



August 7, 2023

Municipal Facilities Presentation



Goal of Presentation

- Review municipal facilities and space needs
- Discuss consolidation of services
- Review decision to look at other sites for municipal services
- Provide overview of 415 Wiley Road – Douglas Professional Building
- Funding facility projects

Inventory of Municipal Facilities and Property

- City Hall – 86 W. Center Street – 2,800 sq ft occupied - \$375,000 ('20 appraisal)
- Police Department – 47 W. Center Street – 2,560 sq ft building - \$230,000 ('20 appraisal)
- Department of Public Works – 486 Water Street – 2,300 sq ft building - \$200,000 ('20 appraisal)
- Old Library – 137 W. Center Street – 6,000 sq ft building leased to OxBow with option to purchase - \$430,000 ('20 appraisal)
- 17-acre property – 6825 W. Wiley Road – 575 sq ft building - \$1,450,000 (2023 assessor value)
- Brownfield site – Former Haworth – 200 Blue Star Highway – not appraised
- 10-acre property – 291 66th Street – Will be sold as surplus property - \$150,000 ('20 appraisal)
- Various park spaces (Douglas Beach, Wades Bayou, Beery Field, Douglas Marina, Schultz Park, Root Beer Barrel, Pride Garden, etc.)
- Total - \$2,835,000 (\$3,000,000± adjusted for inflation)

Department of Public Works – 486 Water St.

- The conversion of municipal facilities started with an improved space / location for the Department of Public Works
- Existing DPW was a former County Highway Department Garage
- Site is too small to accommodate all the City's Public Work needs creating inefficiency in delivering services
- Building floods with heavy rains
- Inefficient – lacks insulation
- DPW occupies space at:
 - 486 Water Street – 375 sq ft staff area / 1,950 sq ft garage / 575 sq ft salt barn
 - 6825 W. Wiley Road – 575 sq ft shed for traffic items plus fenced yard storage
 - Former storage garage at Wades Bayou was demolished in 2020
 - Beery Field, City Hall basement, and Douglas Marina are also used for storage

City Hall – 86 W. Center

- The current City Hall (aka Dutcher Lodge) is a historic structure that was constructed in 1875 and 1902.
- Dutcher Lodge was renovated in the early 2000s and converted to City Hall use.
- 2,800 sq ft occupied (1,050 council chamber, 750 sq ft office, 1,000 sq ft common area)
- The upper level of the building is not finished
- Lacks ADA compliance for elevator, restrooms, lobby
- Safety and security has been an issue
- Staff double up in offices or occupy closet converted to office space

Police Department – 47 W. Center

- Existing Police Department was formerly the fire station and Village of Douglas hall.
- 2,560 square feet
- Used 24/7
- Insufficient space for proper evidence storage
- No private / secure interview rooms
- No indoor parking available (current garage space is used for storage)
- No ADA restroom facilities
- Lacks necessary security measures for a Police Department

Old Library – 137 W. Center St.

- Currently leased by Ox Bow Art Institute with option to buy
- 6,000 sq ft
- Ownership reverted to the City when vacated by the library

Municipal Space Needs

- Based on industry standards, the municipality needs approximately 6,500+ square feet of interior space for the following:
 - Council chamber – 1,000 sq ft
 - Enclosed offices – 1,600 sq ft
 - Open workstations – 1,100 sq ft
 - Conference rooms – 500 sq ft
 - Reception / waiting rooms – 600 sq ft
 - Staff break rooms – 400 sq ft
 - Restrooms / corridors – 1,300 sq ft

Consolidate Facilities

- The City Council in 2019 directed the City Manager to evaluate blending municipal services into the existing City Hall.
- Finishing the basement and second floor of City Hall would be necessary to accommodate most municipal needs. A building addition would be ideal.
- A designer proposed a revised floor plan (no building addition) and quotes were obtained in 2019 to renovate just the interior of Dutcher Lodge. No exterior renovations were proposed.
- Renovation costs were estimated to be \$927,500 in 2019 plus fees and 10 percent contingency. Adjusted for inflation that would be over \$1,100,000 in today's value.
- The elevator and interior stairs were not included in the estimate. The cost to upgrade the elevator and staircase to meet ADA compliance would be approximately \$300,000.
- Exterior renovations would be additional cost to repair siding, windows, and doors.
- Parking was always an issue that had to be addressed if adding more staff to Dutcher Lodge
- Evaluated purchasing neighboring property to accommodate more parking and / or a building expansion

Summary to Renovate Dutcher Lodge

- \$1,100,000 to renovate interior
- \$300,000 to renovate elevator / stairs for ADA compliance
- Unknown cost to complete exterior renovations

- \$1,400,000+ total

- Still didn't resolve the Public Works issues



Positives of Dutcher Lodge

- Familiar location for the past 25+ years.
 - The village hall was formerly located at the police station
 - Prior village hall was located west of Wild Dog café
- Quaint and charming historic structure in the downtown
- Listed on the Michigan Historic Register
- Convenient location for many residents

Challenges of Dutcher Lodge

- High cost to renovate for municipal services and ADA compliance
- Small site to accommodate police vehicles and staff parking
- Routine elevator inspection and maintenance process
- Not much space to expand the building
- Not sufficient space to accommodate all municipal service needs
- Disruption of renovating a building while being occupied
- Unknowns will add to the overall project cost as issues are uncovered
- Skill gap to maintain a historic structure
- Valuable space in the downtown that could be used for development

Decision Point

- With a better understanding of the long-term space needs and costs to renovate Dutcher Lodge, City Council began to think about other options.
- Consolidating staff at Dutcher Lodge still didn't resolve the space needs for the Department of Public Works.
- A search for property was initiated.
 - Unbuilt property on Blue Star Highway was evaluated but wetlands made the site impractical
 - 200 Blue Star was not a good option because the City plans to use Tax Increment Financing to fund the clean up the brownfield site
 - 415 Wiley was found to be the best option available

Adding to the Downtown District

- The City occupies three locations within the Downtown Development Authority district—City Hall, Police Department, and Old Library.
- Selling the facilities will encourage development of the downtown district with new commercial opportunities and potentially additional residential units.
- The DDA would capture additional revenue if existing downtown municipal buildings were sold. The revenue captured by the DDA will help to make additional improvements to the downtown district.
- Additional shops, dining, and boutiques will increase tourism opportunities in the community

Purchase Agreement

- The City negotiated a purchase agreement for 415 Wiley Road in the amount of \$1,500,000.
- Assessor values the property at \$2,000,000
- Holland Hospital currently rents about 8,000 square feet for \$3,000 per month.
- Holland Hospital will vacate the building in 2024.

Positives of 415 Wiley Road

- 7.8-acre site on the Blue Star Highway commercial corridor
- Sale of existing municipal facilities could pay for the purchase
- Consolidate all staff, municipal services, and resources on one site (network, phone system, etc.)
- Fewer buildings to maintain
- Space to grow as the municipality grows
- Sufficient parking
- Significant storage space and a basement for storage
- Propose to renovate the former doctor's office suites for all municipal services
 - Current estimate for interior renovation costs will be approximately \$1,000,000-\$1,500,000
- Sufficient outdoor space
 - Construct Public Works facility - \$1,500,000 estimate
 - Construct Police Department garage - \$300,000 estimate
- Surplus space for other community needs such as:
 - Emergency Shelter
 - Community Room
 - Remote work location
 - Other government / non-profit services



Challenges of 415 Wiley

- City services not in the downtown
- Timeline to complete renovations and build out could span 2-5 years



Competing Priorities

- Road Projects
- Utility Projects
- Marina
- 200 Blue Star – Brownfield Cleanup

Funding

- The general fund balance is sufficient to purchase the facility
- Building renovations can be funded from the general fund balance, bonds, loans, or partially through any grant opportunities the City qualifies for
- The sale of existing buildings and property will replenish the general fund



Conclusion

- The City Council has evaluated the municipal facility issue for some time
- Consolidation of services on one location will be beneficial to the community
- Additional commercial properties in the downtown will help to expand retail and rental opportunities
- The City can cash flow the purchase and renovations over a number of years with careful budgeting

DOUGLAS CITY HALL



