

To: The Village President and Board of Trustees

From: Chris Dopkins, P.E. Village Engineer

Re: Public Works Building Improvements

Date: March 31, 2022

Please allow this memorandum to provide a brief update in regard to the Public Works Building (PWB) project. First, we need to revisit the original project scope which of course is to construct a new PWB at 100 East Street. There were a total of three (3) contracts that were to be let for the project, which are:

- A contract to complete the site work (i.e., excavating, storm water management, parking lot, etc.),
   and this contract would be subject to the requirement of the grant funds.
- A contract to construct the building itself
- A contract to demolish the former Forest Pallet Building.

Plans for all three projects have been prepared, and the Village was awaiting DCEO to provide the grant agreement so that the requirements of the grant could be inserted into the contract documents and the construction could proceed accordingly. As you know, the grant agreement finally arrived last month.

The contract for the demolition of the former Forrest Pallet Building is now presenting challenges as there is a common wall along the property line between the Village's portion of the building and the neighboring building. Back in 2020, we met with the property owner and their consultants and at that time the property owner indicated that he would like to demolish his portion of the former Forrest Pallet Building and start anew. We therefore moved ahead with that plan, and we agreed to demolish the common wall between the two properties and remove the foundation beneath the common wall (see attached drawing). Ideally, the neighboring property owner would then retain the Village's contractor to complete the demolition of the remainder of the building which would save him a good portion of the mobilization costs. The Village had the Attorney's Office prepare an agreement for the demolition of the two buildings and the intent was to present the agreement concurrently with the grant agreement. Obviously, the grant agreement took considerably longer than expected, and to my knowledge the agreement was never presented to the property owner. Fast forward to today, upon receipt of the grant agreement Public Works Staff reached out to the neighboring property owner who has indicated that, due to a change in the business climate over the past two years he is no longer as interested in demolishing his portion of the building, which is certainly understandable. In the spirt of cooperation, the Village offered to demolish the building and allow the property owner to repay the cost over a four (4) year period, and the owner declined the Village's offer.

Obviously, the business climate has changed drastically over the past 2 years, and the Village does not wish to place any of its business owners in a position of hardship. At the same time, it will take a considerable investment to demolish the Village's portion of the former Forrest Pallet Building while maintaining the common wall. Further, the roof leaks along the common wall and we feel that the roof could be a long-term liability issue for the Village should it desire to proceed with demolition of its portion of the former Forrest Pallet Building. Because of these factors, staff began to explore alternative options for the location of the PWB.



The Village owns approximately 14 acres of property along East Park Street. We have completed a very rough schematic drawing of how the building could fit on the site, copy attached to this memorandum. This site has several advantages over the East Park Street site, more specifically:

- From a design standpoint, the 100 East Street site was very tight. We were able to make the site
  work, however, there was considerably more storm sewer, inlets, and excavation costs than
  originally anticipated. The Park Street site is open and does not have much in the way of
  constraints.
- The site is further away from residential uses, and we can screen the west side of the site with pine trees so that it will eventually be hidden from the residential uses to west.
- The site has considerably more room for future expansion of the PWB.
- The site has more room for a salt storage facility than the East Street site.

The site also has few things that need to be considered and/or redone:

- At the time of this memo, we feel that the site improvement costs (parking lot, etc.) could cost more
  than the 100 East Street site (approximately \$60k). We do not have Geotech data for the site know
  the scope of work needed for the building/parking lot improvements so we are assuming very poor
  site conditions.
- The site will need a geotechnical exploration. We are currently soliciting proposals for the work and we estimate that it will cost \$5,000 \$8,000 to complete.
- We will have to update the civil site drawings which in very round numbers will cost approximately \$10,000.
  - The site will need to be cleared with the Illinois State Historic Preservation office as well.
- We will have to amend the grant agreement with DCEO.

Finally, we want to update the Board regarding building costs, which have unfortunately been on the rise and show no signs of declining in the near future. When we first started this project, the cost of the building itself (no site work) ranged from \$135/SF to \$150/SF. We are currently being advised to expect \$225/SF to \$250/SF which translates into roughly \$1.8M to \$2M for the building alone. We think site improvement costs are somewhere between \$450k and \$585k depending on soil site conditions. That puts the expected cost range between \$2.25M and \$2.585M which warrants further discussion before any hard decisions are made.

Thank you for your time and attention to this matter. Please do not hesitate to contact me at 636-9590 with any questions.



