



Renaissance Square Proposal

Allen County Commissioners

July 14th, 2009

[Background]

- The City and County began discussing the possible purchase of Renaissance Square during the Richard administration
- During 2008, the City and County studied co-locating public safety into the City-County Building and moving City and County administrative offices to Renaissance Square, but in September the plan was deemed too costly by both parties
- Mayor Henry announced on June 23rd, 2009 his desire to consolidate City departments into Renaissance Square
- The Commissioners sent a letter dated June 29th, 2009 with an alternative idea to the 2008 co-location study which would keep administrative offices in the City-County Building and co-locate public safety in Renaissance Square

[Facts]

- The Allen County Sheriff's Department and Fort Wayne Police both need new headquarters
- Since 1971, Allen County and Fort Wayne's primary administrative offices have been co-located in the City-County Building
- Allen County is not telling the City not to buy Renaissance Square, but do want to be involved in discussing the proposed utilization of the building to the benefit of all taxpayers
- Public sentiment has been for the City and County to seek more ways to work together

[Assumptions]

- The County believes the City would prefer to own, rather than rent, any new office space it needs downtown
- Consolidation of City and County public safety into a central location should provide long-term benefits
- Maintaining City and County administrative offices in the City-County Building is best for the citizens of Fort Wayne and Allen County

[County Proposal]

- To the extent that Renaissance Square meets the City Police's needs and is the best option available, the City should move forward with the purchase
- County proposes joint-ownership in City-County and Renaissance Square buildings, with equity exchange in buildings once City purchases Renaissance Square

[Benefits of County Proposal]

- City gains ownership stake and removes lease payments from operating costs
- City returns to sharing operating and maintenance costs at City-County Building to offset lost lease payments
- City continues to save by reducing expenditures on obsolete buildings
- County shares in renovation costs of Renaissance, reducing City debt payments

[Financial Benefits to City]

- Financial benefits of City's plan maintained
- Additional benefit of reduced debt service with County sharing in Renovation cost
 - For example, a \$2.95 million contribution from County toward renovations of its space would reduce City's debt service over 20 years by \$4.3 million
- **Savings to City under Joint-Ownership Proposal is comparable to City Relocation Proposal**

Comparison of City & County Proposals for Renaissance

	City Proposal <u>(City Moves to Ren.)</u>	County Proposal <u>(Joint Ownership)</u>
Operating Expenses of Renais. (200 E. Berry):		
Maintenance of building @	29,924,768	29,924,771
Communications rent to County	752,373	752,370
Parking 200 @ \$50/mo	3,224,443	3,224,445
Capital Improvement Fund	6,000,000	6,000,000
Total Operating Expenses	39,901,584	39,901,587
 Less County Share Oper. Exp. Renais.	 -	 (16,545,242)
 City Share Oper. Exp. Renaissance	 39,901,584	 23,356,345
 Less: City Moving Costs		
Relocation - Police	200,000	200,000
Relocation - City Utilities	200,000	40,000
Total Moving Costs for City	400,000	240,000
 City's Share Oper. Exp. City-County	 -	 21,006,676
 City Debt Service for Renaissance	 26,317,310	 22,016,035
 Total Cost to City (over 20 years)	 66,618,894	 66,619,055
 Cost Difference Between Two Proposals		 161

Note: Figures represent projected cost over 20 years with City Proposal figures based upon calculations provided by the City of Fort Wayne.

[Building Utilization]

- City-County and Renaissance have combined space of about 400,000 sq. ft. of usable space
 - Joint ownership would provide additional space for both City and County to utilize as they see fit
 - Propose City retain all administrative offices at City-County building
 - County would take two floors (approx. 90,000 sq. ft.) at Renaissance Square building
 - City would have remaining 130,000 sq. ft., more than enough for City Police and other ancillary offices (such as Fire Dept Admin, City Utilities, Neighborhood Code)
 - Maintenance and operating expenses would be prorated based upon square footage in each building

Concerns with City Relocation Proposal

- The relocation of all City offices from the City-County Building will not save City taxpayers money. Taxpayer costs include:
 - Cost of Renaissance Square is \$17 million over 20 years when debt service payments included
 - County loses \$24 million + in lease payments from City that help cover City-County Building operating and maintenance expenses that will have to be made up somehow
 - Note that City residents pay County taxes too
 - Cost of relocating County Offices to City-County Building not reflected in City plans

[Conclusion]

- We believe our proposal for joint-ownership continues to build on the cooperative efforts of co-location and is a benefit to all taxpayers
- To the extent that Renaissance Square meets the City police's needs and is the best option available, the City should move forward with the purchase