

INTRODUCTION:

The Village of Shorewood Police Department is currently housed in a joint use facility with the North Shore Fire Department located at 3936 North Murray Avenue. The building was constructed in 1927 and the mechanical, plumbing and electrical systems date to the original construction. There have been various remodeling projects that have resulted in minor modifications over time. The police department currently occupies approximately 5200 square feet of the current building. The police department has a staff of 25 officers, 4 clerical staff, an administrative assistant, 2 Community Service Officers, and the municipal clerk.

The current building has been and continues to deteriorate, it does not meet the needs of modern policing (security, evidence management, interviewing rooms, technology, efficiency, etc), and is extremely cramped. The building is simply in need of serious repair. There are countless items that need to be addressed with the current building and others that cannot be accomplished by repair alone. I have listed only a few of the most serious issues below:

- HVAC problems that consistently result in serious overheating and extreme cooling at odd times that no HVAC company has been able to figure out the cause. As a result we need to maintain space heaters and portable air conditioning units during the year. The total cost for half of the gas and electric bill in January was almost \$7,000 for the month.
- There is a serious moisture issue in the building and as a result we are seeing rust throughout the basement and other areas. In addition many of the ceiling tiles have water damage either as a result of moisture or other plumbing issues from upstairs. Either way it is very profound and not good. The rear garage walls are peeling from all the moisture even after several attempts to prevent this from happening. The paint on the walls in the jail area are also peeling from the excessive moisture in the building.
- The vents throughout the building were recently cleaned and already they are showing signs of black soot. This cannot possibly be healthy for the employees who work here every day.
- The wiring in the building for technology has been so patched that we experience technological challenges on a weekly basis. In addition our servers that run and store all of our data are kept in a tiny closet in the lunch room. The servers are sitting on the floor and inevitably collect dirt and dust and are impossible to keep clean.
- Evidence storage and security is a major concern. Simply put the best practices of evidence management and security are not being practiced because of the physical challenges of the building.
- There are many quality of life issues that are not being met such as an adequate locker room, showers, bathroom facilities, etc. The bathroom facilities are extremely small and not adequate for the amount of employees using them. The limitations and conditions of the building are not good and it is affecting the overall moral of organization.

- Basic police functions are very difficult to accomplish. There is no room or space to interview victims of crimes, conduct not in custody interviews, meet with the public, etc. The interview rooms are not set up to conduct interviews of suspects as well.
- There are major security issues with the building, the layout, and who access to the building. There are times when the overhead garages in the fire bay are left open allowing anyone to walk right into the police building.

BUILDING FEASIBILITY STUDIES SINCE 2006:

The Village of Shorewood Board of Trustees, the Village Manger, and the former Police Chief have been studying, discussing, analyzing and paying for the numerous studies and presentations of options for a new police department building since 2006.

In 2006, the Village Board began the exhaustive process of a Facilities Feasibility Study to determine what the needs of the police department were and what might be the best options for the police department.

On April 25, 2006 the Village of Shorewood put out an RFP for a Facilities Feasibility Study and it was awarded to Zimmerman Design Group. In early 2007, Zimmerman Design Group made several recommendations to include the current building was inadequate and the Village of Shorewood Police Department would need approximately 25,000 square feet to function effectively as a police department. At the time, based upon the information from Zimmerman Design Group the current Village Board believed it would be about \$5,000,000 to \$6,000,000 to complete the project and that amount was added into the long range financial plan.

During the course of 2008, the Village researched several sites where the police department could possibly be built/moved along with the idea of remodeling the current building. The locations and ideas are listed at the end of this report. The sites were again reviewed in 2010, 2012, and 2015.

In 2008, the AB Data property was put on the market and CB Richard Ellis worked with construction company KVG to design a cost analysis of remodeling the building. The asking price for the building at that time was \$3,500,000 and the remodel cost was approximately \$1,600,000. This was presented to the Village Board, no action was taken at that time.

In 2009, the Village Board approved another study to be completed by MSI Construction for a design of a “wrap around building” to the existing police department. MSI Construction at that time estimated that the cost would be approximately \$4,000,000 to complete the project.

In May of 2010, the Village Board convened a special meeting pertaining to the study completed by MSI Construction. At this meeting, the trustees were presented with the cost of the “wrap-around building.” In addition they were given information about buying the Legion Post and building a new building. According to records these were the final two options at the time. Those in attendance liked the wrap around building over the new construction at the Legion Post location.

In July of 2010 the Village of Shorewood had major flooding including the Police Department building. A month later in August of 2010, Ehlers presented an updated long range financial plan. This plan included \$4,000,000 for a new police facility.

In December of 2010, the Village Board was requested by the former Police Chief to discuss a sale price for the AB Data building. At that time it was also believed to be the best location and the most economical for several reasons to include:

- Safety, as a single use building with key access, it would be secure.
- The total space would fit the needs of the Shorewood Police Department.
- If needed, the building could be remodeled in two phases.
- The building would allow for a community room for residents in the evening, voting location, or could be leased to an organization.
- Training facility so the department could bring in quality training and receive free training in return.
- Room for expansion if other North Shore communities decided to look at consolidation – can be done with little future cost.
- Money saved on this project would offset the lost revenue of taxes collected.

In 2012, the Public Safety Committee and the police department looked at purchasing the Northwoods Building. The idea was to place the police department on the first floor and to make the second and third floors condominiums. At the time, the committee decided the village should not be involved in real estate.

In April of 2014, the Village Board once again authorized funding for architectural renderings of possible remodel including the “wrap around” of the current building. At the presentation there were several power points, excel spreadsheets, and drawings of past concepts and projects completed by private companies on behalf of the Village over the years. It also included several options for locations, costs of each sites, etc. The Village Board had two firms, John Mann and Zimmerman Design Group look at the proposals to estimate a cost. This concept was again presented to the Village Board in early 2015. The cost of this project was an estimated \$3,800,000 and only increased the useable space of the police department by roughly 10%. Based upon this information the Village Board did not feel this was the best option because it did not meet the needs of the department.

It is worth noting that an estimated \$30,000 has been spent on several studies, renderings, and remodel designs over the past 8 years. It appears that most if not all of the possible ideas have been explored, studied and discussed at some level in the Village.

CONSOLIDATION:

The Village of Shorewood and the other North Shore communities have had several successes in consolidation of services over the years to include the North Shore Fire Department, Health Department and Bayside Communication Center. The North Shore communities continued this history of examining potential consolidation of other services, including police services.

In 2005, a consultant was hired by all seven communities to evaluate shared police services, including consolidation. After lengthy deliberations, no community other than Shorewood was interested in taking the steps necessary in order to get to a formal discussion on consolidation.

The former Shorewood Police Chief studied the potential of the consolidation between the Shorewood and Whitefish Bay Police Departments. Chief Banaszynski presented his findings to the Whitefish Bay and Shorewood Village Boards. Discussions followed about beginning some joint programs, evaluating ordinances in both communities, and developing joint training. However, the Village of Whitefish Bay Board did go on record and made a formal statement that they were not going to pursue consolidation. The formal response was important because the Village of Shorewood was seriously looking at expanding or moving its current police facilities, and the Village Board wanted to gage the potential for a joint police department with Whitefish Bay before selecting a building program and costs.

In 2013, the Administrators/Managers and Chief elected officials from Glendale, Shorewood and Whitefish Bay began exploratory discussions in 2013 on a tri-community police department. After several meetings, it was determined that Shorewood and Whitefish Bay did not see the potential benefits of a three community consolidation. Since 2013, there have been minimal discussions on consolidation of police services between the north shore communities, as a group or a more targeted consolidation such as Shorewood and Whitefish bay.

The AB Data building would certainly allow for future consolidation of Whitefish Bay and Shorewood. If the agencies did not completely consolidate it would allow for them to potentially lease existing space and allow for the merging of some services such as the municipal lock up, detectives, equipment, etc.

WHY THE AB DATA BUILDING IS THE RIGHT CHOICE:

As discussed in this report, the Village of Shorewood Village Board, members of the police department, and numerous consultants have studied, discussed this project. In addition, the Village of Shorewood has discussed and explored many consolidation ideas with other departments over the years with no avail. All of these studies, discussions, and countless hours exploring this project has brought us to this point where we have narrowed the decision down to two possible locations for a police department. The first being the remodel of the current police department and the other option is the purchase of the AB Data building.

As indicated in 2015 the Village Board heard the presentation regarding the remodel of the current building. The cost of the remodel was approximately \$3.8 million dollars and it only

increased the net area the department would occupy by 10%. The remodel doesn't solve a lot of the existing problems of the cramped spaces, inadequate parking, safety concerns, etc.

AB Data Building has the following advantages compared to the remodel of the existing building:

- **Safety:** the primary concern of all staff. The AB Data location would be a single use building and has key access. This will give us the information on who is in the building and when and to control access to the building. Doors would not be left open as they are now. Several times, garage doors are left open late at night when fire fighters are called out. This poses a safety threat to civilians who are left in the station by themselves.
- **Space:** The current location was built in 1929 with the addition of the back garage and holding rooms. Current space is approx. 5200 square feet. The AB Data building has 29,000 square feet. The estimated available space for a remodel would only be approximately 7,000 square feet.
- **Training room:** The current location has no space for in-house training or for bringing in outside trainers. The training room would also be available for community groups and for the municipal court.
- **Municipal Court:** Currently municipal court is held in the Village Board room twice a month. Our court clerk's office and records are in a separate building and if a file is missing, someone has to go from Village Hall to the Police Station to find the report. Court could be held in the new building and this building would also allow for the Court Clerk to have her own space which is required and is a best practice.
- **Parking:** Currently the police department takes 20 parking spots in the back lot. 16 for employees (Both PD and Fire) and four more for squad parking. If the police department moved to the AB Data building, fire employees could park on the north side of the building, currently used for squad cars. This would free up 20 additional parking spots. They could be used by day for Village Hall staff and sold for night time off street parking at \$45.00 per spot.
- **Future growth:** The AB Data building would allow for either future growth, consolidation of two police departments or could be considered a location for the entire Village staff.
- **In addition:** it would allow for us to follow best practices in law enforcement, enough space to work and store files and supplies, adequate rooms to interview victims of crime, proper work flow, it has room for the proper networking and storage of important digital records and video, it will allow for our squads and all the valuable equipment inside to be parked inside on a daily basis

FINANCIAL PLANNING:

The Village Board agreed to put a planning number of \$3,300,000 for the police facility in the 2016-2025 Long Range Plan. The following is an evaluation of the financial impact based on a 20 year bond.

This is an equivalent of \$165,500 per year principal, plus interest. Total principal and interest payment would be approximately \$5,000,000 over 20 years, or about \$250,000 per year.

This has an average tax impact of approximately \$45.00 per \$300,000 household beginning in 2019. The impact in 2017 and 2018 would be about \$25.00 per household as these would be interest only years as currently scheduled by Ehlers.

Impact on debt capacity:

The Village's current debt limit is expected to be \$76,862,467 in 2016, which is 5% of a projected equalized value of \$1,537,249,333. The issuance of \$3,310,000 of bonds to fund the Police Station project adds about 3/10 of a percent to our total debt burden as calculated under the State debt limit regulations.

Therefore, per the long range plan, our 2016 debt burden calculation is expected to be 3.99% of equalized value with the Police Facility project. Without the Police Facility project, the direct debt burden would be 3.96%. All future debt burden calculations for subsequent years in the plan would also be reduced by 3/10 of a percent.

ESTABLISHING A PURCHASE PRICE:

The Village Board will need to decide on what would be an appropriate price for the AB Data Building. Establishing a value for a building like AB Data is difficult for the following reasons:

1. There are a limited number of comparable sales in the area
2. It is a unique building for Shorewood; it is the only light industrial/office space in Shorewood.

In determining the price that the Village should offer for purchase; the following evaluations were conducted:

1. An independent appraisal of the property.
 - a. Independent appraisal. The Independent appraisal from Modenburg and Associates was \$1.9 million.
 - b. Copy attached as Exhibit "A".
2. The assessor's value of the property.
 - a. The Village's assessor as part of the 2015 reassessment of the property within the Village put a value of \$3,205,000 on the building.
 - b. This was based on the asking price on the building for sale at \$3.7 million and a lease price of \$12 per square foot (the owners advertised price).
3. The Village's broker's estimate of the value.
 - a. The broker, outside the independent appraisal, did an analysis, including an evaluation of comparable sales.

- b. Their estimate is \$2,288,720 and his analysis is below, as Exhibit “B” .
- 4. An independent review by real estate brokers.
 - a. Two additional Real estate Brokers were asked to evaluate the value of this building. One agreed with the appraisal, another thought the value of the building from a strictly “market rate” basis was that the appraisal was too high. Both agreed that the value of the building, especially for a long-term use by a government entity should be based on “what it’s worth to you”. In essence, we should evaluate all of our alternatives and determine how the price of this alternative compares to the others.
- 5. The evaluation for the cost of new construction for a police department with similar size and features.
 - a. The Shorewood village estimates for a new 25,000 square ft. building; would be \$5 million plus land acquisition.
 - b. If we reduce the size to 15,000 square ft.; the cost would be \$3 million (\$3.5 with structured parking).

COST COMPARISON:

The following are the costs for the 1) the remodel of the current building, 2) the cost to build a new building on a different site, 3) the cost to purchase AB Data and to remodel the building:

Remodel of Current Building	\$4,000,000 (approximately)
New Construction	\$8,472,764 (based on \$255/SF at 24,293 sq. ft.)
AB Data	
Purchase Price	\$2,200,000 (approximate)
Phase I	\$800,000 to 1,179,530 (All other PD)
Phase II	\$600,000 to 886,430 (garage/booking)
Total Remodel	\$2,065,960 (could be done in two phases)
Total Cost	\$3,600,000 to 4,265,960

See Estimate of Probable Construction in Exhibit “C”. The above numbers are best projections made by Zimmerman Design Group based upon the design in Exhibit “D”.

CONCLUSION:

As you can see the Village of Shorewood has done extensive research, analysis, and had many discussions related to the police building over the past decade. The Village Board has looked at all the possibilities for where and how this could be done. I think you will find that the AB Data building is the best choice for the next police department based the analysis and discussions over the past 10 years.

Building Site	Pros	Cons	Notes
AB Data	Big building, good location, room for community room and training	Would be taken off the tax role	This building has been looked as a possibility since 2006
N.S. Legion Post	New building, built to specs, good location, at 20,000 square feet, indoor squad parking, no tax implications	They updated their building and may no longer be interested in selling the building	Construction Costs No longer available
DPW front yard	No tax implications, good location, build to specs	Lose parking for DPW and Police employees New construction costs	Increased traffic
Municipal build in Estabrook Park	No tax implications, good location, more park security, new drive to get into park	On county grounds, not Shorewood property	New road to park, dog park and bike path
3900 block Frederick	Would keep the police station close to the municipal center and have the lot for parking	Tear down two or three homes to build, possibly neighbors would not like	Tear down 2-3 homes
Remodel current station	Stay in municipal center	Not enough space, lose parking and storage area	Would not meet the needs of the future
Wrap around building	Stay in municipal center	Lose parking and not really meet future needs, very costly	Would not meet the needs of the future
Zien lot & apartment building to north	Build to specs, indoor squad parking	Tear down apartment building, off tax roll	This would be part of a 2-4 story parking structure/police station
Sun Seekers Building	Good location	Limited space, have to take away parking, might have to tear down and rebuild	May not be interested in selling
Oakland and Kensington	Sold/Developed		
Post Office Building	Good Location	Costly to relocate the customer service of the post office	Outdated infrastructure

EXHIBIT B

Property Details:

Address – 4057 N. Wilson Drive

Building Type – Flexible Office / Light Industrial / Potential for Limited Quasi Retail

Building Size – 28,609 sq.ft.

Land Size – 1.05 acres

Construction – Built in 1968 and remodeled in 2008

Loading – 2 overhead doors / 2 loading docks

Parking – Access to 50 off-street parking spaces.

Zoned – B-4

Clear Height – 18'

2014 Assessment – \$2,581,600

Notes – High security space. Flexible building.

Comparable Sales:

4050 N. Oakland Avenue in Shorewood (User Deal)

\$495,000, or \$110.00/sq.ft. for the 4,500 sq.ft. 1st floor space that sits on a 5,085 sq.ft. lot.

390 N. Sherburn Place in Shorewood (Development Deal)

\$2,150,000, or \$71.84/sq.ft. for the 29,926 sq.ft. class c industrial building that sits on 5.7 acres in 4-14.

403-407 W. Silver Spring Drive in Whitefish Bay

\$397,500, or \$203/sq.ft. for the 1,959 sq.ft. building that sits on 0.11 acres in 6-14.

Two Class B Office Buildings in Glendale sold together on 3/28/13 from Klement Sausage Co, Inc. to CPM Property Management Services LLC.

\$3,000,000, or \$100.89/sq.ft. for a total size of 29,736 sq.ft. on 3/28/13.

12250 N. Corporate Parkway in Mequon

\$1,675,000, or \$67.00/sq.ft. for the 25,000 sq.ft. Class B Office / Industrial building on 10/7/13.

7100-7190 W. Donges Bay Road in Mequon

\$2,942,100, or \$76.19/sq.ft. for the 38,614 sq.ft. Class B Flexible Office / Light Industrial building on 2/1/11.

10235 N. Port Washington Road in Mequon

\$1,260,000, or \$68.48/sq.ft. for the 18,400 sq.ft. Class B Office Industrial building on 5/28/13.

10335 N. Port Washington Road in Mequon

\$1,475,000, or \$69.15/sq.ft. for the 21,330 sq.ft. Class B Office building on 7/2/13.

4055-4057 N. 128th Street in Brookfield

\$575,000, or \$75.07/sq.ft. for the 7,660 sq.ft. Office Warehouse building.

21075 Swenson Drive in Waukesha

\$2,000,000, or \$107.67/sq.ft. for the 18,574 sq.ft. Class A Office building on 12/27/13.

2717 N. Grandview in Waukesha

\$2,000,000, or \$65.77/sq.ft. for the 30,408 sq.ft. Class B Office building on 3/2/11.

23377 W. Stone Ridge Drive in Pewaukee

\$2,850,000, or \$86.40/sq.ft. for the 32,983 sq.ft. Class A Office building on 8/4/11.

11520 W. Calumet Road in Milwaukee

\$1,146,975, or \$74.14/sq.ft. for the 15,470 sq.ft. Class B Office building on 6/29/12.

19435 W. Capitol Drive in Brookfield

\$1,280,000, or \$53.33/sq.ft. for the 24,000 sq.ft. Office building on 6/1/14.

Keep in mind that many of the comps are pure Office buildings; whereas the subject property has a substantial light industrial component to the building's layout. The comparable sales are above average \$81/sq.ft., or a value of \$2,317,329 for the subject property. The highest and best use for the property is an office user – these types of flexible buildings in the North Shore are hard to find.

I do not believe the sites value as a redevelopment site would be as high as the value of a prospective office user would place on the property. My understanding is that the new assessment is \$3.2 million; and that the appraisal concluded a value of \$1.9 million. My opinion is that the assessment is high and that the appraisal is low.

I would put a value of \$75-\$80/sq.ft., or \$2,145,675 - \$2,288,720 on the property.

EXHIBIT C

VILLAGE of SHOREWOOD
 Police Department
 Estimate of Probable Construction Cost
 Study Phase September 21, 2015

Construction values	Garage + Boeking	All Other PD	Public Space	New construction
Demolition	\$27,000	\$27,000	\$12,000	24,293
Environmental	\$12,500	\$0	\$0	\$255
Earthwork	\$19,375	\$0	\$0	
Utilities	\$34,375	\$0	\$0	
Fencing	\$22,273	\$0	\$0	
Landscape + Paving	\$38,626	\$0	\$0	
Concrete	\$58,912	-\$1,088	\$13,500	
Masonry	\$100,000	\$34,693	\$0	
Steel	\$35,505	\$23,670	\$25,000	
misc Metals	\$21,875	\$21,875	\$15,000	
Carpentry	\$4,900	\$4,900	\$7,500	
finish carpentry	\$3,139	\$12,555	\$12,500	
millwork	\$15,000	\$37,779	\$20,000	
Roofing	\$7,500	\$11,250	\$10,000	
Caulking	\$3,125	\$3,125	\$3,000	
Security Sealant	\$5,625	\$0	\$0	
Doors, Frames and Hardware	\$20,000	\$42,219	\$25,000	
Overhead Doors	\$9,260	\$0	\$0	
Glass and Glazing	\$10,000	\$14,324	\$7,500	
Aluminum Storefront	\$0	\$12,781	\$15,000	
Studs and Drywall	\$10,000	\$103,194	\$7,500	
Ceramic tile	\$5,000	\$17,100	\$15,000	
Acoustic Ceilings	\$0	\$12,338	\$15,000	
Security ceilings	\$15,636	\$0	\$0	
Flooring	\$6,000	\$50,325	\$30,000	
Painting	\$12,000	\$32,800	\$30,000	
Building Sign	\$3,125	\$0	\$3,000	
Toilet accessories	\$2,000	\$6,409	\$3,000	
Toilet partitions	\$500	\$4,306	\$1,000	
Lockers	\$0	\$20,000	\$0	
Partitions	\$0	\$9,375	\$0	
Fire Sprinkler	\$44,771	\$60,573	\$40,000	
Plumbing	\$57,159	\$118,716	\$65,000	
HVAC	\$72,475	\$150,525	\$80,000	
CCTV	\$15,000	\$10,000	\$0	
Fire alarm	\$7,500	\$12,500	\$15,000	
Access Control	\$12,000	\$3,000	\$10,000	
Electrical	\$74,750	\$155,250	\$85,000	
Data Cabling	\$2,500	\$22,500	\$25,000	
sub total	\$789,406	\$1,033,994	\$590,500	
General conditions	\$48,814	\$73,222	\$38,973	
GC fee	\$48,210	\$72,314	\$38,383	

SF
unit cost

Total construction costs **\$388,430** **\$1,179,530** **\$667,858** **\$8,194,715**

Total construction costs PD only **\$2,063,960** **\$8,194,715**

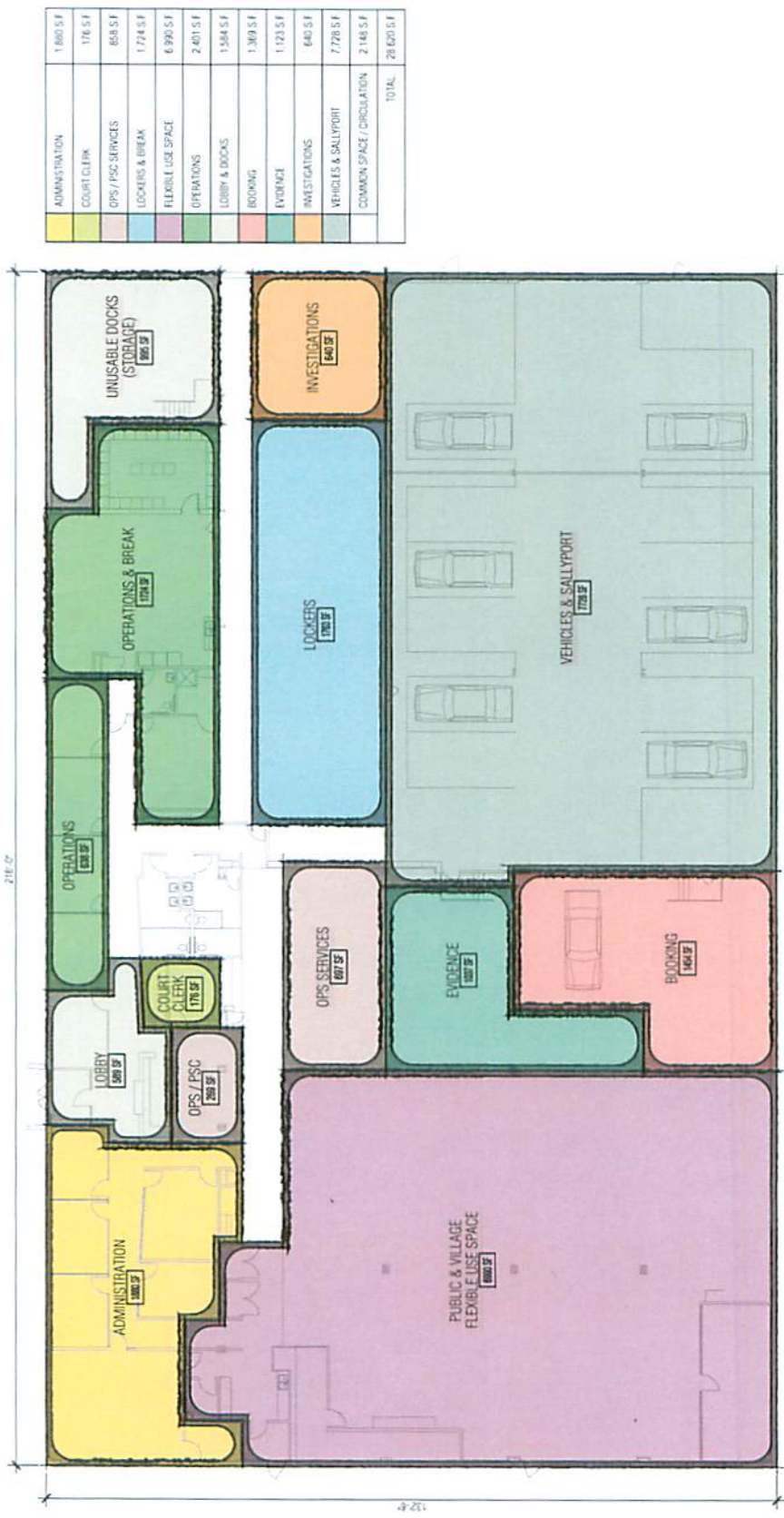
Other Project costs	Garage + Boeking	All Other PD	Public Space	New construction
Professional Fees	\$129,147	\$126,360	\$73,568	\$604,130
Permits	\$8,864	\$11,795	\$6,679	\$64,000
Utilities	\$4,250	\$5,250	\$4,750	\$150,000
Telecom Tech and Security	\$43,500	\$12,500	\$2,500	\$251,000
Furniture Furnishings + Equipment	\$1,200	\$60,300	\$118,500	\$359,000
Special Equipment	\$71,000	\$47,500	\$35,000	\$127,500
Occupancy Expenses	\$10,000	\$19,500	\$4,500	\$31,000
Administrative	\$107,507	\$129,748	\$78,464	\$691,419

Total other costs **\$775,468** **\$412,954** **\$221,960** **\$2,278,049**

GRAND TOTAL BUDGET **\$1,261,899** **\$1,592,483** **\$991,818** **\$8,472,764**

Comparison	<i>remodel</i>	<i>new</i>
	\$2,854,382	\$8,472,764

EXHIBIT D



ADMINISTRATION	1860 SF
COURT CLERK	176 SF
OPS / PSC SERVICES	658 SF
LOCKERS & BREAK	1774 SF
FLEXIBLE USE SPACE	6990 SF
OPERATIONS	2401 SF
LOBBY & DOCKS	1584 SF
BOOKING	1369 SF
EVIDENCE	1123 SF
INVESTIGATIONS	640 SF
VEHICLES & SALLYPORT	7728 SF
COMMON SPACE / CIRCULATION	2148 SF
TOTAL	28670 SF

COLOR CODED
FIRST FLOOR SPACE PLAN
DATE: 11-14