

300/303 Workgroup Discussion

January 20th Discussion:

300 Broadway

1. Estimates from four realtors or property managers were \$225,000; \$305,760 - \$349,440; \$395,000; \$873,600 - \$1M. Bachler Realty only submitted an estimate for 303 Water St.
2. Judith White, speaking for Friends of City Hall, outlined their plan for purchasing and renovating 300 Broadway. Friends would purchase the building from the City for \$1. As owners, Friends would be in line for more grant funds than they are currently and, as owners, would be in a better position to attract donations and investors. Once brought up to ADA requirements and rehabbed the plan is to lease it as an event performance venue. After ten years the building would be resold to the City. Along the way a Foundation would be established to see to the building's maintenance in perpetuity. The grounds would be kept and maintained as a park as well as the historical objects which have been set up in the park. The bandstand will be rebuilt.
3. If the property goes on the market, FoCH still has right of first refusal; in this event they would try to obtain a mortgage to purchase the property.
4. If the building is sold to persons other than FoCH the establishment of the site as an historical site should protect the building and grounds from transformation into a 'Walgreens.'
5. Maintaining the grounds surrounding 300 Broadway as a City Park is a major issue with many questions about what the Planning and City Commissions did or did not do. Those who responded were all in favor of keeping the grounds as a park. As chair of the PC I am recommending an entire redo of the removal of the park from the Master Plan and the formal establishment, or reestablishment, of the grounds as a City Park. The ability to sell the building to FoCH or others needs to be addressed before this is done.
6. The costs to the City for maintaining 300 Broadway need to be established.
7. While estimated of the property's value vary from \$225K to \$1M there is no guarantee the property can be sold anytime soon; it was up for sale for some time before FoCH leased it. Estimates also included the surrounding property which the City could lose control of if sold to another buyer.
8. DTE charges for 300 Broadway from February '21 thru January '22 totaling \$1,401.27.

303 Water Street

1. Estimates for 303 were: \$199,900 – 209,900; \$240,000 – \$276,000; \$312,000; \$325,000; \$550,000 - \$720,000.
2. Comments varied from keeping the building as a Welcome/Community Center, keeping it and leasing it out, and tearing it down and repurposing the grounds as part of the park.
3. How much would it cost the city to demo the building?

4. Turning it into a park brings no revenue to the city. Comment was made that the City has a lot of parks already.
5. Selling the building raises the question of what property goes with it. The buyer would be responsible for rehabbing and bringing the building up to code.
6. Leasing the property means the City would have to rehab it first. Grants are available, perhaps, to bring it up to ADA standards. It is questionable if the ROI to the City warrants this approach.
7. Could the building be made an historical site along with the Water Works and the park? This would qualify it for grant money for rehab.
8. The suggestion was made and question raised as to whether or not the building could be sold and the money put to rehabbing 300 Broadway. The original grant was \$42,000 and this money must be used for a community center. Does any money received over and above that amount have to be used for that purpose as well or does it go to the General Fund?
9. The costs to the City of maintaining the building need to be established as well as estimates of the cost to rehab it and bring it up to ADA standards. Given the fact that the floor of the building is several feet above ground level may make the cost/task of making the entrance ADA accessible higher than reasonable for the City.
10. Sale of the building brings dollars to the city from the sale as well as placing the property on the tax rolls. (Currently the property does not pay any city taxes or water bills.)
11. DTE and Semco charges for 303 Water St were \$3,801.70 for Feb. '21 – Jan. '22.

Issues to be resolved / Information Needed

The annual cost to the City to maintain both buildings?

The cost to rehab 303 Water St and make it ADA accessible?

How much the city could reasonably earn if it were to lease 303 Water St?

If 303 Water were to be sold, how much of the proceeds would go to the General Fund?

What tax revenue would the City receive from the sale of 303 Water?

What property would go with the sale of 303 Water?

How much will it cost to demo 303 Water and return the land to the park?

What time line would we be looking at to designate the area around 303 Water a historical district? If it is so designated does that mean we could still sell/lease the building?

Can the City sell 300 Broadway to anyone if the grounds are designated a City Park?

Responses to Jan. 20th Discussion:

300 Broadway

Discussion: Sale

- Tornado siren – approximate cost of \$32,000 for a new tower and siren
 - o The City would spend a similar amount trying to move the old siren.
 - o Need to address a new location that would work best for community
- City budgets \$7,000/annually for building repairs

- City budgets \$900/annually for land maintenance
- City estimates \$75 removal per snow event
- Potential tax revenue per Assessor: For 300 Broadway, if it were on the assessment roll today, the taxable value would be \$242,800. Applying the City operating millage, it would be approximately \$3,800 for a year.
- Need to address:
 - o Can City sell to any potential buyer if the grounds are designated a City Park?
 - o Can Guy Community Center be located in 300 Broadway if the building is sold to Friends of City Hall (FOCH) or must it be located on City Owned Property?
 - After reading the Guy Family's Last Will and Testament as well as the meeting minutes from the Commission meeting accepting the Guy family's contribution, it does not say that the "Guy community building" has to be within or on City property. However, it has to be maintained and cared for in perpetuity with the funds designated in a special account by the City.
 - Therefore, the City could sell 303 Water and put the money into a restricted fund to maintain an existing designated structure or build a new one.

303 South Water Street

Discussion: Demolition

- Initial estimate of \$60,000 to demolish the building
- Initial estimate of \$6,800 to install ADA sidewalk from Water Street to the River
- Approximately \$18,000 (2018 estimate) to set a new electrical panel and to separate the power
 - o Would need to address:
 - sprinkler system pump
 - plugs at Lighthouse
 - downtown cameras that work from 303 South Water
 - Civic Women's Park power
- Availability of grants for waterfront parks: Unknown
- What constitutes the "Guy Community Center" – could the remaining park space be designated in their honor?

303 South Water

Discussion: Leasing

- Estimate of \$225,250 (2018) for ADA improvements (see attached)
- Additional necessary improvements:
 - o ADA compliant bathroom
 - o electrical modifications including, moving the electrical plugs off of the floor
 - o Emergency exits on first floor
 - o Emergency exit at the back the building with a staircase
- Potential earning capacity for leasing: Unknown
- The City budget for land & building repairs is \$4,000/annually
- 12-month utility costs = \$3,801.70 (vacant since July).
- Would need to address:
 - o Each business would want the building designed to meet their needs; the City cannot modify space with every new leasee
 - o Feasibility under current ordinances
 - o Basement flooding
 - o Potential asbestos testing and possible abatement costs

303 South Water

Discussion: Sale

- Approximately \$18,000 (2018 estimate) to set a new electrical panel and to separate the power
 - o Would need to address:
 - sprinkler system pump
 - plugs at Lighthouse
 - downtown cameras that come from 303 South Water
- How much of the proceeds would go to the General Fund:
- Potential tax revenue per Assessor: If it were on the assessment roll today it would have a taxable value of 150,000. The city operating mills are 16.0425 so it would be approximately 2,400 for a year.
- Would require a lifetime easement on the North & South side of the building and the new owner would only get 25 feet off of the back of the building
- Would need to address:

303 South Water

Discussion – Maintain for City Use

None

Discussion - Community Center

Where and what does the City want to see for the “Guy Community Center” – a building, a new pavilion in a park, a structure attached to a current building, etc.

303 South Water Information

- Total usable square footage of 303 South Water is:
 - o Main Room 35 x 35 = 1,225 sq ft
 - 1,225 sq ft used as the actual Guy Community Center
 - o Kitchen 18 x 25 = 450 sq ft
- Community center activities previously conducted at 303 South Water included: City Commission meetings, senior citizen card night, Goldwing Club every other month, periodic Girl Scout meetings (very sporadic activity and years ago)
- City Offices moved to 303 South Water in 2005 at which time, it was no longer used as a community center
- Parking for 303 South Water is street parking, no handicap designated spots
- Required renovations to convert space to a community center would include: ADA improvements to the doors and bathrooms, the installation of a lift system, electrical work, paint, carpet replacement, install emergency exit on first floor and back of the building with a staircase

260 South Parker Information

- The current meeting space would be designated the community center
 - o 1,476 square feet (includes lobby and vestibule)
- Amenities include: bathrooms, drinking fountain, tables, chairs, sink and anticipated refrigerator
- 34 parking spots and 5 handicap designated spots
- Currently used as Guy Community Center however doesn't function well for it

February 9th Discussion:

300 Broadway:

There seems to be a consensus that the City should sell the property to FoCH.

There are multiple details that will need to be considered and discussed.

Examples are:

1. Does FoCH purchase just the building and leave the park area in the hands of the City? If so what does that entail – lot split, is a legal agreement enough, agreement with City for grounds maintenance?
2. Can the Guy Community Center be designated in an area of the building? If so, some legal agreement would have to be drafted for the City to actively maintain and assist with the center since it would technically be on private property once sold to FoCH.
3. Can the City sell 300 Broadway to FoCH since there is still an argument of whether the property is a park?
4. Does the City want the property back in 10 year, 20yrs, never?
5. How much does the City sell it for?
6. There was a lot of support for the concept of having the Guy Community Center designated in a portion of the building because the public felt they would have access to actually use it there. People want to be able to rent it for small gatherings, cards, crisis centers, etc. The details in how this would be rented and run would be another discussion and agreement with FoCH.

303 Water:

This discussion is still very open ended.

Points discussed were:

1. The building is in need of too much repair for the City to justify wanting to keep it for City use.
2. The concept of rehabbing the building for the City to lease out was also debated but due to the upfront costs before any revenue stream could begin makes for a poor business plan. The City does not have the money to front those costs.
3. The two strongest arguments made were demolishing the building to extend the park or selling the property to an outside buyer.
4. If the City opted to demo the building and extend the park – the City would need to seek grant money to help offset the cost of the demolition, money to turn the vacant land into a park, some maintenance fees tied to the electrical panels, and find the money to invest in the “Guy Community Center Fund”. With no revenue stream other than the potential for grant money this project would have to be fully funded from the City’s general fund which is not budgeted for.
5. The positive side of the demo idea is the park would be extended and the waterfront preserved for future enjoyment.
6. The sale of the property to an outside buyer would require the buyer to go through the planning process before anything new could be built. The property is zoned B-1 Central business district and the ordinances of that district would have to be adhered to for development. This is the City’s only real control to help determine what would be developed.
7. The sale of the building would offset many costs for the City – the legally obligated amount of money (per discussion with the city attorney) meant for the “Guy Community Center Fund” would be deposited in the restricted fund for maintenance of the new center in the future and the

electrical fixes for the park could be paid for. There wouldn't be a need to take any unappropriated money from the City's general fund to satisfy any of the obligations.

Side notes:

1. The City has an obligation to create a usable community center designated with a plaque in honor of the Guy family.
2. The City has an obligation to create and maintain a restricted fund with monies to assist with that community center. Where that money comes from is a direct result of the decision made on the 303 Water St. property because the initial investment is already in that property.
3. There is not budgeted money for these decisions so anything requiring funding would have to be taken from somewhere else in the budget, resulting in loss of funding/services elsewhere.
4. If the City chose to sell 303 Water, there would need to be a legal opinion on how much of the money from the sale would be appropriate to put in the restricted guy community center fund based on the legal agreements with the family.