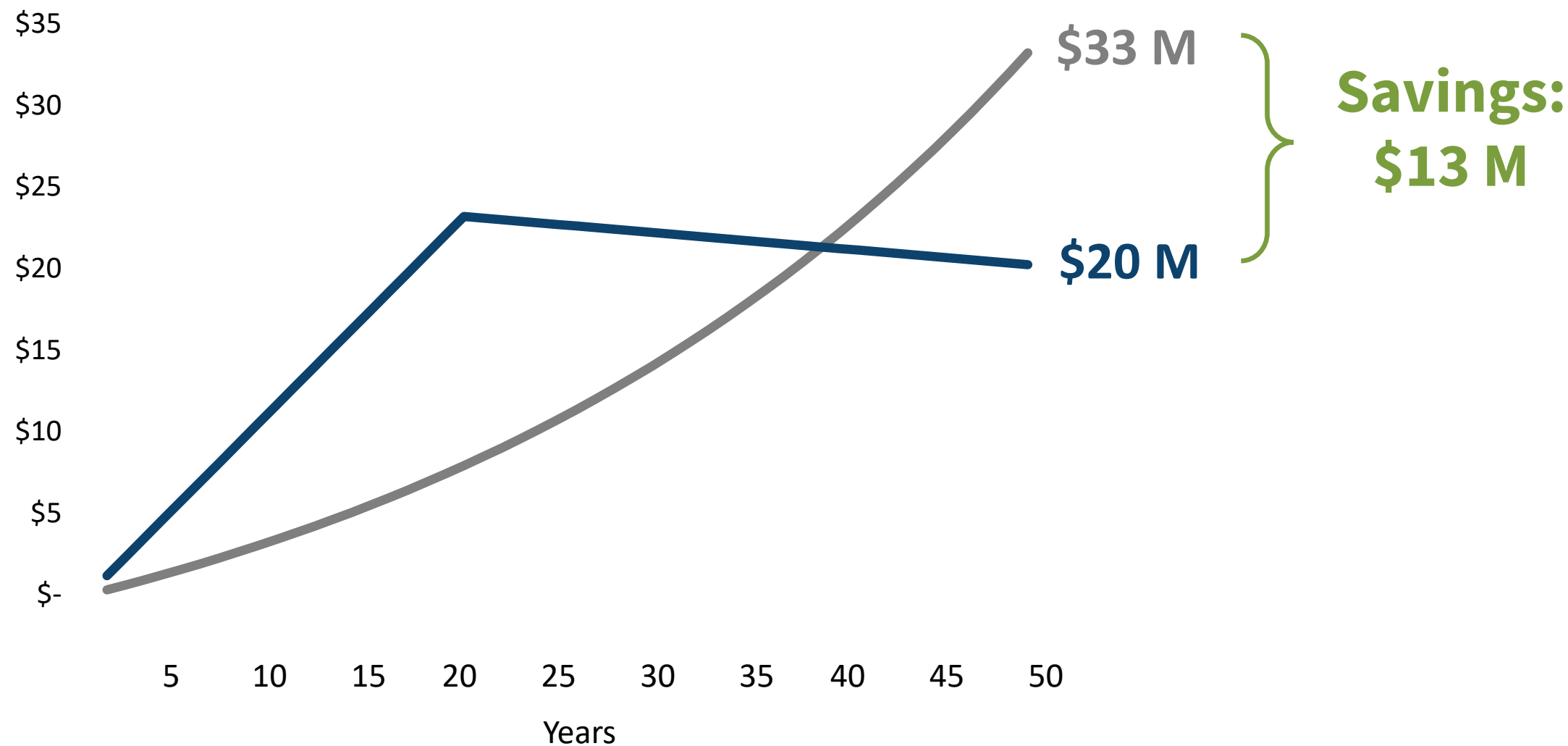
50-YEAR



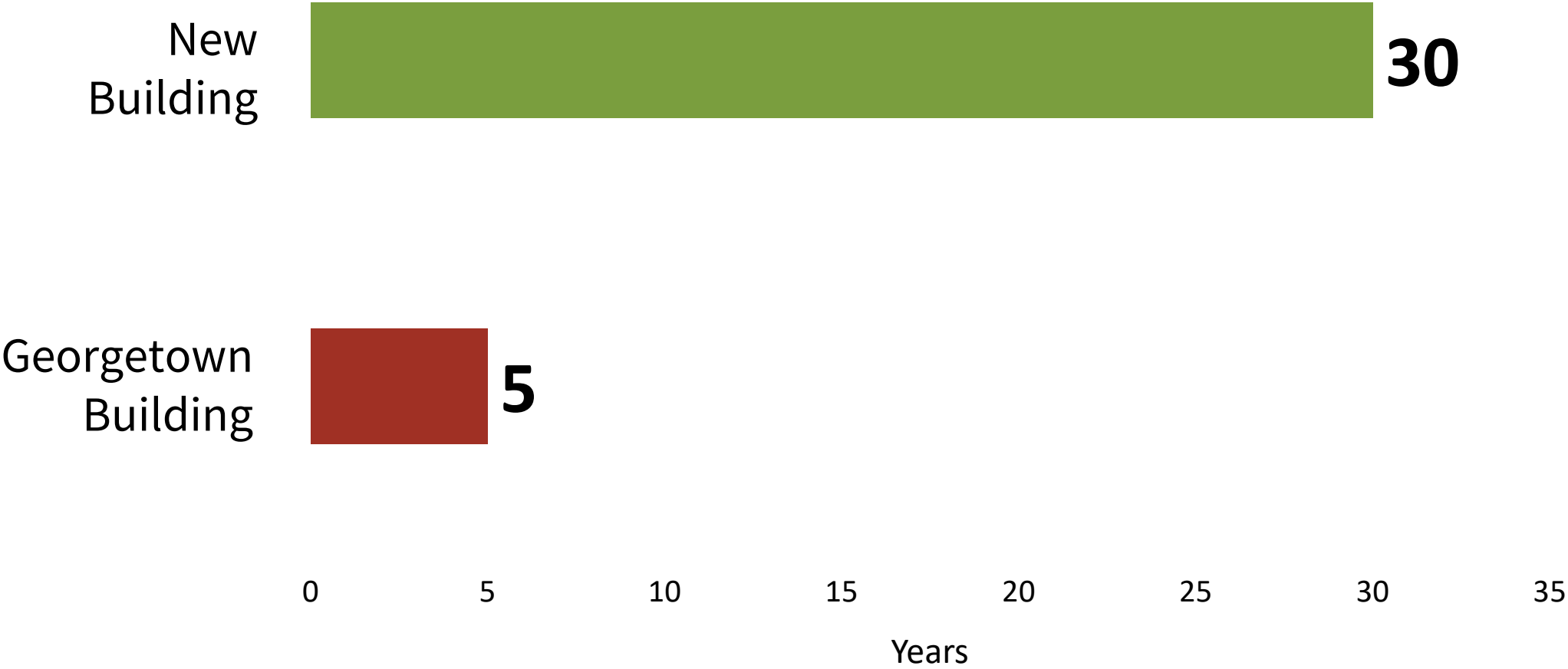
Avg. Annual Cost Impact: **50-Year**



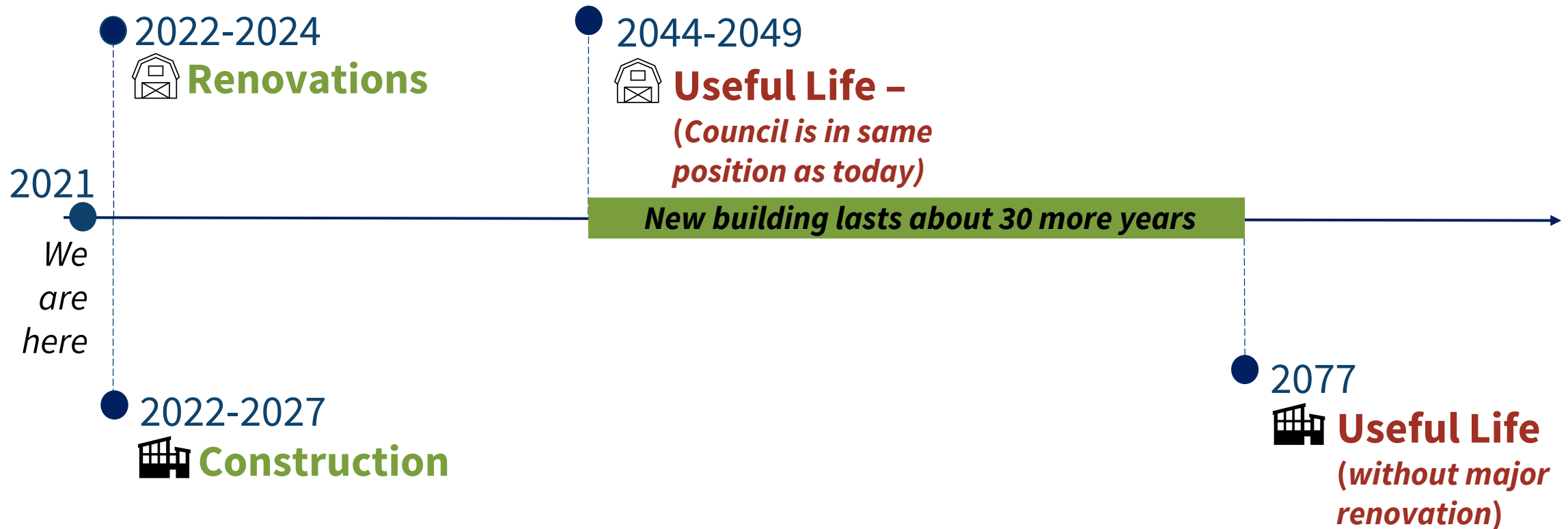
Cumulative cost of **lease** vs **new building** over **50-year analysis period**:



Number of years building will last **after our debt is repaid:**



Lifetime analysis of **old building** vs. **new building**:



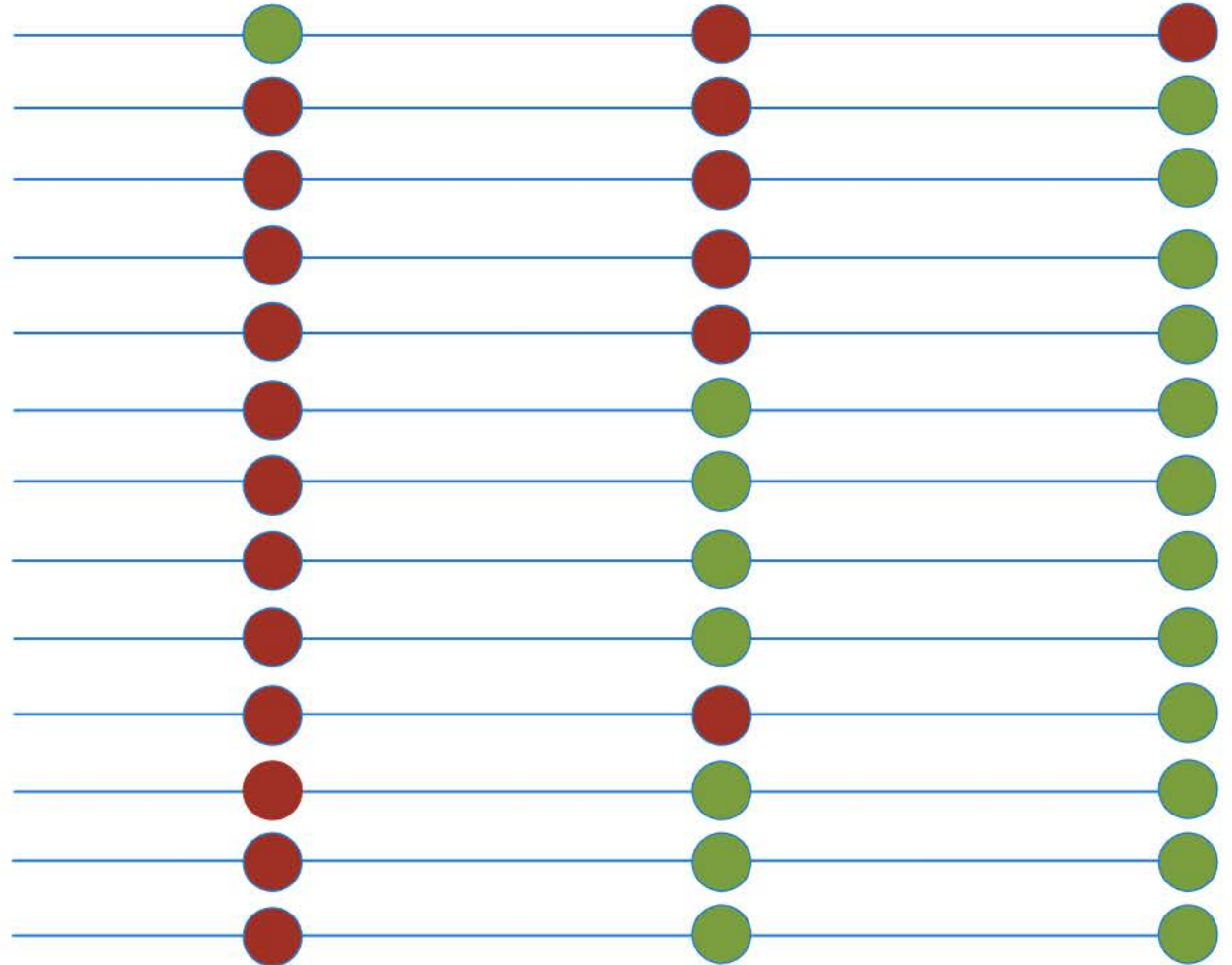
Has the desired feature? ● Yes ● No

- Has lowest upfront budgetary impact
- Allows HPP to be with team
- Facilitates equipment sharing
- Enhances management efficiencies
- Facilitates interdepartmental collaboration
- Reduces time spent on driving
- Protects City equipment indoors
- Aligns with common practices of peers
- Creates a City asset
- Meets all of City's specs
- Consolidates City's contract management
- Gives City the decision-making power
- Provides flexibility to remodel

Lease
Georgetown

Buy
Georgetown

Build
New



Public Works Facility Analysis

APPENDIX

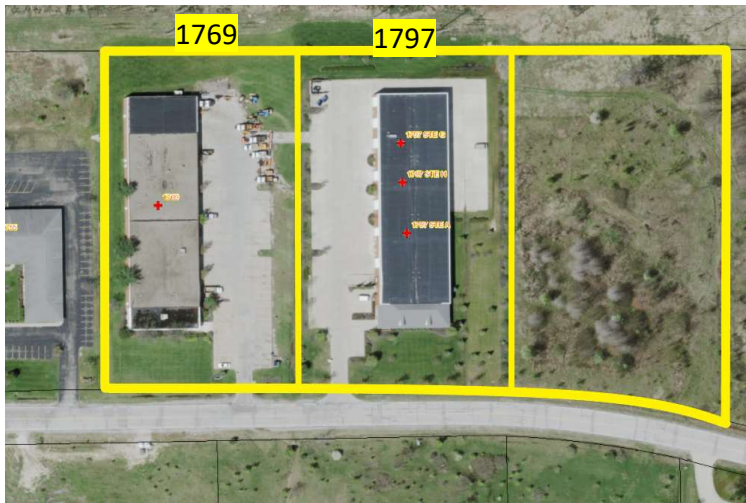
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Locations & Proposed Plans

The City is currently **leasing 1769 Georgetown Rd.** for most public works operations. The City is evaluating two alternatives that would allow ownership of public works space. Hudson Public Power (HPP) is in an owned building on Hudson Gate Drive (not pictured). HPP could join the rest of the PW team in the Industrial Pkwy solution, either immediately after construction or in a phased approach after the other PW divisions move in. HPP cannot be included in the Georgetown solution due to lack of space.

Georgetown

9.77 acres

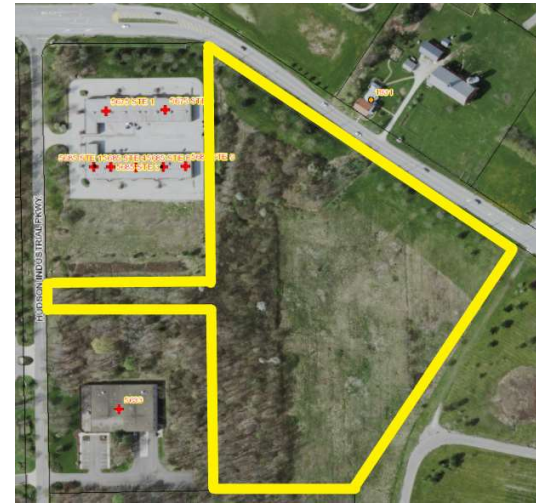


Action Plan:

- Buy 1769
- Buy 1797
- Buy empty parcel
- Renovate existing facilities and build covered storage
- Sign Shop moves to this site
- HPP stays at Hudson Gate

Industrial Parkway

13.22 acres



Action Plan:

- Buy empty parcel
- Build new facilities, including covered storage
- All PW divisions move to this site, including Sign Shop and HPP (HPP could move immediately or in phased approach)

Images are not to scale.

20-Year Summary of Capital Investment (Without Interest)

	HPP Factor*	Includes HPP	Excludes HPP	Excludes HPP
		Build New	Build New (w/o HPP)	Buy Georgetown
Considerations**				
Buildings and/or Parcel Purchase(s)	\$	991,500 ¹	\$ 991,500 ¹	\$ 4,090,000 ²
Renovations and/or Construction	\$	18,316,940	\$ 10,990,164 ³	\$ 4,886,472
Sub-Total Land & Construction	\$	19,308,440	\$ 11,981,664	\$ 8,976,472
Improvements Required (if exiting lease)	\$	1,200,000	\$ 1,200,000	\$ - ⁴
Sub-Total Land, Construction, Improvements	\$	20,508,440	\$ 13,181,664	\$ 8,976,472
Hudson Public Power (HPP) Considerations				
Proceeds From Sale of Land (if vacating Hudson Gate)	\$	(1,600,000)	\$ -	\$ -
Upgrades Required (if staying at Hudson Gate)	\$	-	\$ 275,000	\$ 275,000
Total Investment	\$	18,908,440	\$ 13,456,664	\$ 9,251,472
Annual Investment	\$	945,422	\$ 672,833	\$ 462,574
Savings: Avg. Annual Equipment Exposure ⁶	\$	(98,534)	\$ (98,534)	\$ (98,534)
Annual Cost Impact	\$	846,888	\$ 574,299	\$ 364,040
Avoided Cost: Avg. Annual Lease ⁵	\$	(395,880)	\$ (395,880)	\$ (395,880)
Annual Net Impact	\$	451,008	\$ 178,419	\$ (31,840)

* HPP cannot be included in the Buy Georgetown option now or in the future. There is not enough room for HPP facilities at that site. A new facility can be built to include or exclude HPP facilities, as outlined in the first and second options above. DS Architecture has noted that taking a phased approach of adding HPP facilities later will cost more than building to include HPP upfront. Additionally, common areas may need to be redesigned because the original design was based on the assumption that HPP facilities would be included.

** All figures exclude interest.

¹ Includes undeveloped parcel on Industrial Pkwy.

² Includes 1769 Georgetown, 1797 Georgetown, and undeveloped parcel nextdoor to 1797 Georgetown.

³ HPP space accounts for 35%-45% of the cost of a new facility. The average (40%) was used. The estimated cost of construction without HPP is the remainder (60%) of the architectural construction estimate.

⁴ There are required improvements to stay at Georgetown. They are included in the renovation cost of \$4,886,472.

⁵ Estimate of average annual lease costs over next 20 years includes a 3% price increase.

⁶ To be conservative, the 20-year Equipment Exposure Costs are included without price increase. See 'Equipment Exposure Analysis - Summary'.

50-Year Summary of Capital Investment (Without Interest)

Hypotheticals : The estimated useful life of the 'Buy Georgetown' solution is 20-25 years. The 'Future Capital Investment' numbers in yellow represent alternate costs in two potential scenarios of either renovating again or rebuilding at end of useful life. These scenarios are relevant to the 'Buy Georgetown' option only and do not affect the 50-year estimates on the other two options.

HPP Factor*	Includes HPP Build New	Excludes HPP Build New (w/o HPP)	Excludes HPP Buy Georgetown
Considerations**			
Buildings and/or Parcel Purchase(s)	\$ 991,500 ¹	\$ 991,500 ¹	\$ 4,090,000 ²
Renovations and/or Construction	\$ 18,316,940	\$ 10,990,164 ³	\$ 4,886,472
Sub-Total Land & Construction	\$ 19,308,440	\$ 11,981,664	\$ 8,976,472
Improvements Required (if exiting lease)	\$ 1,200,000	\$ 1,200,000	\$ - ⁴
Sub-Total Land, Construction, Improvements	\$ 20,508,440	\$ 13,181,664	\$ 8,976,472
<i>Hudson Public Power (HPP) Considerations</i>			
Proceeds From Sale of Land (if vacating Hudson Gate)	\$ (1,600,000)	\$ -	\$ -
Upgrades Required (if staying at Hudson Gate)	\$ -	\$ 275,000	\$ 275,000
Future Capital Investment (needed in 20-25 years)			
<i>Case A: Renovate</i> ⁵	\$ -	\$ -	\$ 4,886,472
Total Investment	\$ 18,908,440	\$ 13,456,664	\$ 14,137,944
Annual Investment	\$ 378,169	\$ 269,133	\$ 282,759
Savings: Avg. Annual Equipment Exposure Costs ⁸	\$ (98,534)	\$ (98,534)	\$ (98,534)
Case A: Annual Cost Impact	\$ 279,635	\$ 170,599	\$ 184,225
Avoided Cost: Avg Annual Lease ⁶	\$ (664,732)	\$ (664,732)	\$ (664,732)
Case A: Net Annual Savings	\$ (385,097)	\$ (494,133)	\$ (480,507)
<i>Case B: Rebuild</i> ⁷	\$ -	\$ -	\$ 10,990,164
Total Investment	\$ 18,908,440	\$ 13,456,664	\$ 20,241,636
Annual Investment	\$ 378,169	\$ 269,133	\$ 404,833
Savings: Avg. Annual Equipment Exposure Costs ⁸	\$ (98,534)	\$ (98,534)	\$ (98,534)
Case B: Annual Cost Impact	\$ 279,635	\$ 170,599	\$ 306,299
Avoided Cost: Avg Annual Lease ⁶	\$ (664,732)	\$ (664,732)	\$ (664,732)
Case B: Net Annual Savings	\$ (385,097)	\$ (494,133)	\$ (358,434)

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** All figures exclude interest.

¹ Includes undeveloped parcel on Industrial Pkwy.

² Includes 1769 Georgetown, 1797 Georgetown, and undeveloped parcel nextdoor to 1797 Georgetown.

³ HPP space accounts for 35%-45% of the cost of a new facility. The average (40%) was used. The estimated cost of construction without HPP is the remainder (60%) of the architectural construction estimate.

⁴ There are required improvements to stay at Georgetown. They are included in the renovation cost of \$4,886,472.

⁵ Case A assumes making substantial renovations at Georgetown in 20-25 years, which is its estimated useful life. Today's architectural estimate for site improvements (excludes land purchase) is used as the estimated cost.

⁶ Estimate of average annual lease costs over next 50 years includes a 3% price increase.

⁷ Case B assumes rebuilding the facility at end of useful life. Today's architectural estimate for cost of construction on a new building (without HPP) is used as the estimated cost.

⁸ To be conservative, the 20 year Equipment Exposure Costs are included without price increase. See 'Equipment Exposure Analysis - Summary'.

20-Year Summary of Capital Investment (With Interest)

	HPP Factor*	Includes HPP Build New	Excludes HPP Build New (w/o HPP)	Excludes HPP Buy Georgetown
Considerations				
Buildings and/or Parcel Purchase(s)		\$ 1,319,720 ¹	\$ 1,319,720 ¹	\$ 5,443,931 ²
Renovations and/or Construction		\$ 24,380,474	\$ 14,628,284 ³	\$ 6,504,062
Sub-Total Land & Construction		\$ 25,700,194	\$ 15,948,004	\$ 11,947,993
Improvements Required (if exiting lease)		\$ 1,597,241	\$ 1,597,241	\$ - ⁴
Sub-Total Land, Construction, Improvements		\$ 27,297,435	\$ 17,545,245	\$ 11,947,993
Hudson Public Power (HPP) Considerations				
Proceeds From Sale of Land (if vacating Hudson Gate)		\$ (2,129,655)	\$ -	\$ -
Upgrades Required (if staying at Hudson Gate)		\$ -	\$ 366,034	\$ 366,034
Total Investment		\$ 25,167,780	\$ 17,911,279	\$ 12,314,027
Annual Investment		\$ 1,258,389	\$ 895,564	\$ 615,701
Savings: Avg. Annual Equipment Exposure ⁶		\$ (98,534)	\$ (98,534)	\$ (98,534)
Annual Cost Impact		\$ 1,159,855	\$ 797,030	\$ 517,167
Avoided Cost: Avg. Annual Lease ⁵		\$ (395,880)	\$ (395,880)	\$ (395,880)
Annual Net Impact		\$ 763,975	\$ 401,150	\$ 121,287

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³ HPP space accounts for 35%-45% of the cost of a new facility. The average (40%) was used. The estimated cost of construction without HPP is the remainder (60%) of the architectural construction estimate.

⁴ There are required improvements to stay at Georgetown. They are included in the renovation cost of \$6,504,062.

⁵ Estimate of average annual lease costs over next 20 years includes a 3% price increase.

⁶ To be conservative, the 20 year Equipment Exposure Costs are included without price increase. See 'Equipment Exposure Analysis - Summary'.

50-Year Summary of Capital Investment (With Interest)

Hypotheticals : The estimated useful life of the 'Buy Georgetown' solution is 20-25 years. The 'Future Capital Investment' numbers in yellow represent alternate costs in two potential scenarios of either renovating again or rebuilding at end of useful life. These scenarios are relevant to the 'Buy Georgetown' option only and do not affect the 50-year estimates on the other two options.

HPP Factor*	Includes HPP Build New	Excludes HPP Build New (w/o HPP)	Excludes HPP Buy Georgetown
Considerations			
Buildings and/or Parcel Purchase(s)	\$ 1,319,720 ¹	\$ 1,319,720 ¹	\$ 5,443,931 ²
Renovations and/or Construction	\$ 24,380,474	\$ 14,628,284 ³	\$ 6,504,062
Sub-Total Land & Construction	\$ 25,700,194	\$ 15,948,004	\$ 11,947,993
Improvements Required (if exiting lease)	\$ 1,597,241	\$ 1,597,241	\$ - ⁴
Sub-Total Land, Construction, Improvements	\$ 27,297,435	\$ 17,545,245	\$ 11,947,993
<i>Hudson Public Power (HPP) Considerations</i>			
Proceeds From Sale of Land (if vacating Hudson Gate)	\$ (2,129,655)	\$ -	\$ -
Upgrades Required (if staying at Hudson Gate)	\$ -	\$ 366,034	\$ 366,034
Future Capital Investment (needed in 20-25 years)			
Case A: Renovate ⁵	\$ -	\$ -	\$ 6,504,062
Total Investment	\$ 25,167,780	\$ 17,911,279	\$ 18,818,089
Annual Investment	\$ 503,356	\$ 358,226	\$ 376,362
Savings: Avg. Annual Equipment Exposure Costs ⁸	\$ (98,534)	\$ (98,534)	\$ (98,534)
Case A: Annual Cost Impact	\$ 404,822	\$ 259,692	\$ 277,828
Avoided Cost: Avg Annual Lease ⁶	\$ (664,732)	\$ (664,732)	\$ (664,732)
Case A: Net Annual Savings	\$ (259,911)	\$ (405,041)	\$ (386,904)
Case B: Rebuild ⁷	\$ -	\$ -	\$ 14,628,284
Total Investment	\$ 25,167,780	\$ 17,911,279	\$ 26,942,311
Annual Investment	\$ 503,356	\$ 358,226	\$ 538,846
Savings: Avg. Annual Equipment Exposure Costs ⁸	\$ (98,534)	\$ (98,534)	\$ (98,534)
Case A: Annual Cost Impact	\$ 404,822	\$ 259,692	\$ 440,312
Avoided Cost: Avg Annual Lease ⁶	\$ (664,732)	\$ (664,732)	\$ (664,732)
Case B: Net Annual Savings	\$ (259,911)	\$ (405,041)	\$ (224,420)

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² Includes 1769 Georgetown, 1797 Georgetown, and undeveloped parcel nextdoor to 1797 Georgetown.

³ HPP space accounts for 35%-45% of the cost of a new facility. The average (40%) was used. The estimated cost of construction without HPP is the remainder (60%) of the architectural construction estimate.

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⁵ Case A assumes making substantial renovations at Georgetown in 20-25 years, which is its estimated useful life. Today's architectural estimate for site improvements (excludes land purchase) is used as the estimated cost.

⁶ Estimate of average annual lease costs over next 50 years includes a 3% price increase.

⁷ Case B assumes rebuilding the facility at end of useful life. Today's architectural estimate for cost of construction on a new building (without HPP) is used as the estimated cost.

⁸ To be conservative, the 20 year Equipment Exposure Costs are included without price increase. See 'Equipment Exposure Analysis - Summary'.

Project:	<div><div>The City of Hudson</div><div>Public Works Facility - 1769 and 1797 Site Improvement</div><div>Hudson, Ohio</div></div>					<div><div><div>&estimate</div><div>a PCS company</div></div><div>May 19, 2021</div><div>17-098</div><div>Lead: BL</div><div>Checked: BL</div></div>		
Design:	DS Architecture							
SUMMARY of "PROGRAM ESTIMATE"								
ITEM	DESCRIPTION	Count or Area SF	A/S/C	M/E/P	TOTAL	Markups*		GRAND TOTAL
1.	ADMINISTRATION:				\$ 100,800		\$ 32,962	\$ 133,762
	- Offices, Work Room, Conference Room, Shared Spaces (1797 Building)	1,260 GSF	\$60.00	\$20.00	\$100,800	32.70%	\$32,962	\$ 133,762
2.	SERVICES:				\$128,700		\$ 42,085	\$ 170,785
	- Offices, Work Shop, Storage, Dispatch (Fire Door Included) (1797 Building)	1,320 GSF	\$60.00	\$20.00	\$105,600	32.70%	\$34,531	\$ 140,131
	- Sign Shop (1769 Building)	770 GSF	\$20.00	\$10.00	\$23,100	32.70%	\$7,554	\$ 30,654
3.	SERVICES - FLEET:				\$581,100		\$ 190,020	\$ 771,120
	- Heated Garage; (1797 Building)	8,940 GSF	\$30.00	\$35.00	\$581,100	32.70%	\$190,020	\$ 771,120
4.	UTILITIES - WATER:				\$86,400		\$ 28,253	\$ 114,653
	- Offices, Storage / Workroom (1797 Building)	1,080 GSF	\$60.00	\$20.00	\$86,400	32.70%	\$28,253	\$ 114,653
5.	BUILDING SUPPORT / SHARED SPACES:				\$1,776,720		\$ 580,987	\$ 2,357,707
	- Vestibule, Kitchen / Break, Training, Offices, Lockers / Showers, Restrooms, MEP Rooms, IT, Janitor, Storage (1797 Building)	5,064 GSF	\$60.00	\$20.00	\$405,120	32.70%	\$132,474	\$ 537,594
	- Heated Garage (1797 Building)	13,000 GSF	\$15.00	\$20.00	\$455,000	32.70%	\$148,785	\$ 603,785
	- Large Inventory Storage (1769 Building)	30,220 GSF	\$15.00	\$15.00	\$906,600	32.70%	\$296,458	\$ 1,203,058
	- Patio (1797 Building)	500 GSF	\$15.00	\$5.00	\$10,000	32.70%	\$3,270	\$ 13,270
6.	OUTDOOR SPACE:				\$1,008,625		\$ 329,820	\$ 1,338,445
	- Yard; Assume Gravel	40,000 GSF	\$4.00	None Included	\$160,000	32.70%	\$52,320	\$ 212,320
	- Existing Paved Lot (8" Concrete, assumes some refurbishment)	45,000 GSF	\$5.00	None Included	\$225,000	32.70%	\$73,575	\$ 298,575
	- Existing Parking (6" Concrete, assumes some refurbishment)	35,600 GSF	\$3.00	None Included	\$106,800	32.70%	\$34,924	\$ 141,724
	- New Access Drive and Connections (Assumes no utilities required)	32,580 GSF	\$15.00	None Included	\$488,700	32.70%	\$159,805	\$ 648,505
	- Truck Wash	1,250 GSF	\$12.50	\$10.00	\$28,125	32.70%	\$9,197	\$ 37,322
	TOTAL, ALL ITEMS CONSTRUCTION COSTS:				\$ 3,682,345		\$ 1,204,127	\$ 4,886,472
	FF & E, Other Soft Costs and Fees Are Not Included Above		- NIC -	- NIC -				- NIC -
* = 7% GC's.; 5% OH & P; 2% Bond & Insurance; 5% Escalation; 10% Design / Estimating Contingency; .25% Permit; Compounded; 32.7% TOTAL								

This estimate is based on the documents dated July, 2017, received 11/17, conversations with the design team and our best assumptions at this time.

Project:	<div><div>The City of Hudson</div><div>Public Works Facility - Needs Assessment</div><div>Hudson, Ohio</div></div>					<div><div><div>&estimate</div><div>a PCS company</div></div><div>July 7, 2021</div><div>17-098</div><div>Lead: TK/MA</div><div>Checked: BL</div></div>		
Design:	DS Architecture							
SUMMARY of "2021 REVISED PROGRAM ESTIMATE"								
ITEM	DESCRIPTION	Count or Area SF	A/S/C	M/E/P	TOTAL	Markups*		GRAND TOTAL
1.	ADMINISTRATION:				\$ 188,100		\$ 63,766	\$ 251,866
	- Offices, Work Room, Conference Room, Shared Spaces	1,140 GSF	\$111.00	\$54.00	\$188,100	33.90%	\$63,766	\$ 251,866
2.	SERVICES:				\$352,236		\$ 119,408	\$ 471,644
	- Offices, Work Shop, Storage, Dispatch, Sign Shop	2,364 GSF	\$100.00	\$49.00	\$352,236	33.90%	\$119,408	\$ 471,644
3.	SERVICES - FLEET:				\$1,139,400		\$ 386,257	\$ 1,525,657
	- Offices, Fabrication, Inventory Storage	2,940 GSF	\$145.00	\$65.00	\$617,400	33.90%	\$209,299	\$ 826,699
	- Heated Garage; Assumes Pre-Engineered Building	6,000 GSF	\$64.00	\$23.00	\$522,000	33.90%	\$176,958	\$ 698,958
4.	UTILITIES - ELECTRIC:				\$286,440		\$ 97,103	\$ 383,543
	- Offices, Workroom	1,860 GSF	\$100.00	\$54.00	\$286,440	33.90%	\$97,103	\$ 383,543
5.	UTILITIES - WATER:				\$859,320		\$ 291,309	\$ 1,150,629
	- Offices, Storage / Workroom	5,580 GSF	\$100.00	\$54.00	\$859,320	33.90%	\$291,309	\$ 1,150,629
6.	BUILDING SUPPORT / SHARED SPACES:				\$4,534,944		\$ 1,537,346	\$ 6,072,290
	- Vestibule / Waiting, Kitchen / Break, Training, Offices, Lockers / Showers, Restrooms, MEP Rooms, IT, Janitor, Storage	6,624 GSF	\$127.00	\$54.00	\$1,198,944	33.90%	\$406,442	\$ 1,605,386
	- Heated Garage; Assumes Pre-Engineered Building	37,200 GSF	\$56.00	\$17.50	\$2,734,200	33.90%	\$926,894	\$ 3,661,094
	- Large Inventory Storage; Assumes Pre-Engineered Building	7,320 GSF	\$56.00	\$21.50	\$567,300	33.90%	\$192,315	\$ 759,615
	- Truck Wash, Outdoor Space	1,500 GSF	\$13.00	\$10.00	\$34,500	33.90%	\$11,696	\$ 46,196
7.	OUTDOOR SPACE:				\$3,601,625		\$ 1,220,951	\$ 4,822,576
	- Garage - Cold; Assumes Pre-Engineered Building	40,000 GSF	\$47.00	\$9.00	\$2,240,000	33.90%	\$759,360	\$ 2,999,360
	- Covered Parking	1,000 GSF	\$27.00	\$6.00	\$33,000	33.90%	\$11,187	\$ 44,187
	- Yard; Assume Gravel	55,000 GSF	\$2.50	None Included	\$137,500	33.90%	\$46,613	\$ 184,113
	- Pole Yard; Assume Gravel	10,000 GSF	\$2.50	None Included	\$25,000	33.90%	\$8,475	\$ 33,475
	- Vault Rescue Practice Area	1,300 GSF	\$5.75	None Included	\$7,475	33.90%	\$2,534	\$ 10,009
	- Public Parking, Admin Parking	2,000 GSF	\$6.85	None Included	\$13,700	33.90%	\$4,644	\$ 18,344
	- Employee Parking	12,000 GSF	\$6.85	None Included	\$82,200	33.90%	\$27,866	\$ 110,066
	- Salt Dome	10,000 GSF	\$27.00	\$3.00	\$300,000	33.90%	\$101,700	\$ 401,700
	- Patio	500 GSF	\$17.00	\$6.00	\$11,500	33.90%	\$3,899	\$ 15,399
	- Vehicle Washer	1,250 GSF	\$10.00	\$11.00	\$26,250	33.90%	\$8,899	\$ 35,149
	OVERALL SITE WORK:							
	- Stripping, Grading, Utilities, Roadways and Walks, Fencing, Landscaping, Ponds, Lighting, Drainage, Signage, Etc. (Use Overall Site Area)	5.00 Acre	\$145,000.00	None Included	\$725,000	33.90%	\$245,775	\$ 970,775
	TOTAL, ALL ITEMS CONSTRUCTION COSTS:				\$ 10,962,065		\$ 3,716,140	\$ 14,678,205
	FF & E, Other Soft Costs and Fees Are Not Included Above **HPP operation represents approximately 35% - 45% of the project share		- NIC -	- NIC -				- NIC -
* = 8% GC's.; 5% OH & P; 2% Bond & Insurance; 5% Escalation; 10% Design / Estimating Contingency; .25% Permit; Compounded; 33.9% TOTAL								

This estimate is based on the documents dated July, 2017, received 11/17, conversations with the design team and our best assumptions at this time.

NEW BUILDING NEEDS ASSESSMENT
Other Cost Considerations

Needs Assessment¹	\$ 14,678,205
Other Cost Considerations²	
Soils Investigation and Construction Testing (0.5% of Construction)- Place Holder	\$ 73,391
Environmental Screening (Required Environmental Permits Not Included) - Place Holder	\$ 20,000
Final Design Fee (10% of Construction Costs)	\$ 1,467,821
Final Design Fee Extra - Bidding Services (0.2% of Construction Costs)	\$ 29,356
Sewer and Gas Tap Fees - Place Holder	\$ 35,000
Furniture & Office Equipment - Place Holder	\$ 100,000
Cleaning Prior to Move In	\$ 5,000
Project Management - Construction Manager as Agent (CMA, 3% of Construction Costs) ³	\$ 440,346
10% Contruction Change Order Contingency	\$ 1,467,821
Total Other Costs	\$ 3,638,735
Total Needs Assessment & Other Cost Considerations	\$ 18,316,940

¹ See 'DS Architecture estimate dated July 7, 2021'.

² Other cost considerations per City of Hudson

³ An owner's agent is hired through a qualifications based selection process during the design phase. The owner's criteria and full design is documented by a separate A/E. The CMA provides estimates during design, assists with bidding and coordinates prime contractors during construction. The owner bids and holds all contracts for construction.

EQUIPMENT EXPOSURE ANALYSIS

Equipment Currently Stored Outside

<u>Item #</u>	<u>Item Description</u>	<u>Purchase Price</u>
7005	Dist Ja-Mar Trailer	\$3,453
7008	10 Ton trailer	\$6,825
7036	Cargo Carrier Trailer	\$6,825
7037	Mini JD Trailer	\$3,949
7040	Light Tower	\$8,283
7042	Trailer Millennium	\$3,530
7043	Arrow Bd	\$15,610
7044	Arrow Bd	\$15,610
7046	15 Ton Trailer Cleveland	\$8,450
7047	Moritz Skid Steer Trailer	\$4,990
7049	Berming Machine	\$10,971
7053	ODB Leaf Vac	\$27,720
7054	ODB Leaf Vac	\$27,720
7055	ODB Leaf Vac	\$27,720
7058	ODB Leaf Vac	\$27,720
7059	ODB Leaf Vac	\$27,720
7060	Attenuator	\$19,895
7062	Small ODB Vac	\$8,500
7063	Small Message Bd	\$15,610
7064	Small Message Bd	\$15,610
7065	Valve Ex 16	\$52,375
7067	Am Sig Message Bd	\$15,610
7068	Bomag Roller	\$26,500
7069	ODB Leaf Vac	\$48,407
7070	ODB Leaf Vac	\$48,407
7071	Attenuator	\$21,390
7072	Bonnell Leaf Vac	\$69,637
7073	Bonnell Leaf Vac	\$76,267
7074	Bonnell Leaf Vac	\$76,267
7075	Bonnell Leaf Vac	\$90,406
7076	Bonnell Leaf Vac	\$90,406
7077	Solar Tech Message Bd	\$15,610
7078	Ver-Mac Message Bd	\$15,610
7301	Dump Bed	\$47,000
7901	Air Comp Sullair	\$9,975
7902	JD 310 SL HL - Back Hoe	\$101,021
7934	New Holland Skid Steer	\$31,000
7938	New Holland Tractor	\$47,150
7941	Durapatcher	\$57,627
7944	New Holland Boom Mower	\$89,748
7945	Falcon CP Wagon	\$23,505
7946	New Holland PS 75 Mower	\$75,159
7947	Falcon CP Wagon	\$29,389
7950	CAT 308 Excavator	\$94,399
Gradall	Gradall XL 3300	\$322,632
Trailer	Cronkhite Trailer	\$8,450
Mortar Mixer	Mortar Mixer	\$4,700
Concrete Mixer	Concrete Mixer	\$3,800
Shoring Box	Shoring Box	\$9,000
Cone Basket	Cone Basket	\$11,000
7948	Case Loader	\$151,584

EQUIPMENT EXPOSURE ANALYSIS									
Analysis of Extended Life									
All our equipment that is stored outdoors experiences increased <i>maintenance costs</i> over life compared to equipment stored indoors, even if the useful life is the same (see 'Equipment in Outdoor Storage' for full list of impacted equipment). The list below highlights the equipment that experiences reduced life in addition to increased maintenance costs. See below for potential savings if this equipment is stored indoors and reaches its true useful life.									
Equipment With Reduced Life Due to Outdoor Storage		Purchase Price	Useful Life (years)		Annual Depreciation		Indoor Storage		
Item #	Item Description		Outdoor	Indoor	Outdoor	Indoor	Annual Savings	Extended Life (years)	Savings Over Extended Life
7053	ODB Leaf Vac	\$27,720	10	13	\$2,772.00	\$2,132.31	\$639.69	3	\$1,919.08
7054	ODB Leaf Vac	\$27,720	10	13	\$2,772.00	\$2,132.31	\$639.69	3	\$1,919.08
7055	ODB Leaf Vac	\$27,720	10	13	\$2,772.00	\$2,132.31	\$639.69	3	\$1,919.08
7058	ODB Leaf Vac	\$27,720	10	13	\$2,772.00	\$2,132.31	\$639.69	3	\$1,919.08
7059	ODB Leaf Vac	\$27,720	10	13	\$2,772.00	\$2,132.31	\$639.69	3	\$1,919.08
7062	Small ODB Vac	\$8,500	11	13	\$772.73	\$653.85	\$118.88	2	\$237.76
7069	ODB Leaf Vac	\$48,407	10	13	\$4,840.70	\$3,723.62	\$1,117.08	3	\$3,351.25
7070	ODB Leaf Vac	\$48,407	10	13	\$4,840.70	\$3,723.62	\$1,117.08	3	\$3,351.25
7072	Bonnell Leaf Vac	\$69,637	10	13	\$6,963.70	\$5,356.69	\$1,607.01	3	\$4,821.02
7073	Bonnell Leaf Vac	\$76,267	10	13	\$7,626.70	\$5,866.69	\$1,760.01	3	\$5,280.02
7074	Bonnell Leaf Vac	\$76,267	10	13	\$7,626.70	\$5,866.69	\$1,760.01	3	\$5,280.02
7075	Bonnell Leaf Vac	\$90,406	10	13	\$9,040.60	\$6,954.31	\$2,086.29	3	\$6,258.88
7076	Bonnell Leaf Vac	\$90,406	10	13	\$9,040.60	\$6,954.31	\$2,086.29	3	\$6,258.88
7077	Solar Tech Message Bd	\$15,610	12	15	\$1,300.83	\$1,040.67	\$260.17	3	\$780.50
7078	Ver-Mac Message Bd	\$15,610	12	15	\$1,300.83	\$1,040.67	\$260.17	3	\$780.50
7301	Dump Bed	\$47,000	12	15	\$3,916.67	\$3,133.33	\$783.33	3	\$2,350.00
7938	New Holland Tractor	\$47,150	10	15	\$4,715.00	\$3,143.33	\$1,571.67	5	\$7,858.33
7945	Falcon CP Wagon	\$23,505	10	15	\$2,350.50	\$1,567.00	\$783.50	5	\$3,917.50
7947	Falcon CP Wagon	\$29,389	10	15	\$2,938.90	\$1,959.27	\$979.63	5	\$4,898.17
Gradall	Gradall XL 3300	\$322,632	15	20	\$21,508.80	\$16,131.60	\$5,377.20	5	\$26,886.00
Trailer	Cronkhite Trailer	\$8,450	15	20	\$563.33	\$422.50	\$140.83	5	\$704.17
7948	Case Loader	\$151,584	12	15	\$12,632.00	\$10,105.60	\$2,526.40	3	\$7,579.20
Total:		\$1,307,827	-	-	\$115,839	\$88,305	\$27,534	-	\$100,189
Avg. Per Item:		\$59,447	10.9	14.3	\$5,265	\$4,014	\$1,252	3.4	\$4,554
Full savings from extended life would not be realized annually because the equipment is not replaced annually. Below, averages are used to determine the true value. The average annual savings, per item, is \$1,252. There are 22 items. The full average annual savings is about \$27k. Total savings over each analysis period are shown below.									

True Value				
Period	Avg. Annual Savings (Per Item)	# of Items	Avg. Annual Savings	Total Savings
20 Years	\$1,252	22	\$27,534	\$550,680
50 Years	\$1,252	22	\$27,534	\$1,376,701

EQUIPMENT EXPOSURE ANALYSIS

Special Analysis of Leaf Vacuum Trailers

Leaf Vacuum Trailers are stored **outdoors**, and their control panels are repeatedly destroyed by rain and the elements. **Storing them indoors** is expected to eliminate the cost of panel replacements.

LEAF VACUUM TRAILERS: Outdoor Storage vs Indoor Storage

Averages* are used for calculations below based on the following Assumptions:

1. We are replacing control panels on leaf vacuum trailers every two years. While these are only \$1,000 each, we have 14 trailers and they should not have to be replaced at all if the trailer is not stored outside.
2. Leaf Vacuum Trailers estimated useful life is 12.5 years.

20-Year Analysis		Outdoor Storage						Indoor Storage						Potential 20-Year Savings	Average Annual
		Impacts (per unit)	Frequency of Impact (every X years)	Times Incurred Over 20 Yrs	Impact per Unit Over 20 Yrs	# of Units (Leaf Vacuum Trailers)	Total Fleet Cost Over 20 Yrs	Impacts (per unit)	Frequency of Impact (every X years)	Times Incurred Over 20 Yrs	Unit Cost Over 20 Yrs	# of Units (Salt Vehicles)	Total Fleet Cost Over 20 Yrs		
Expenses															
Control Panel Replacement		\$ 1,000	2	10	\$ 10,000	14	\$ 140,000	0	0	0	0	14	\$ -	\$ 140,000	\$ 7,000
TOTAL:					\$ 10,000		<u>\$ 140,000</u>						<u>\$ -</u>	<u>\$ 140,000</u>	\$ 7,000

50-Year Analysis		Outdoor Storage						Indoor Storage						Potential 50-Year Savings	Average Annual
		Impacts (per unit)	Frequency of Impact (every X years)	Times Incurred Over 50 Yrs	Impact per Unit Over 50 Yrs	# of Units (Leaf Vacuum Trailers)	Total Fleet Cost Over 50 Yrs	Impacts (per unit)	Frequency of Impact (every X years)	Times Incurred Over 50 Yrs	Impact per Unit Over 50 Yrs	# of Units (Leaf Vacuum Trailers)	Total Fleet Cost Over 50 Yrs		
Expenses															
Control Panel Replacement		\$ 1,000	2	25	\$ 25,000	14	\$ 350,000	0	0	0	0	14	\$ -	\$ 350,000	\$ 17,500
TOTAL:					\$ 25,000		<u>\$ 350,000</u>						<u>\$ -</u>	<u>\$ 350,000</u>	\$ 17,500

*Averages are based on today's market values or historical resale values of City of Hudson equipment.

EQUIPMENT EXPOSURE ANALYSIS

Special Analysis of Salt Vehicles

Salt Vehicles are currently **indoors**, but are corroded by salt that remains on the vehicles. **Using a wash bay** is expected to reduce maintenance costs and improve resale values.

SALT VEHICLES: Indoor Storage With Wash Bay vs Indoor Storage Without Wash Bay

Averages* are used for calculations below based on the following Assumptions:

1. During the life cycle of our larger salt vehicles, we spend \$100,000-\$150,000 in maintenance. Public Works staff believe that this number could be cut by \$20,000-\$50,000 over the life of that same vehicle.
2. When we resell these larger vehicles, we are receiving \$5,000 -\$7,000 in sales. Similarly aged vehicles without salt corrosion issues are selling for \$20,000-\$50,000.
3. We are performing exhaust changes approximately every 5 years at a cost of \$16,000. We should be able to extend the exhaust life cycle 3-5 years with proper cleaning and storage.
4. Estimated useful life is 12.5 years, with or without indoor storage and wash bay. The cost difference is due to reduced exhaust changes and maintenance.
5. Equipment is replaced at end of useful life and costs resume on same schedule. Ex) exhaust change occurs 2 times over life of salt truck (12.5 years), but 3 times over analysis period (20 years).

20-Year Analysis		Indoor Storage Without Wash Bay						Indoor Storage With Wash Bay						Potential 20-Year Savings	Average Annual
		Impacts (per unit)	Frequency of Impact (every X years)	Times Incurred Over 20 Yrs	Impact per Unit Over 20 Yrs	# of Units (Salt Vehicles)	Total Fleet Cost Over 20 Yrs	Impacts (per unit)	Frequency of Impact (every X years)	Times Incurred Over 20 Yrs	Unit Cost Over 20 Yrs	# of Units (Salt Vehicles)	Total Fleet Cost Over 20 Yrs		
Expenses															
	Maintenance	\$ 125,000	12	1	\$ 125,000	16	\$ 2,000,000	\$ 90,000	12	1	\$ 90,000	16	\$ 1,440,000	\$ 560,000	\$ 28,000
	Exhaust Changes	\$ 16,000	5	3	\$ 48,000	16	\$ 768,000	\$ 16,000	9	2	\$ 32,000	16	\$ 512,000	\$ 256,000	\$ 12,800
Revenue															
	Resale Value	\$ (6,000)	12	1	\$ (6,000)	16	\$ (96,000)	\$ (35,000)	12	1	\$ (35,000)	16	\$ (560,000)	\$ 464,000	\$ 23,200
TOTAL:					<u>\$ 167,000</u>		<u>\$ 2,672,000</u>				<u>\$ 87,000</u>		<u>\$ 1,392,000</u>	<u>\$ 1,280,000</u>	<u>\$ 64,000</u>
50-Year Analysis		Indoor Storage Without Wash Bay						Indoor Storage With Wash Bay						Potential 50-Year Savings	Average Annual
		Impacts (per unit)	Frequency of Impact (every X years)	Times Incurred Over 50 Yrs	Impact per Unit Over 50 Yrs	# of Units (Salt Vehicles)	Total Fleet Cost Over 50 Yrs	Impacts (per unit)	Frequency of Impact (every X years)	Times Incurred Over 50 Yrs	Impact per Unit Over 50 Yrs	# of Units (Salt Vehicles)	Total Fleet Cost Over 50 Yrs		
Expenses															
	Maintenance	\$ 125,000	12	4	\$ 500,000	16	\$ 8,000,000	\$ 90,000	12	4	\$ 360,000	16	\$ 5,760,000	\$ 2,240,000	\$ 44,800
	Exhaust Changes	\$ 16,000	5	10	\$ 160,000	16	\$ 2,560,000	\$ 16,000	9	5	\$ 80,000	16	\$ 1,280,000	\$ 1,280,000	\$ 25,600
Revenue															
	Resale Value	\$ (6,000)	12	4	\$ (24,000)	16	\$ (384,000)	\$ (35,000)	12	4	\$ (140,000)	16	\$ (2,240,000)	\$ 1,856,000	\$ 37,120
TOTAL:					<u>\$ 636,000</u>		<u>\$ 10,176,000</u>				<u>\$ 300,000</u>		<u>\$ 4,800,000</u>	<u>\$ 5,376,000</u>	<u>\$ 107,520</u>

*Averages are based on today's market values or historical resale values of City of Hudson equipment.

EQUIPMENT EXPOSURE ANALYSIS					
Summary					
	<i>Savings From Indoor Storage</i>		<i>Savings From Wash Bay</i>	Without Equipment Price Increases*	
Period	'Analysis of Extended Life'	'Special Analysis of Leaf Vacuum Trailers'	'Special Analysis of Salt Vehicles'	Equipment Exposure Total Savings	Average Annual
20 Years	\$ 550,680	\$ 140,000	\$ 1,280,000	\$ 1,970,680	\$ 98,534
50 Years	\$ 1,376,701	\$ 350,000	\$ 5,376,000	\$ 7,102,701	\$ 142,054

With Equipment Price Increases**	
Equipment Exposure Total Savings	Average Annual
\$ 2,647,645	\$ 132,382
\$ 16,023,246	\$ 320,465

* These numbers do not account for increases in equipment prices.

** These numbers include a 3% value increase per year to account for increases in equipment prices.

Value Analysis Calculator for Public Works Facility Buy Georgetown

		Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 294,659	\$ 303,499	\$ 312,604	\$ 321,982	\$ 331,641	\$ 341,591	\$ 351,838	\$ 362,393	\$ 373,265	\$ 384,463
	Year total	\$ 393,193	\$ 402,033	\$ 411,138	\$ 420,516	\$ 430,175	\$ 440,125	\$ 450,372	\$ 460,927	\$ 471,799	\$ 482,997
	Cumulative value	\$ 393,193	\$ 795,226	\$ 1,206,364	\$ 1,626,879	\$ 2,057,055	\$ 2,497,179	\$ 2,947,551	\$ 3,408,479	\$ 3,880,278	\$ 4,363,275
INVESTMENTS											
	One time investment		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)
	Year total	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)
	Cumulative investment	\$ (615,701)	\$ (1,231,403)	\$ (1,847,104)	\$ (2,462,805)	\$ (3,078,507)	\$ (3,694,208)	\$ (4,309,909)	\$ (4,925,611)	\$ (5,541,312)	\$ (6,157,014)
NET VALUE											
	Year total	\$ (222,508)	\$ (213,669)	\$ (204,564)	\$ (195,186)	\$ (185,526)	\$ (175,577)	\$ (165,329)	\$ (154,774)	\$ (143,902)	\$ (132,704)
	Cumulative total	\$ (222,508)	\$ (436,177)	\$ (640,741)	\$ (835,926)	\$ (1,021,452)	\$ (1,197,029)	\$ (1,362,358)	\$ (1,517,132)	\$ (1,661,034)	\$ (1,793,738)
	Breakeven point	n/a									
	ROI	-36.14%	-35.42%	-34.69%	-33.94%	-33.18%	-32.40%	-31.61%	-30.80%	-29.98%	-29.13%

Investment*	
Principal	\$ 9,251,472
Interest 3%	\$ 3,062,555
Total Investment	\$ 12,314,027

Annual Debt Payment	\$ 615,701
---------------------	------------

Annual Avoided Costs	
Lease**	\$ 294,659
Equipment Exposure***	\$ 98,534
Total Annual Avoided Costs	\$ 393,193

*Includes:

	Principal	Interest 3%	Total
1769 Georgetown Purchase	\$ 1,600,000	\$ 529,655	\$ 2,129,655
1797 Georgetown Purchase	\$ 1,800,000	\$ 595,862	\$ 2,395,862
Parcel next to 1797 Georgetown	\$ 690,000	\$ 228,414	\$ 918,414
Site Improvements to Georgetown	\$ 4,886,472	\$ 1,617,590	\$ 6,504,062
Upgrades Required (Hudson Gate)	\$ 275,000	\$ 91,034	\$ 366,034
Totals:	\$ 9,251,472	\$ 3,062,555	\$ 12,314,027

** Assumes a 3% annual increase.
 *** Estimate of average annual savings over a 20-year period. See 'Equipment Exposure Analysis - Summary'.

Value Analysis Calculator for
Public Works Facility
Buy Georgetown

		Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 395,997	\$ 407,877	\$ 420,113	\$ 432,717	\$ 445,698	\$ 459,069	\$ 472,841	\$ 487,026	\$ 501,637	\$ 516,686
	Year total	\$ 494,531	\$ 506,411	\$ 518,647	\$ 531,251	\$ 544,232	\$ 557,603	\$ 571,375	\$ 585,560	\$ 600,171	\$ 615,220
	Cumulative value	\$ 4,857,806	\$ 5,364,217	\$ 5,882,865	\$ 6,414,115	\$ 6,958,347	\$ 7,515,950	\$ 8,087,326	\$ 8,672,886	\$ 9,273,057	\$ 9,888,278
INVESTMENTS											
	One time investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)
	Year total	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)	\$ (615,701)
	Cumulative investment	\$ (6,772,715)	\$ (7,388,416)	\$ (8,004,118)	\$ (8,619,819)	\$ (9,235,520)	\$ (9,851,222)	\$ (10,466,923)	\$ (11,082,624)	\$ (11,698,326)	\$ (12,314,027)
NET VALUE											
	Year total	\$ (121,170)	\$ (109,290)	\$ (97,054)	\$ (84,451)	\$ (71,469)	\$ (58,098)	\$ (44,326)	\$ (30,141)	\$ (15,530)	\$ (481)
	Cumulative total	\$ (1,914,909)	\$ (2,024,199)	\$ (2,121,253)	\$ (2,205,704)	\$ (2,277,173)	\$ (2,335,271)	\$ (2,379,597)	\$ (2,409,738)	\$ (2,425,268)	\$ (2,425,749)
Breakeven point											
	ROI	-28.27%	-27.40%	-26.50%	-25.59%	-24.66%	-23.71%	-22.73%	-21.74%	-20.73%	-19.70%

Value Analysis Calculator for
Public Works Facility
Buy Georgetown

		Yr21	Yr22	Yr23	Yr24	Yr25	Yr26	Yr27	Yr28	Yr29	Yr30
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 532,187	\$ 548,153	\$ 564,597	\$ 581,535	\$ 598,981	\$ 616,951	\$ 635,459	\$ 654,523	\$ 674,158	\$ 694,383
	Year total	\$ 630,721	\$ 646,687	\$ 663,131	\$ 680,069	\$ 697,515	\$ 715,485	\$ 733,993	\$ 753,057	\$ 772,692	\$ 792,917
	Cumulative value	\$ 10,518,999	\$ 11,165,685	\$ 11,828,816	\$ 12,508,885	\$ 13,206,400	\$ 13,921,885	\$ 14,655,878	\$ 15,408,935	\$ 16,181,627	\$ 16,974,544
INVESTMENTS											
	One time investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Year total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cumulative investment	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)
NET VALUE											
	Year total	\$ 630,721	\$ 646,687	\$ 663,131	\$ 680,069	\$ 697,515	\$ 715,485	\$ 733,993	\$ 753,057	\$ 772,692	\$ 792,917
	Cumulative total	\$ (1,795,028)	\$ (1,148,342)	\$ (485,211)	\$ 194,858	\$ 892,373	\$ 1,607,858	\$ 2,341,851	\$ 3,094,908	\$ 3,867,600	\$ 4,660,517
Breakeven point											
	ROI	-14.58%	-9.33%	-3.94%	1.58%	7.25%	13.06%	19.02%	25.13%	31.41%	37.85%

Value Analysis Calculator for
Public Works Facility
Buy Georgetown

		Yr31	Yr32	Yr33	Yr34	Yr35	Yr36	Yr37	Yr38	Yr39	Yr40
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 715,215	\$ 736,671	\$ 758,771	\$ 781,534	\$ 804,980	\$ 829,130	\$ 854,004	\$ 879,624	\$ 906,013	\$ 933,193
	Year total	\$ 813,749	\$ 835,205	\$ 857,305	\$ 880,068	\$ 903,514	\$ 927,664	\$ 952,538	\$ 978,158	\$ 1,004,547	\$ 1,031,727
	Cumulative value	\$ 17,788,293	\$ 18,623,498	\$ 19,480,804	\$ 20,360,872	\$ 21,264,387	\$ 22,192,050	\$ 23,144,588	\$ 24,122,746	\$ 25,127,293	\$ 26,159,020
INVESTMENTS											
	One time investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Year total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cumulative investment	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)
NET VALUE											
	Year total	\$ 813,749	\$ 835,205	\$ 857,305	\$ 880,068	\$ 903,514	\$ 927,664	\$ 952,538	\$ 978,158	\$ 1,004,547	\$ 1,031,727
	Cumulative total	\$ 5,474,266	\$ 6,309,471	\$ 7,166,777	\$ 8,046,845	\$ 8,950,360	\$ 9,878,023	\$ 10,830,561	\$ 11,808,719	\$ 12,813,266	\$ 13,844,993
Breakeven point											
	ROI	44.46%	51.24%	58.20%	65.35%	72.68%	80.22%	87.95%	95.90%	104.05%	112.43%

Value Analysis Calculator for
Public Works Facility
Buy Georgetown

		Yr41	Yr42	Yr43	Yr44	Yr45	Yr46	Yr47	Yr48	Yr49	Yr50
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 961,189	\$ 990,024	\$ 1,019,725	\$ 1,050,317	\$ 1,081,826	\$ 1,114,281	\$ 1,147,710	\$ 1,182,141	\$ 1,217,605	\$ 1,254,133
	Year total	\$ 1,059,723	\$ 1,088,558	\$ 1,118,259	\$ 1,148,851	\$ 1,180,360	\$ 1,212,815	\$ 1,246,244	\$ 1,280,675	\$ 1,316,139	\$ 1,352,667
	Cumulative value	\$ 27,218,743	\$ 28,307,301	\$ 29,425,560	\$ 30,574,411	\$ 31,754,772	\$ 32,967,587	\$ 34,213,831	\$ 35,494,506	\$ 36,810,645	\$ 38,163,312
INVESTMENTS											
	One time investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Year total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cumulative investment	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)	\$ (12,314,027)
NET VALUE											
	Year total	\$ 1,059,723	\$ 1,088,558	\$ 1,118,259	\$ 1,148,851	\$ 1,180,360	\$ 1,212,815	\$ 1,246,244	\$ 1,280,675	\$ 1,316,139	\$ 1,352,667
	Cumulative total	\$ 14,904,716	\$ 15,993,274	\$ 17,111,533	\$ 18,260,384	\$ 19,440,745	\$ 20,653,560	\$ 21,899,804	\$ 23,180,479	\$ 24,496,618	\$ 25,849,285
	Breakeven point										
	ROI	121.04%	129.88%	138.96%	148.29%	157.87%	167.72%	177.84%	188.24%	198.93%	209.92%

Value Analysis Calculator for Public Works Facility New Build

		Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 294,659	\$ 303,499	\$ 312,604	\$ 321,982	\$ 331,641	\$ 341,591	\$ 351,838	\$ 362,393	\$ 373,265	\$ 384,463
	Year total	\$ 393,193	\$ 402,033	\$ 411,138	\$ 420,516	\$ 430,175	\$ 440,125	\$ 450,372	\$ 460,927	\$ 471,799	\$ 482,997
	Cumulative value	\$ 393,193	\$ 795,226	\$ 1,206,364	\$ 1,626,879	\$ 2,057,055	\$ 2,497,179	\$ 2,947,551	\$ 3,408,479	\$ 3,880,278	\$ 4,363,275
INVESTMENTS											
	One time investment		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)
	Year total	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)
	Cumulative investment	\$ (1,258,389)	\$ (2,516,778)	\$ (3,775,167)	\$ (5,033,556)	\$ (6,291,945)	\$ (7,550,334)	\$ (8,808,723)	\$ (10,067,112)	\$ (11,325,501)	\$ (12,583,890)
NET VALUE											
	Year total	\$ (865,196)	\$ (856,356)	\$ (847,251)	\$ (837,873)	\$ (828,214)	\$ (818,264)	\$ (808,017)	\$ (797,462)	\$ (786,590)	\$ (775,392)
	Cumulative total	\$ (865,196)	\$ (1,721,552)	\$ (2,568,803)	\$ (3,406,677)	\$ (4,234,890)	\$ (5,053,155)	\$ (5,861,172)	\$ (6,658,633)	\$ (7,445,223)	\$ (8,220,615)
	Breakeven point	n/a									
	ROI	-68.75%	-68.40%	-68.04%	-67.68%	-67.31%	-66.93%	-66.54%	-66.14%	-65.74%	-65.33%

Investment*	
Principal	\$ 18,908,440
Interest 3%	\$ 6,259,340
Total Investment	<u>\$ 25,167,780</u>

Annual Debt Payment	<u>\$ 1,258,389</u>
---------------------	---------------------

Annual Avoided Costs	
Lease**	\$ 294,659
Equipment Exposure***	\$ 98,534
Total Annual Avoided Costs	<u>\$ 393,193</u>

*Includes:

	Principal	Interest 3%	Total
Land Purchase	\$ 991,500	\$ 328,220	\$ 1,319,720
New Build Site Improvements	\$ 18,316,940	\$ 6,063,534	\$ 24,380,474
Georgetown Improvements (exit lease)	\$ 1,200,000	\$ 397,241	\$ 1,597,241
Proceeds from Sale of HPP	\$ (1,600,000)	\$ (529,655)	\$ (2,129,655)
Totals:	<u>\$ 18,908,440</u>	<u>\$ 6,259,340</u>	<u>\$ 25,167,780</u>

** Assumes a 3% annual increase.
 *** Estimate of average annual savings over a 20-year period. See 'Equipment Exposure Analysis - Summary'.

Value Analysis Calculator for
Public Works Facility
New Build

		Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 395,997	\$ 407,877	\$ 420,113	\$ 432,717	\$ 445,698	\$ 459,069	\$ 472,841	\$ 487,026	\$ 501,637	\$ 516,686
	Year total	\$ 494,531	\$ 506,411	\$ 518,647	\$ 531,251	\$ 544,232	\$ 557,603	\$ 571,375	\$ 585,560	\$ 600,171	\$ 615,220
	Cumulative value	\$ 4,857,806	\$ 5,364,217	\$ 5,882,865	\$ 6,414,115	\$ 6,958,347	\$ 7,515,950	\$ 8,087,326	\$ 8,672,886	\$ 9,273,057	\$ 9,888,278
INVESTMENTS											
	One time investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)
	Year total	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)	\$ (1,258,389)
	Cumulative investment	\$ (13,842,279)	\$ (15,100,668)	\$ (16,359,057)	\$ (17,617,446)	\$ (18,875,835)	\$ (20,134,224)	\$ (21,392,613)	\$ (22,651,002)	\$ (23,909,391)	\$ (25,167,780)
NET VALUE											
	Year total	\$ (763,858)	\$ (751,978)	\$ (739,742)	\$ (727,138)	\$ (714,157)	\$ (700,786)	\$ (687,014)	\$ (672,829)	\$ (658,218)	\$ (643,169)
	Cumulative total	\$ (8,984,473)	\$ (9,736,451)	\$ (10,476,192)	\$ (11,203,331)	\$ (11,917,488)	\$ (12,618,274)	\$ (13,305,287)	\$ (13,978,116)	\$ (14,636,334)	\$ (15,279,502)
	Breakeven point										
	ROI	-64.91%	-64.48%	-64.04%	-63.59%	-63.14%	-62.67%	-62.20%	-61.71%	-61.22%	-60.71%

Value Analysis Calculator for
Public Works Facility
New Build

		Yr21	Yr22	Yr23	Yr24	Yr25	Yr26	Yr27	Yr28	Yr29	Yr30
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 532,187	\$ 548,153	\$ 564,597	\$ 581,535	\$ 598,981	\$ 616,951	\$ 635,459	\$ 654,523	\$ 674,158	\$ 694,383
	Year total	\$ 630,721	\$ 646,687	\$ 663,131	\$ 680,069	\$ 697,515	\$ 715,485	\$ 733,993	\$ 753,057	\$ 772,692	\$ 792,917
	Cumulative value	\$ 10,518,999	\$ 11,165,685	\$ 11,828,816	\$ 12,508,885	\$ 13,206,400	\$ 13,921,885	\$ 14,655,878	\$ 15,408,935	\$ 16,181,627	\$ 16,974,544
INVESTMENTS											
	One time investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Year total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cumulative investment	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)
NET VALUE											
	Year total	\$ 630,721	\$ 646,687	\$ 663,131	\$ 680,069	\$ 697,515	\$ 715,485	\$ 733,993	\$ 753,057	\$ 772,692	\$ 792,917
	Cumulative total	\$ (14,648,781)	\$ (14,002,095)	\$ (13,338,964)	\$ (12,658,895)	\$ (11,961,380)	\$ (11,245,895)	\$ (10,511,902)	\$ (9,758,845)	\$ (8,986,153)	\$ (8,193,236)
	Breakeven point										
	ROI	-58.20%	-55.64%	-53.00%	-50.30%	-47.53%	-44.68%	-41.77%	-38.78%	-35.70%	-32.55%

Value Analysis Calculator for
Public Works Facility
New Build

		Yr31	Yr32	Yr33	Yr34	Yr35	Yr36	Yr37	Yr38	Yr39	Yr40
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 715,215	\$ 736,671	\$ 758,771	\$ 781,534	\$ 804,980	\$ 829,130	\$ 854,004	\$ 879,624	\$ 906,013	\$ 933,193
	Year total	\$ 813,749	\$ 835,205	\$ 857,305	\$ 880,068	\$ 903,514	\$ 927,664	\$ 952,538	\$ 978,158	\$ 1,004,547	\$ 1,031,727
	Cumulative value	\$ 17,788,293	\$ 18,623,498	\$ 19,480,804	\$ 20,360,872	\$ 21,264,387	\$ 22,192,050	\$ 23,144,588	\$ 24,122,746	\$ 25,127,293	\$ 26,159,020
INVESTMENTS											
	One time investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Year total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cumulative investment	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)
NET VALUE											
	Year total	\$ 813,749	\$ 835,205	\$ 857,305	\$ 880,068	\$ 903,514	\$ 927,664	\$ 952,538	\$ 978,158	\$ 1,004,547	\$ 1,031,727
	Cumulative total	\$ (7,379,487)	\$ (6,544,282)	\$ (5,686,976)	\$ (4,806,908)	\$ (3,903,393)	\$ (2,975,730)	\$ (2,023,192)	\$ (1,045,034)	\$ (40,487)	\$ 991,240
	Breakeven point										
	ROI	-29.32%	-26.00%	-22.60%	-19.10%	-15.51%	-11.82%	-8.04%	-4.15%	-0.16%	3.94%

Value Analysis Calculator for
Public Works Facility
New Build

		Yr41	Yr42	Yr43	Yr44	Yr45	Yr46	Yr47	Yr48	Yr49	Yr50
BENEFITS											
	Increased revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Reduced costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Avoided costs Equipment	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534	\$ 98,534
	Avoided costs Lease	\$ 961,189	\$ 990,024	\$ 1,019,725	\$ 1,050,317	\$ 1,081,826	\$ 1,114,281	\$ 1,147,710	\$ 1,182,141	\$ 1,217,605	\$ 1,254,133
	Year total	\$ 1,059,723	\$ 1,088,558	\$ 1,118,259	\$ 1,148,851	\$ 1,180,360	\$ 1,212,815	\$ 1,246,244	\$ 1,280,675	\$ 1,316,139	\$ 1,352,667
	Cumulative value	\$ 27,218,743	\$ 28,307,301	\$ 29,425,560	\$ 30,574,411	\$ 31,754,772	\$ 32,967,587	\$ 34,213,831	\$ 35,494,506	\$ 36,810,645	\$ 38,163,312
INVESTMENTS											
	One time investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Annual Debt Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Year total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cumulative investment	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)	\$ (25,167,780)
NET VALUE											
	Year total	\$ 1,059,723	\$ 1,088,558	\$ 1,118,259	\$ 1,148,851	\$ 1,180,360	\$ 1,212,815	\$ 1,246,244	\$ 1,280,675	\$ 1,316,139	\$ 1,352,667
	Cumulative total	\$ 2,050,963	\$ 3,139,521	\$ 4,257,780	\$ 5,406,631	\$ 6,586,992	\$ 7,799,807	\$ 9,046,051	\$ 10,326,726	\$ 11,642,865	\$ 12,995,532
	Breakeven point										
	ROI	8.15%	12.47%	16.92%	21.48%	26.17%	30.99%	35.94%	41.03%	46.26%	51.64%

Peer Research - Owning vs Renting

May 2021

Staff interviewed public works directors or managers from 16 local communities. The purpose of the research was to determine if renting public works space is common practice and to determine if industry experts see benefits in renting, rather than owning, public works space.

QUESTIONS

Staff asked the following questions:

1. **Do you own your current space or rent it? Are you aware of any community that rents space for Public Works operations?**
2. **Do you see any advantages to renting space for operations?**
3. **Do you have adequate room for equipment storage? Are any vehicles or other items stored outside?**

RESPONSES

Staff received responses from public works directors or managers at 16 cities:

- [Akron](#)
- [Aurora](#)
- [Barberton](#)
- [Cuyahoga Falls](#)
- [Fairlawn](#)
- [Green](#)
- [Kent](#)
- [Macedonia](#)
- [Pepper Pike](#)
- [Richfield \(Village of\)](#)
- [Shaker Heights](#)
- [Solon](#)
- [Stow](#)
- [Streetsboro](#)
- [Twinsburg](#)
- [Westlake](#)

Akron

1. Own all space, not aware of any cities that lease space
2. perhaps an internal lease for moving costs into and out of general fund
3. No, some equipment and materials are stored outside

Aurora

1. We own our current space, I do not know any communities that lease currently.
2. I personally don't see an advantage to renting this space
3. We currently have a large facility and it holds the majority of our equipment. We have some older equipment that we store outside.

Barberton

1. Owns own space, not aware of others who lease space
2. Can see some advantage due to cost of ownership if you keep up with building maintenance
3. Not enough indoor space, too many items are stored outside

Cuyahoga Falls

1. We own our Service Department facilities.
Not until Mr. Hutchinson recently informed me that the City of Hudson rented.
2. Not that I can think of as maintenance of our infrastructure is an on-going task in perpetuity and we will need a facility forever.
3. Yes we store some of our vehicles & equipment outside, but ideally everything would be under roof.

Fairlawn

1. Own. I don't.
2. I don't, there all always needs to expand or remodel the facility with changes in the services.
3. Yes we are adequate, but with FairlawnGig expansions I may run out of room. We only store traffic control items and stockpiles outside, but those are all roofed.

Green

1. lease PW space from Ak-Canton airport, not aware of others who lease space
2. other than the upfront cost of building, ownership is preferred
3. Not enough indoor space, too many items are stored outside

Kent

1. Owns PW space, not aware of others who lease
2. Perhaps to store seasonal equipment
3. Short on space so some equipment is stored outside

Macedonia

1. Purchase, have never leased anything – purchased the old ODOT bldg. from the county about 17-18 years ago; currently looking to combine all 4 facilities
2. Me personally, no. The only thing is if the City didn't want to maintain the costs of maintaining the facilities.

(referring to renting a building not designed to your specs); “just having a structure to hold things doesn't make it efficient”

(referring to the benefits of having a space that is your own) “building your own to your specs is the best way to go, and to keep in mind the future”

(referring to the benefits of combining operations) we have 4 locations for 1 director to travel to; we do a lot of cross-work; combining means better communication with staff; the director wants to have weekly meetings with full staff together and if the staff are in different buildings it's not possible because he's not going to have them all waste the time trying to get everyone into the same building

“Buying someone else's headache is not a solution”

“You can't put a number on the efficiency of the department. And, how long will it extend the life of vehicles and equipment? What are the tax dollars being spent on those vehicles?”

3. Yes they do; but storage is part of their plan for the new combined facility; looking to break ground within 1-2 years.

Pepper Pike

1. We own ours not aware of any city that rents.
2. None
3. We did have inadequate storage we are just finishing up an expansion on our facility.

Richfield (Village of)

1. own PW space, only aware of Hudson leasing space
2. it is likely cheaper in the short term
3. Not enough indoor space and some equipment is stored outside

Rhetorical question from Village of Richfield:

“If you purchased one these (McLaren GT \$215K)



would it make sense to store it outside?...a new plow truck costs \$220K.”

Shaker Heights

1. “In the 35 years I (John Becker) have been here, we’ve never rented anything. And our facility has been here since the 1970’s.”
 - a. *Staff: Thanks for that note, that’s helpful because we’re also considering how the life of the building factors in.*
 - John: Right, it’s going to be here.*
2. He (John) can understand doing it for a year or two. City services are never going to go away, so it doesn’t make sense to lease.
3. Some – seasonal equipment, like leaf vacs. Vehicles and machinery are all inside.

Solon

1. Engineering is at City Hall – built in 90s. WWTP is at an Industrial area, own facility – original late 60s, added on, upgraded to keep up with EPA etc., well maintained. Service has their own facility – added onto, original building built in the 60s – additions to it (3 total).
2. Rec Dept is a sub-lease, if programs rise & they can’t fit, then they will lease one of the school gyms – they have a rental agreement. They only lease one space – Dance Studio in the shopping plaza... every other building, they own. Orange may have an agreement; may have bought the building they are in now and built a new municipal building.
3. Mixture most stuff try to get undercover – WWTP all is outside except 3 pickups & a backhoe, everything else is under cover semi & utility crane are inside. Service dept – get as much under cover as it can. All salt trucks are inside with a heated garage. Parks dept all stuff is outside except tractors are stored inside

Stow

1. We own our facility and I am not aware of any municipality that rents.
2. None whatsoever.

3. Our facility is about 63,000 square feet and it is not big enough. We still have to store some vehicles outside.
 - a. *Staff: What do you expect will be the useful life of your current facility?*
 - b. *Nick Wren, Director of PW: "It is 17 years old now and I would expect to get at lease another 30 out of it. If our equipment needs expand I could see us building a secondary seasonal facility to store items depending on weather."*

Streetsboro

1. We own our Service Department buildings. But I should tell you that the City leases their City Hall and Parks & Recreation buildings since we are in a transitional process. I do not know of any other community that rents their Service Department buildings.
2. I'm sure that would depend on funds available and the space needed.
3. We have stored our vehicles outside for some time now but since we just built a new Truck Storage building all of our equipment will be stored inside.

Twinsburg

1. The City of Twinsburg owns all buildings. I think Twinsburg Township may rent their building which is located in the industrial part of the township.
2. I've never really thought about renting space. I think owning the space allows you to make adjustments when necessary.
3. Our Service department is busting at the seams with some equipment being stored outside. We're beginning the study phase of an eventual project to build a new building with all of the facilities that we currently don't have. I believe we'll be working with the engineering firm Burgess and Niple on the project.

Westlake

1. We own our facilities. I do not.
2. The only advantage I could see is the absence of maintenance costs for grounds and facilities. I would suspect however, that those costs are contained within the rental expense.
3. With the exception of very large equipment and seasonal items, most of our equipment is under roof. Salt spreaders, leaf vacuums, tub grinder, leaf turner and brush truck [are outside].



City of Hudson, Ohio

Staff Report

File Number: 18-178

Meeting Date: 12/18/2018

Version: 2

Status: Third Reading

In Control: City Council

File Type: Resolution

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE ADDENDA TO LEASES FOR SPACE AT 1769 AND 1566 GEORGETOWN ROAD FOR USE BY THE PUBLIC WORKS DEPARTMENT THROUGH JANUARY 1, 2023; AND DECLARING AN EMERGENCY.

Executive Summary: The Department of Public Works currently leases space at 1769 and 1566 Georgetown Road, Hudson, OH for use as administrative office and operational space. The annual cost of these two leased spaces is \$269,654.64. It is necessary to continue to lease these spaces to ensure the minimal office and operational space required to carry out the responsibilities and services of the Public Works Department.

Legislative History

Resolution #15-156, passed October 20, 2015.

Purpose & Explanation

The City currently occupies leased space for the divisions of Service which includes: streets, storm water, pipe maintenance & inspection, water distribution, administrative support, fleet maintenance and sign shop. In 2019, Administrative Support will move to Hudson City Hall. The vacated office space will be utilized by Public Works Management staff.

Draft copies of the three (3) lease addenda are attached. (The original lease would be on file with the Clerk's office). We have maintained our lease space with three separate leases, as it is more efficient to divide and track the lease costs per budget area. The respective leased areas total square footage will remain unchanged.

The amended lease terms are for four (4) years and will commence on January 1, 2019 and expire on January 1, 2023. There will be no annual cost increases over the next four (4) year term.

*** UPDATE:**

At the November 20th City Council Workshop Council asked PW staff to look into the following concerns regarding this lease renewal recommendation. Staff has met with the lessor. The following addresses the items of concern:

1. **Can the lease termination percentage be reduced from 80% of the remaining lease term?** The lessor is not willing to reduce the amount due if the lease is prematurely terminated. It should be noted that the GT space lease amount has not been increased in two terms (six years). A four-year renewal option with no increase would equate to a ten-year period with no increase in the lease rate.
2. **Is 80% excessive for a lease termination penalty?** In discussions with a commercial real estate representative there is no "industry standard" regarding lease terminations. In the representative's opinion the City should be comfortable with 80% and the ability to exit a lease at all without paying full costs to the lessor.
3. **Economics Analysis** - Council also had concerns with which option would be more economical for the City to enter into considering that there may be a new Public Works Facility build within a three-year period. It is the position of staff that a 36-month schedule to secure land, design and build a new PW facility is not feasible and cannot be delivered within that

timeframe.

Note:

1. Additional cost of 3 year lease term at 3% per year = \$25,000

2. Additional cost of 4 year lease term at 0% per year if terminated at end of year 3 = \$216,000

Recommendation- Considering the preceding information, staff continues to believe the four year lease term at no cost increase is the most logical choice moving forward.

Timing Considerations

*** UPDATE:**

As the current lease term expires on January 1, 2019, staff is requesting emergency language, so that this Resolution will be effective upon passage.

Fiscal Impact

Currently Budgeted

Supplemental Appropriation Required

☒ Appropriation Not Required.

Suggested Action

Staff recommends that City Council approve this legislation authorizing the City Manager to enter into lease agreements with **Zambrouck Development Co., PO Box 2262 Hudson, OH 44236** for the annual lease amounts as per the Agreements submitted in exhibit A.

Submitted by,

Jane Howington, City Manager

Frank J. Comeriato, Assistant City Manager - Operations

Eric Hutchinson, Assistant Public Works Director

Sonya Mottram, Administrative Support Supervisor



City of Hudson, Ohio

Staff Report

File Number: 18-178

Meeting Date: 11/20/2018

Version: 1

Status: Consent Agenda Ready

In Control: City Council

File Type: Resolution

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE ADDENDA TO LEASES FOR SPACE AT 1769 AND 1566 GEORGETOWN ROAD FOR USE BY THE PUBLIC WORKS DEPARTMENT THROUGH JANUARY 1, 2023.

Executive Summary: The Department of Public Works currently leases space at 1769 and 1566 Georgetown Road, Hudson, OH for use as administrative office and operational space. The annual cost of these two leased spaces is \$269,654.64. It is necessary to continue to lease these spaces to ensure the minimal office and operational space required to carry out the responsibilities and services of the Public Works Department.

Legislative History

Resolution #15-156, passed October 20, 2015.

Purpose & Explanation

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Draft copies of the three (3) lease addenda are attached. (The original lease would be on file with the Clerk's office). We have maintained our lease space with three separate leases, as it is more efficient to divide and track the lease costs per budget area. The respective leased areas total square footage will remain unchanged.

The amended lease terms are for four (4) years and will commence on January 1, 2019 and expire on January 1, 2023. There will be no annual cost increases over the next four (4) year term.

Timing Considerations

None.

Fiscal Impact

Currently Budgeted

Supplemental Appropriation Required

☒ Appropriation Not Required.

Suggested Action

Staff recommends that City Council approve this legislation authorizing the City Manager to enter into lease agreements with **Zambrouck Development Co., PO Box 2262 Hudson, OH 44236** for the annual lease amounts as per the Agreements submitted in exhibit A.

Submitted by,

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Eric Hutchinson, Assistant Public Works Director

Sonya Mottram, Administrative Support Supervisor

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE ADDENDA TO LEASES FOR SPACE AT 1769 AND 1566 GEORGETOWN ROAD FOR USE BY THE PUBLIC WORKS DEPARTMENT THROUGH JANUARY 1, 2023; AND DECLARING AN EMERGENCY.

WHEREAS, the City currently leases three spaces for use by the Department of Public Works at 1769 Georgetown Road and 1566 Georgetown Road; and

WHEREAS, the current leases expire January 1, 2019; and

WHEREAS, the Department of Public Works has recommended entering into addenda to the leases which will extend the terms of the leases through January 1, 2013, and at certain rent amounts; and

WHEREAS, this Council believes that the extensions to the three leases by addenda is fair and reasonable and is in the best interests of the continued operations of the City.

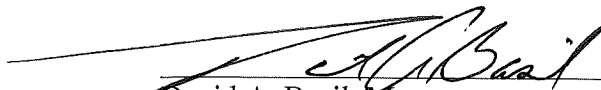
NOW, THEREFORE, BE IT RESOLVED by the Council of Hudson, Summit County, State of Ohio:

Section 1. That the City Manager is authorized and directed to enter into three (3) lease Addenda to extend through January 1, 2023, the leases currently due to expire on January 1, 2019, at 1769 Georgetown Road and 1566 Georgetown Road, and at the rents set forth therein, copies of which Addenda are attached hereto as Exhibits A, B and C and incorporated herein fully as if by reference.

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 3. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and general welfare of the citizens of the City of Hudson for the reason that facilities are needed by the Public Works Department for the day-to-day operation of the Service Division and for the storage of vehicles that are used for road work and snow plowing and, therefore, this Resolution shall take effect and be in force on January 1, 2019, provided it receives five affirmative votes of Council except that six affirmative votes are required if all members are present; otherwise, this Resolution shall take effect and be in force from and after the earliest period allowed by law.


PASSED: December 18, 2018


David A. Basil, Mayor

ATTEST:


Elizabeth Slagle, Clerk of Council

I certify that the foregoing Resolution No. 18-178 was duly passed by the Council of said Municipality on December 18, 2018.


Elizabeth Slagle, Clerk of Council

First Reading: November 20, 2018
Second Reading: December 4, 2018
Third Reading: December 18, 2018

Zambrouck Development Co.

P.O. BOX 2262
HUDSON, OHIO 44236
(330) 650-1488

City of Hudson
Public Works Dept.
Municipal Services Center
115 Executive Parkway Suite 400
Hudson, Ohio 44236

October 30, 2018

Re: Lease addendum for 1769 Georgetown Rd.
Hudson, Ohio 44236

Term:

This addendum is to extend the term of the lease dated February 25, 1992. The term of this lease will be extended for four (4) years beginning on January 1, 2019 and ending on January 1, 2023. This unit consists of 3,100 square feet of office space.

Rent:

Lessee agrees to pay to Lessor as rent the annual amount of fifty thousand four hundred fifty-four dollars and 36/100 (\$50,454.36) in monthly installments of four thousand two hundred four dollars and 53/100 (\$4,204.53).

No annual increases will be applied throughout the term of this addendum. Lessee shall have the right to terminate this Lease anytime after January 1, 2021 by providing the Landlord twelve (12) months prior written notice. The termination fee shall be equal to eighty percent (80%) of the remaining months rent of this addendum to Lease.

Lessor: Zambrouck Development Co.

Lessee: City of Hudson

Zambrouck Development Co.

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HUDSON, OHIO 44236
(330) 650-1488

City of Hudson
Municipal Services Center
115 Executive Parkway Suite 400
Hudson, Ohio 44236

October 30, 2018

Re: Lease addendum for 1769 Georgetown Rd.
Hudson, Ohio 44236

Term:

This addendum is to extend the term of the lease dated November 24, 1992. The term of this lease will be extended for four (4) years beginning on January 1, 2019 and ending January 1, 2023. This unit consists of 29,050 square feet of warehouse and office space.

Rent:

Lessee agrees to pay Lessor as rent the annual amount of one hundred ninety-six thousand seven hundred dollars and 76/100 (\$196,700.76) in monthly installments of sixteen thousand three hundred ninety-one dollars and 73/100 (\$16,391.73).

No annual increases will be applied throughout the term of this addendum. Lessee shall have the right to terminate this Lease anytime after January 1, 2021 by providing the Landlord twelve (12) months prior written notice. The termination fee shall be equal to eighty percent (80%) of the remaining months rent of this addendum to Lease.

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Hudson, Ohio 44236

October 30, 2018

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Hudson, Ohio 44236

Term:

This is an addendum to extend the term of the lease dated December 18, 1998. The term of this lease will be extended for four (4) years beginning on January 1, 2019 and ending on January 1, 2023.

Rent:

Lessee agrees to pay to Lessor as rent the annual sum of twenty-two thousand four hundred ninety-nine dollars and 52/100 (\$22,499.52) in monthly installments of one thousand eight hundred seventy-four dollars and 96/100 (\$1,874.96).

No annual increases will be applied throughout the term of this addendum. Lessee shall have the right to terminate this Lease anytime after January 1, 2021 by providing the Landlord twelve (12) months prior written notice. The termination fee shall be equal to eighty percent (80%) of the remaining months rent of this addendum to Lease.

Lessor: Georgetown Development Co.

Lessee: City of Hudson

Zambrouck Development Co.

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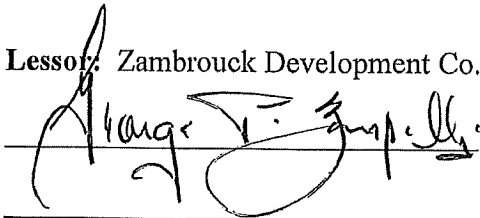
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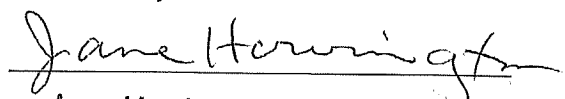
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Jane Howington, City Manager

Zambrouck Development Co.

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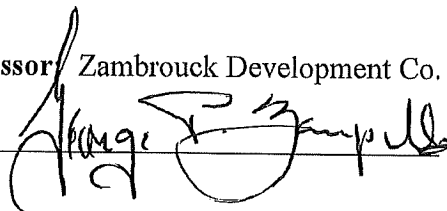
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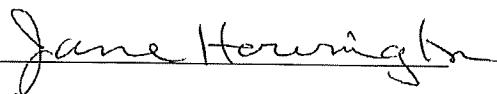
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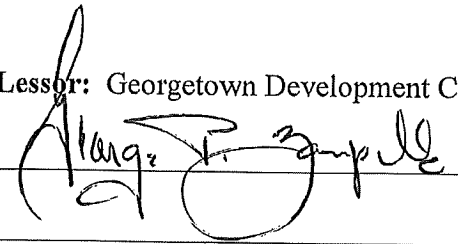
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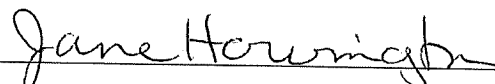
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Lessee: City of Hudson


Jane Howington, City Manager
