

Municipal Building FAQ Update December, 2021

What is the current status on 2 Christie Heights?:

The governing body is no longer pursuing the purchase of 2 Christie Heights Street, and will be moving forward with a two-story traditional construction building on Fort Lee Road.

The Council's interest in 2 Christie Heights was the possibility of significant monetary savings from joint use between the municipality and the Leonia Board of Education. An escalating asking price was the primary consideration for our withdrawal following a comprehensive analysis of likely costs, financing, and structural integrity. In addition, and as part of our due diligence, it was determined any potential joint agreement for legal reasons would have required a delay of 6-9 months without a guarantee to proceed.

Leonia's urgent need for a new police station and Municipal Court requires us to proceed expeditiously.

The Facilities Committee re-visited these developments with an eye toward moving forward with the most practical, cost effective and timely options. The full Mayor and Council discussed the Facilities Committee recommendations at public meetings in the Fall. Once the price became cost prohibitive and process delays were identified, the decision to walk away from further discussions concerning 2 Christie Heights Street was made.

As a result, we are proceeding with a two story traditional construction Police HQ and Court on the Fort Lee Road site adjacent to the library and in front of the current police station. A Town Hall meeting on this topic is being scheduled for the beginning of the new year. At this meeting, we will discuss architectural renderings and other information.

What is the update on the Borough Hall renovations?

Our existing Borough Hall will be kept where it is with significant upgrades. The objective is to bring the structure up to code and functionality– and get at least another 20 years of useful service. This beautiful, historic building which many Leonians consider iconic will be preserved and maintained by the Borough as a central feature of our downtown.

What will the Borough Hall Renovations cost the typical Leonia taxpayer?

Your Mayor and Council are committed to getting the best value possible out of all investments. The cost of the police station and Court building is estimated at \$13.5 million which includes construction costs, architectural and engineering fees, furniture, AV and communications. We are hoping to reduce this estimate, should the bids come in more favorably than we have conservatively projected.

To finance the construction, the governing body will introduce a bond ordinance at the second meeting in January for a 20-year \$13.5 million bond at a projected 2.5% interest rate. This means the average assessed home in Leonia (at \$437,760) will pay an incremental average cost of \$297/yr to finance this project. If your home's assessment is less than the \$437,760 average you will pay proportionally less, the same principle holds on the upside if your home is assessed higher than the average assessed value.

Prudent management of capital expenditures by this and past governing bodies allow us to issue this \$13.5 million bond ordinance without sacrificing our current very high municipal bond rating. This high rating permits us to take advantage of lower interest rates. In addition, we have been advised by bond counsel that a critical debt service to asset metric still puts Leonia in outstanding financial shape after the \$13.5 million bond is floated.

When will the Borough Hall be renovated? How much will it cost?

The renovation of Borough Hall will begin AFTER the new Police HQ and Court is open in 2023. We will leverage the space from the old Police station and some of the 2nd floor offices in the new building to house employees who will be unable to work in their Borough Hall offices during the renovation. We are confident this is the most practical and cost effective way to proceed—it doesn't require us to rent space elsewhere at an additional cost.

After comprehensive evaluations of the existing Borough Hall by our Borough Engineer and our architect, we have conservatively estimated the cost of renovations (interior and a new fire escape on the exterior) to be \$1.15 million.