

Public Safety Facility Bond Committee Meeting
January 3, 2022 at 4:00 p.m.
Butt Holdsworth Memorial Library
505 Water Street, Kerrville TX

CALL TO ORDER: By Chair John Harrison

- **APPROVAL OF DECEMBER 13, 2021 MINUTES.**
- **FOLLOW UP ITEMS FROM LAST MEETING:**
 - City staff to report the estimated debt service on a \$45 Million loan.
 - RSA to provide breakdown of square footage costs, and provide comparables to other recent projects.
- **REVIEW DRAFT REPORT OF COMMITTEE RECOMMENDATIONS TO CITY COUNCIL.**

ADJOURN.

**PUBLIC SAFETY FACILITY BOND COMMITTEE MINUTES, KERRVILLE, TEXAS
DECEMBER 13, 2021 4:00 PM**

On December 13, 2021 at 4:00 p.m., the Public Safety Facility Bond Committee meeting was called to order by Chair John Harrison at the Butt Holdsworth Memorial Library, 505 Water Street.

MEMBERS PRESENT:

John Harrison, Chair
Glenn Andrew, member
Barbara Dewell, member
Layng Guerriero, member

Steve Lehmann, member
Tony Lenard, member
Jim Thomas, member
Sandra Yarbrough, member

MEMBERS ABSENT:

Gary Cochrane, member

Justin MacDonald, member

CITY EXECUTIVE STAFF:

E.A. Hoppe, City Manager	Eric Maloney, Fire Chief
Mike Hayes, City Attorney	Chris McCall, Chief of Police
Shelley McElhannon, City Secretary	Kim Meisner, Exec Director General Ops
Kesha Franchina, Deputy City Secretary	Trina Rodriguez, Assistant Director of Finance
Martin Greenwell, Multimedia Coordinator	Cody Scott, Finance Compliance Coordinator
Yesenia Luna, Municipal Court Admin	Charvy Tork, Director IT

GUEST PARTICIPANT:

Randall Scott, Architect

APPROVAL OF NOVEMBER 30, 2021 MINUTES:

John Harrison discussed the November 30, 2021 minutes. Tony Lenard made a motion to approve the minutes, seconded by Jim Thomas. The motion passed 8-0.

RANDALL SCOTT ARCHITECTS:

E.A. Hoppe introduced Randall Scott, Architect, who provided information and responded to questions. Randall Scott provided a "Cost Summary" handout for total estimated costs. Randall Scott discussed the following issues:

- Provided an update for Police Department space needs based on 15 year horizon.
- Overall space needs.
- Area (acres) needed for building and parking.
- Cost estimate for Public Safety Facility building and parking (with and without IT department).
- Building vertical versus the cost of land space.
- Nature of parking – emergency and public egress; and staff, police, and fire secure parking versus public parking.

DISCUSS AND AGREE UPON PATH FORWARD – NEXT QUESTION(S):

Requested data and hardened information from Randall Scott regarding square footage costs – such as \$700 per square foot for emergency police department, \$325 for shell space, \$500 for restrooms.

Committee members requested to leave IT Department in the plan, but point out to City Council. (The IT Department was not part of the Bond Committee scope and/or Committee charge).

Committee members discussed providing a covenant in the Bond loan to pay down upon selling of current Public Safety property if possible.

Glenn Andrew made a motion to report to City Council that 69,000 square feet be the estimated building baseline for the Public Safety Facility, seconded by Jim Thomas. The motion passed 8-0.

Jim Thomas made a motion to report to City Council that \$45 million be the amount estimated for the Bond loan, seconded by Sandra Yarbrough. The motion passed 8-0.

The following visitor spoke: Katy Chapman Hanna.

FUTURE AGENDA ITEMS:

- Next meeting: Monday, January 3, 2022, at the Butt Holdsworth Memorial Library.
- Chair John Harrison will create a presentation to present to City Council at the January 11, 2022 City Council meeting.
- Finance will contact the Bond Company for estimate on interest rates.
- Break down square footage costs, and provide comparables.

ADJOURN. The meeting adjourned at 5:34 p.m.

APPROVED:





ATTEST:

John Harrison, Chair

Shelley McElhannon, City Secretary

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COST COMPARISONS FOR MUNICIPAL POLICE BUILDINGS

Name of Project	SF	Year Bid	Current Cost (Escalated to middle of 2023)	Estimated Cost/SF Mid 2023	Comments
CITY OF ANNA MUNICIPAL COMPLEX City Hall & Police Facility	36,800	2021	\$21,212,452	\$576.43	
TYLER PUBLIC SAFETY FACILITY Tyler Police Facility	17,500	2015	\$8,506,297	\$486.07	
LONGVIEW PUBLIC SAFETY FACILITY Longview Police Facility	74,300	Oct. 2020	\$32,258,079	\$434.16	
RICHARDSON PUBLIC SAFETY FACILITY Police Headquarters	78,000	Jan. 2020	\$45,147,375	\$578.81	
Police Support Addition	7,000	Dec. 2020	\$4,051,687	\$578.81	

COST PER SF NUMBERS USED IN RSA ESTIMATE 12.13.21

Type of Space	Low End Cost/SF	Upper End Cost/SF	Cost/SF as Adjusted by Committee 12.13.21
Public Areas and Offices	\$450	\$500	\$466.53
Restrooms and Kitchen Areas	\$500	\$550	\$513.18
Break/Coffee/Work Areas	\$475	\$425	\$396.55
Interrogation Rooms	\$500	\$550	\$513.18
Patrol Locker Rooms	\$500	\$550	\$513.18
Safe Room/EOC	\$650	\$700	\$653.14
EOC Support Spaces (Breakout, Stor., etc.)	\$550	\$600	\$559.83
Evidence Storage	\$550	\$600	\$559.83
Building Support (Mech/Elec.)	\$450	\$500	\$466.53

Public Safety Bond Issuance Impact on Property Tax (I & S Tax Rate Only)

FY2023				Annual Impact to Customer (based on home value)													
I & S Tax		Current	Variance														
I & S Tax		I & S Tax															
Bond Amount	Rate	Rate		\$100K	\$150K	\$200K	\$250K	\$300K	\$350K	\$400K	\$450K	\$500K	\$550K	\$600K	\$650K	\$700K	\$750K
45,000,000.00	0.1411	0.0735	0.0676	67.60	101.40	135.20	169.00	202.80	236.60	270.40	304.20	338.00	371.80	405.60	439.40	473.20	507.00

FY2023				Monthly Impact to Customer (based on home value)													
I & S Tax		Current	Variance														
I & S Tax		I & S Tax															
Bond Amount	Rate	Rate		\$100K	\$150K	\$200K	\$250K	\$300K	\$350K	\$400K	\$450K	\$500K	\$550K	\$600K	\$650K	\$700K	\$750K
45,000,000.00	0.1411	0.0735	0.0676	5.63	8.45	11.27	14.08	16.90	19.72	22.53	25.35	28.17	30.98	33.80	36.62	39.43	42.25

Average Property Value 2021 Tax Year
 *Source Kerr County Tax Assessor/Collector

Assumptions:
 Conservative Interest Rate: 3.75%
 Conservative Average tax base growth: 2.5% per year

Notes:
 Lower Interest Rate will lower I & S Rate somewhat
 Higher average tax base growth will reduce burden of taxpayers
 No Impact on those with frozen taxes (65 and older)

Debt Analysis

Fiscal Year	Public Safety Debt Principal Service	Public Safety Debt Interest Service	Total Public Safety Debt Service	Non-Public Safety Debt Service	Aggregate Net Tax Supported Debt Service	Estimated I&S Tax Rate
2022	-	-	-	1,785,173	1,785,173	0.0735
2023	-	1,687,500	1,687,500	1,828,688	3,516,188	0.1411
2024	780,000	1,672,875	2,452,875	1,147,800	3,600,675	0.1410
2025	900,000	1,641,375	2,541,375	1,149,900	3,691,275	0.1410
2026	1,020,000	1,605,375	2,625,375	1,156,325	3,781,700	0.1409
2027	980,000	1,567,875	2,547,875	1,152,225	3,700,100	0.1345
2028	1,015,000	1,530,469	2,545,469	1,006,875	3,552,344	0.1292
2029	1,055,000	1,491,656	2,546,656	1,005,475	3,552,131	0.1292
2030	1,095,000	1,451,344	2,546,344	640,275	3,186,619	0.1159
2031	1,135,000	1,409,531	2,544,531	641,475	3,186,006	0.1159
2032	1,180,000	1,366,125	2,546,125	641,875	3,188,000	0.1159
2033	1,225,000	1,321,031	2,546,031	641,475	3,187,506	0.1159
2034	1,275,000	1,274,156	2,549,156	642,975	3,192,131	0.1161
2035	1,320,000	1,225,500	2,545,500	641,550	3,187,050	0.1159
2036	1,370,000	1,175,063	2,545,063	639,675	3,184,738	0.1158
2037	1,425,000	1,122,656	2,547,656	643,750	3,191,406	0.1160
2038	1,480,000	1,068,188	2,548,188	638,875	3,187,063	0.1159
2039	1,535,000	1,011,656	2,546,656	643,625	3,190,281	0.1160
2040	1,595,000	952,969	2,547,969	642,938	3,190,907	0.1160
2041	1,655,000	892,031	2,547,031	-	2,547,031	0.0926
2042	1,720,000	828,750	2,548,750	-	2,548,750	0.0927
2043	1,785,000	763,031	2,548,031	-	2,548,031	0.0927
2044	1,850,000	694,875	2,544,875	-	2,544,875	0.0927
2045	1,925,000	624,094	2,549,094	-	2,549,094	0.0927
2046	1,995,000	550,594	2,545,594	-	2,545,594	0.0926
2047	2,070,000	474,375	2,544,375	-	2,544,375	0.0925
2048	2,150,000	395,250	2,545,250	-	2,545,250	0.0926
2049	2,235,000	313,031	2,548,031	-	2,548,031	0.0927
2050	2,320,000	227,625	2,547,625	-	2,547,625	0.0926
2051	2,410,000	138,938	2,548,938	-	2,548,938	0.0927
2052	2,500,000	46,875	2,546,875	-	2,546,875	0.0926
Total	\$ 45,000,000	\$ 30,524,813	\$ 75,524,813	\$ 17,290,949	\$ 92,815,762	

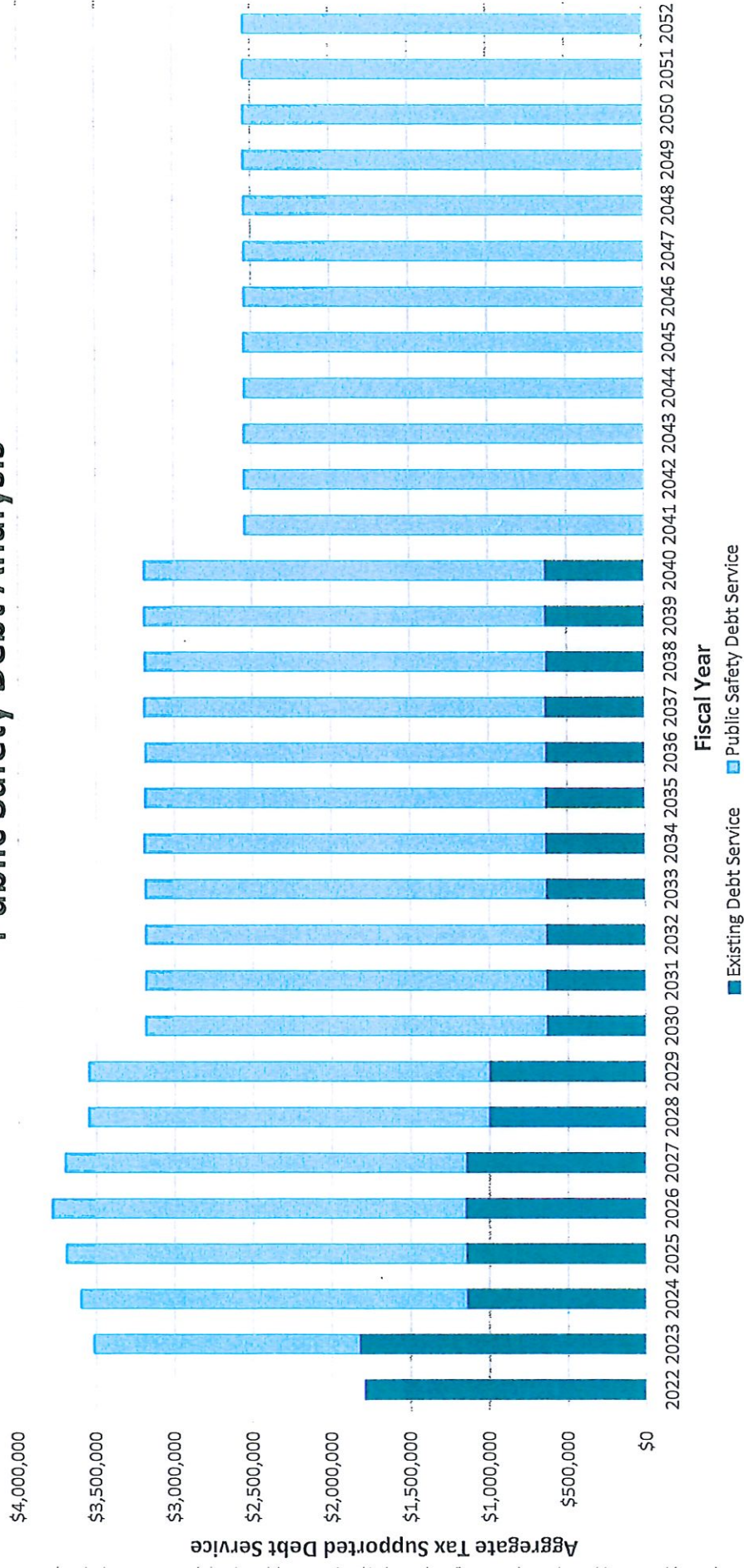
Assumptions:

2.50% growth (tax appraised value)
3.75% estimated interest rate to be re-estimated in mid-January
30 Year Note

Note:

No Impact to those with frozen values (over 65)

Public Safety Debt Analysis



DRAFT

Report of the Public Safety Facility Bond Committee to Kerrville City Council

The Kerrville City Council on October 26, 2021 created a Public Safety Facility Bond Committee. The appointed members were to analyze the feasibility of developing a public safety facility and financing it through the issuance of general obligation bonds.

What follows is the Committee's findings and recommendations to be presented to the Kerrville City Council on January 11, 2022.

Executive Summary:

The Public Safety Bond Committee recommends that the Kerrville City Council proceed with a bond election in the amount of \$45,000,000 to meet the needs of a Public Safety Facility.

This facility would be approximately 69,000 square feet in size and will require approximately 7 acres of land, assuming a 1 story construction. It will house the Police Department, the Fire Department Administration, the Municipal Court, the Emergency Operations Center, and the city Information Technology department. This proposed facility is projected to meet the needs of Kerrville for at least the next 15 years.

The Committee was unanimous in support of this recommendation.

Signatures of Bond Committee Members:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Process, Findings and Details of Recommendations:

The Committee undertook a step-by-step process to arrive at its recommendations.

1 - Decide whether or not the specific departments actually needed a new facility in order to accomplish their mission.

2 - If a new facility is needed, then what size facility is necessary for today as well as the next 15 years.

3 - Finally, what is the total cost assuming a tract of land could be acquired using an estimated number for the cost of the land.

Resources were made available to the committee, including:

- Chief of Police McCall, Fire Chief Maloney and Municipal Court Administrator Luna took many of us on tours of the existing facilities.
- A video of the presentation made by the Chiefs/Staff to City Council during the August 10, 2021 workshop.
- The 2019 PSF Feasibility Analysis (redacted).
- Randall Scott Associates, consultants hired by the city to assist the committee.
- Chief McCall, Chief Maloney, Municipal Court Administrator Luna, Executive Director of General Operations Meisner and City Manager Hoppe provided input at every meeting.

1 - Decide whether or not the specific departments actually needed a new facility in order to accomplish their mission.

The Committee unanimously agreed that new facilities were needed to house the Police Department, Fire Department Administration, and Municipal Court. This facility should also have room for an Emergency Operations Center.

Many issues drove this decision. Details of current facilities' deficiencies can be found in the presentations made by city staff to the Committee.

The Committee also decided that the IT department should be moved from the Clay Street location and be housed in the new facility. This recommendation was made by the Director of IT, Charvy Tork. The amount of IT resources used by the departments (police, 911 call center, municipal court, etc.) in the proposed facility was more than half the total demand for IT services for all other City operations.

2 - If a new facility is needed, then what size of a facility is necessary for today's operations as well as the next 15 years.

It took several iterations and input from all available resources to arrive at the final number to answer this question.

The current square feet available to the Public Safety departments in Kerrville is less than 30,000. A conclusion was made that the current space available was not adequate for today's situation. Security is an issue that can only be addressed with additional space in each department. For current operations to meet existing building codes and operational standards, additional square footage is needed.

The 2019 Feasibility Analysis suggested 49,000 square feet as the proposed facility size. After conversations with the Police and Fire Chiefs, it was concluded that this analysis was likely constrained to help meet a dollar number. A 49,000 square foot facility would not meet today's needs if the departments were fully staffed. Plus, there was no room for growth of Kerrville built into this analysis.

The committee decided to build for today's needs, but also to build in room for expansion that would likely be sufficient for at least the next 15 years.

The committee did not get involved with sizing any parts of the building. The standard that was given to city staff and the consultants was to seek out synergy where space could be used for multiple purposes while maintaining compliance with today's regulations.

The experts at operating these type of facilities, Police and Fire Chiefs, and the experts at building these facilities, Randall Scott Associates, were relied upon to review the space needs and report back to the committee.

They reported back the 69,000 square feet number and affirmed that this facility would meet their current and projected needs.

Department	(in 1,000's of Sq. Feet)
Police, Dispatch + Training/EOC/Community Room	36.7
Police Asset Support Building	4.4
Municipal Court	11.2
Fire Administration	5.9
Expansion "Shell" Space for Police Department (15 years)	8.2
IT Department	<u>2.5</u>
Total	69.0

The committee unanimously supported recommending that the city proceed with a plan for this size facility.

3 - Finally, what is the total cost assuming a tract of land could be acquired using an estimated number for the cost of the land.

The building costs varies depending upon use. Parts of the Police facility require a hardened structure (safe room) per new International Building Codes and, as expected, would cost more than a traditional office building.

The committee also learned that building part of the facility as a second floor did not save any money, in fact it was more expensive per square foot.

The committee did not get into the details of estimating cost of construction, furniture and fixture costs or escalation.

The subject matter experts, Randall Scott Associates, were relied upon to estimate the cost of the facility.

The City Staff suggested we use an estimated number of 3 million for the cost of 7 acres of land needed.

The total cost, including land, is expected to be \$45 million.