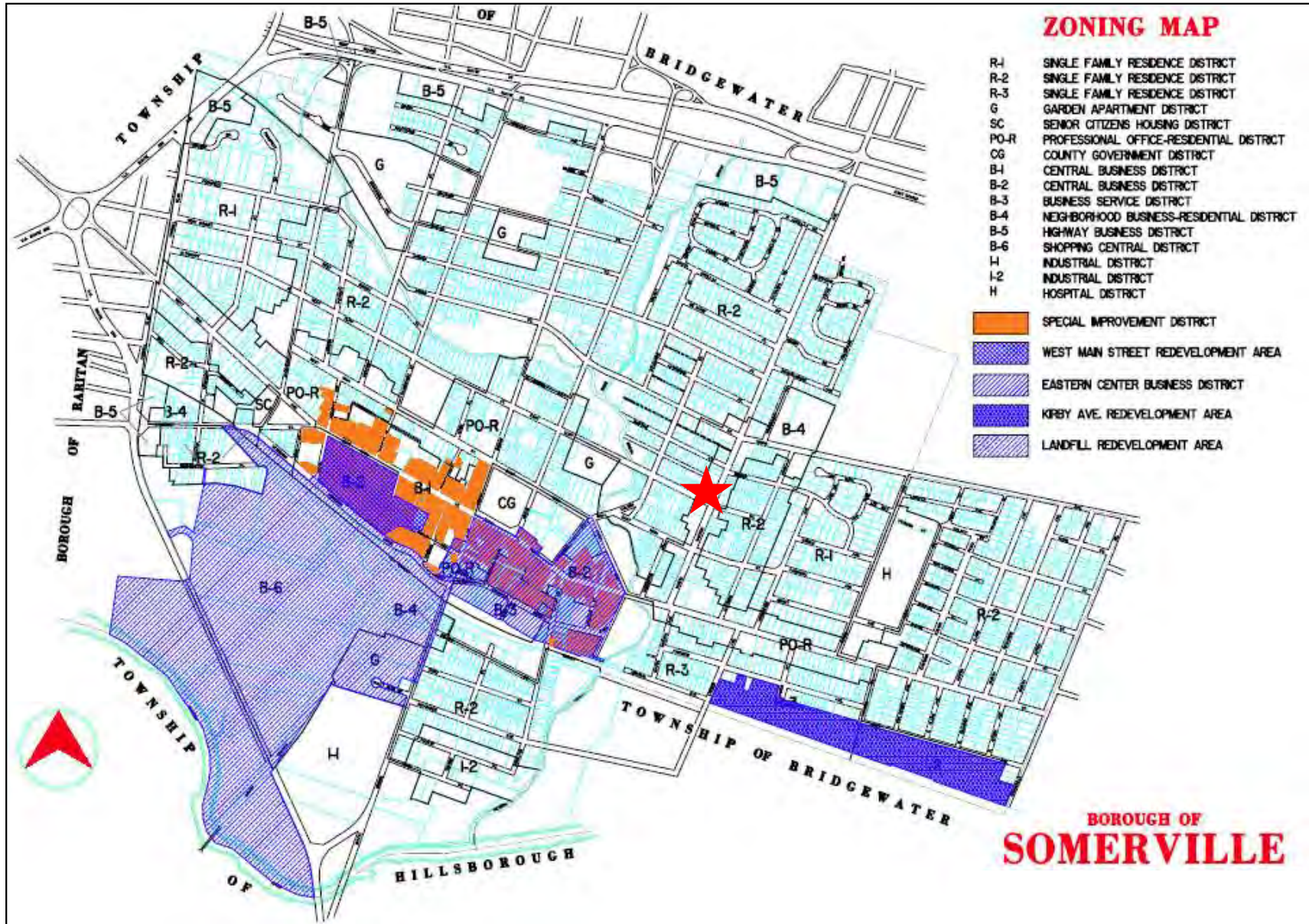


Emergency Services Facility

Gaston Avenue Facade



Location



History

- In 2002 at the direction of Mayor Hollod, a committee investigated the creation of an Emergency Services Complex that would include Police, Fire and Rescue into one central location.
- SSP Architectural Group was hired to perform a needs assessment
- In July 2004 a report identified three possible locations for expansion:
 1. Veterans Memorial Drive – current location of Cobalt
 2. William Street including Lot 7
 3. West High Street Hose Company expansion
- In 2016 a committee once again explored the possibility of a combined fire/police facility located on the former Gaston Avenue bakery site.
- A preliminary concept plan for a 24,000+/- sf building was prepared for Fire and a 1,150 sf, community room. Police and Squad concepts not fully completed.

Background of Current project

- In February 2019 Mayor Gallagher asked the Council President Brady to convene a meeting with representatives of:
 1. Fire Department,
 2. Police Department,
 3. Office of Emergency Management,
 4. EMS/Rescue Squad and;
 5. Somerset County for the inclusion of a 9-1-1 Back up Facility.

This meeting was to define a combined “State of the Art” Emergency Services Facility.

Background of Current project

Part of this project was exploring financial alternatives

1. Traditional general obligation (G.O) bonds
2. Somerset County Improvement Authority bonds and repaid by Borough
3. Redevelopment Area Bonds and tax revenue from redevelopment of other exempt properties for private development with Borough guaranty
4. Grants, local/county/state/federal
5. Other loans, such as the State I-Bank program (Mainly for water related projects)
6. Another alternative, is a Redeveloper finance/design/build/lease back program
7. Also, state endorsed Public-Private-Partnerships

Note; These alternatives were presented to council May 2019

Recommendation May 2019

Recommendation was for a Developer, Finance/Design/Build/Lease Back program.

Benefit to the Borough:

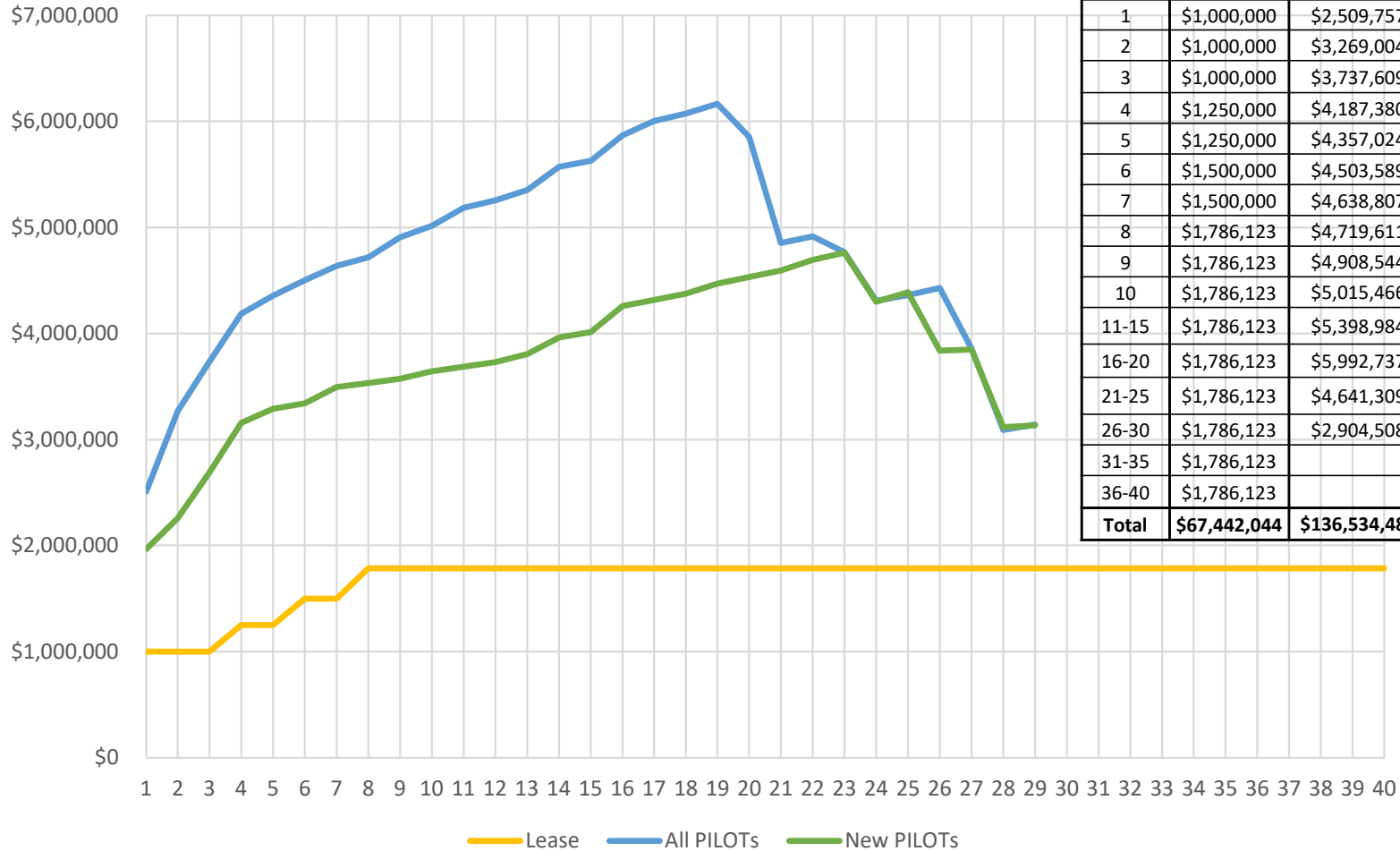
- Allows the borough to manage all aspects of the specification and design of the facility.
- Ability under New Jersey Housing and Redevelopment law to include other Borough properties within redevelopment areas to be used as cost offsets
- Ability to negotiate the lease period over an extended time period
- Borough would own facility at end of lease period

Background of Current project

- In April 2019, meetings were held with teams from each department to conduct a needs analysis.
- The County provided a specification and needs document for incorporation.
- All requirements were presented to Council May 6th, 2019 .
- With council approval, design charets were conducted from May 2019 continuing through the middle of 2021.
- Design of the facility was modified following each session. Initial costs were estimated at \$49,000,000.
- August 2020, 9-1-1 and Rescue Squad were removed, resulting in a savings of \$18,000,000.
- November 2020 the elimination of the parking deck saving another \$800,000.
- August 2021 following final revisions, the total was \$31,049,000
- Project was approved by Mayor Sullivan and the Council in October 2021
- Agreements were executed December 2021

Financial Outline

Lease Versus Revenue



| Year | Lease | Net SF | |
|--------------|---------------------|----------------------|----------------------|
| | | All PILOTS | New PILOTS |
| 1 | \$1,000,000 | \$2,509,757 | \$1,967,552 |
| 2 | \$1,000,000 | \$3,269,004 | \$2,260,103 |
| 3 | \$1,000,000 | \$3,737,609 | \$2,691,210 |
| 4 | \$1,250,000 | \$4,187,380 | \$3,160,066 |
| 5 | \$1,250,000 | \$4,357,024 | \$3,291,655 |
| 6 | \$1,500,000 | \$4,503,589 | \$3,343,460 |
| 7 | \$1,500,000 | \$4,638,807 | \$3,495,646 |
| 8 | \$1,786,123 | \$4,719,611 | \$3,534,478 |
| 9 | \$1,786,123 | \$4,908,544 | \$3,574,367 |
| 10 | \$1,786,123 | \$5,015,466 | \$3,645,430 |
| 11-15 | \$1,786,123 | \$5,398,984 | \$3,840,284 |
| 16-20 | \$1,786,123 | \$5,992,737 | \$4,391,168 |
| 21-25 | \$1,786,123 | \$4,641,309 | \$4,547,960 |
| 26-30 | \$1,786,123 | \$2,904,508 | \$2,788,695 |
| 31-35 | \$1,786,123 | | |
| 36-40 | \$1,786,123 | | |
| Total | \$67,442,044 | \$136,534,482 | \$108,804,503 |

average of 5 years
 average of 5 years
 average of 5 years
 PILOTS End Yr 30

Financial Basic Outline

The Build to Suit Lease was contingent on the developer securing financing for the project.

To facilitate the developer obtaining financing, the Borough and Redeveloper have agreed to:

- a) Rent Schedule for the annual rent payments by the Borough based on current interest rates;
- b) Tenant's Termination Options to include a make whole provision that would permit the Borough to payoff the Build Lease at any time during the Term, and;
- c) Provision where the Redeveloper would split any cost savings from the construction of the Project with the Borough 50/50 (Borough could utilize the savings as a payment towards rent or a lump sum payment).

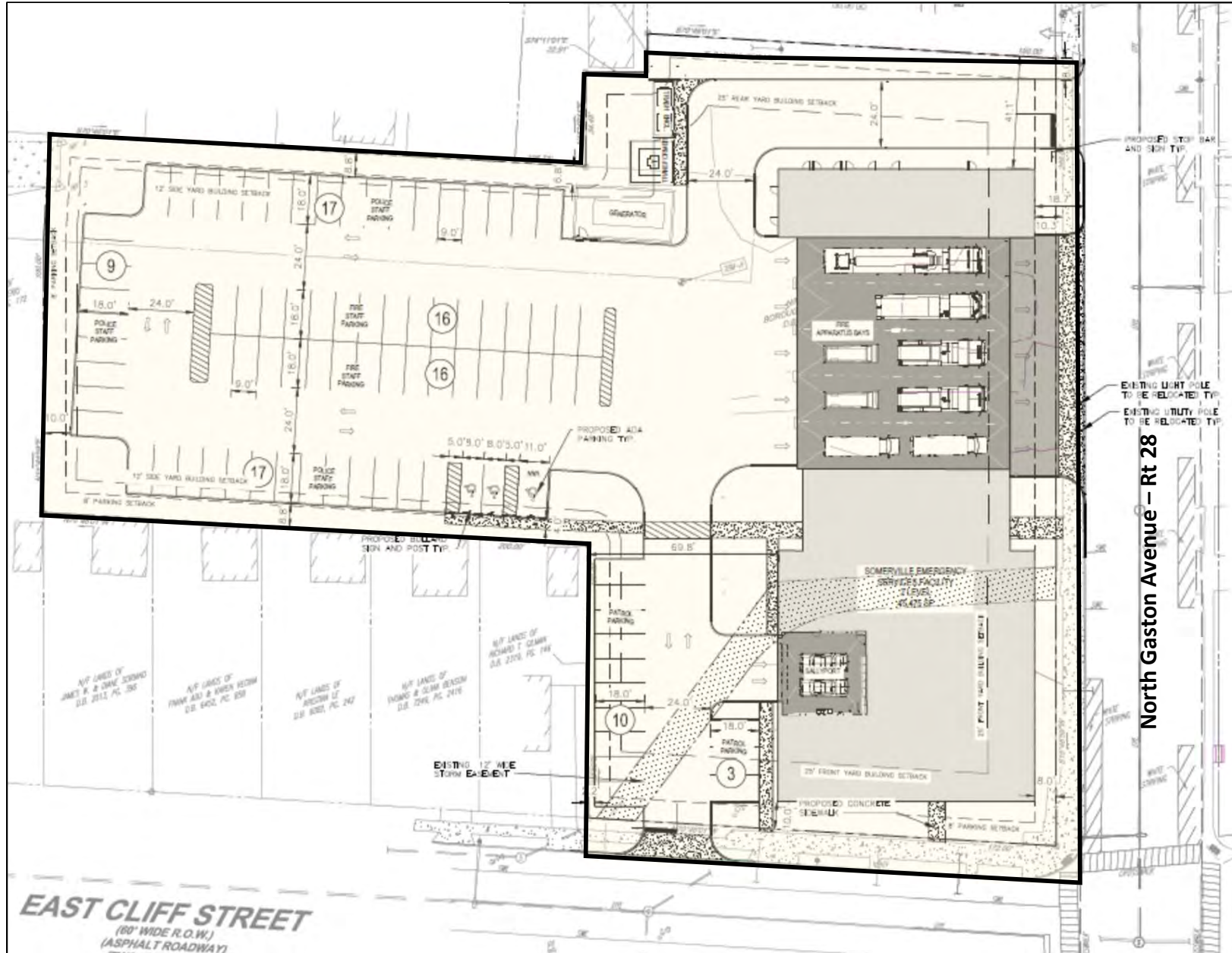
The Facility



Location



Conceptual Site Plan



Conceptual Site Plan



Conceptual Site Plan

SOUTHEAST PERSPECTIVE

FROM GASTON AVE. & CLIFF ST. INTERSECTION



WEST ELEVATION

FROM PARKING



Landscaping and Screening



Timing

1. Approved by Council October 2021
2. Agreements signed January 2022
3. Reviewed by Planning Board and County May 2022
4. NJ DOT permits applied for May 2022
5. NJ DEP permits applied for May 2022
6. Begin site preparation October/November 2022
7. Foundation start December 2022. Dependent on Permit issue
8. Vertical construction start Q1 2023. Dependent on Permit issue
9. Construction complete March 2024
10. Move in start April 2024

Thank you