



RE: **Election Center Analysis for 3021 Miller**
TO: Mayor Taylor and Member of City Council
FROM: John Fournier, Deputy City Administrator
CC: Milton Dohoney, Jr., City Administrator; Atleen Kaur, City Attorney; Marti Praschan, CFO; Jackie Beaudry, City Clerk; Lisa Wondrash, Communications Manager; Kevin McDonald, Chief Deputy City Attorney; Sara Higgins, Director of Operations
DATE: 9/1/23

This memo explores the opportunities, costs and budget impacts of acquiring the property at 3021 Miller Road and repurposing it into an Election Center and an eventual new studio space for CTN. We have negotiated the price down to \$2.8 million. An independent appraisal conducted on behalf of the city has indicated that this price does not exceed fair market value for the property.

The Importance of an Election Center

In 2018, the voters of the state of Michigan adopted a series of changes to how we cast ballots, dramatically expanding access to absentee balloting and allowing same day voter registration along with other notable reforms. This amendment to Michigan's constitution revolutionized how elections are administered and, coupled with the onset of the pandemic in 2020, caused most voters in the City of Ann Arbor to become permanent absentee voters.

Before these changes, the city could process the number of absentee ballot requests we received out of the relatively small clerk's office on City Hall's second floor. Most of the activity related to the election occurred on Election Day itself in our 53 voting precincts, most of the ballot counting occurred at these locations, and there was little need for administration or counting space outside of the actual schools, churches, and government building where people cast their ballots. But with the sweeping changes to our elections adopted in 2018, the demands on the city changed radically. In 2022 approximately 55% of all ballots cast for Mayor were cast through an absentee ballot—30,445 in total. This is in addition to operating 53 voting precincts throughout the city, the clerk's main office in City Hall, and two satellite clerk offices on UM's campus. The logistical complexity of administering these elections has increased substantially, and the space and staff needed to ensure a well-run election has increased significantly as well. In 2022, the Clerk's Office employed more than 500 people working in full-time or part-time positions related to the election, many of whom worked in the weeks and months leading up to Election Day to ensure voter registrations, ballot request forms, and ballots were mailed, received, processed, and securely stored so they could be counted on Election Day.

The logistical complexity of this operation can appear labyrinthine to those who are uninitiated into the world of election administration. Each absentee ballot starts with a request to register to vote, which voters can now do at any time up to and including on Election Day. Once a voter is registered, they then must request an AV Ballot Request Form. Many voters have added their names to the permanent AV list, which means that the Clerk sends them a request form every election so they can fill it out and return it to City Hall. Once these forms are returned to City Hall, the voter is added to the absentee voter list and receives an absentee ballot when they are ready. Once a ballot is returned to the city, it must be securely stored until Election Day when it can be counted. A voted but uncounted ballot is perhaps the single most valuable item our city will ever have in its possession. It represents the potential and promise of our democracy, and its sanctity—its security—is the single most important objective of any American government, whether federal, state, or local.

The administration of these election processes—sending and receiving voter registration forms, sending and receiving absentee ballot forms, and sending and receiving absentee ballots, now happens simultaneously every day until the last voter in line at 8:00 pm on Election Day is able to vote. It is easy to envision why these processes are so labor intensive. However, it is also



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important to note that these processes must be physically separated from each other as much as possible to ensure they do not become intermingled, causing lost registrations, forms, or ballots. In addition, it is important to physically separate these documents by ward and precinct. There is a chain of custody that must be maintained with each form and ballot and these quality controls must be feverishly monitored and checked while a ballot or form is in the city's possession. This takes an immense amount of physical space to do properly. This is not an operation that can be managed anymore within the confines of the current Clerk's Office space in City Hall.

In 2020, City Hall was mostly vacant because of the pandemic and related telecommuting policies, and the Clerk was able to take over vacant office space to meet our election needs. The city's AV count board was held in the Huron High School Gymnasium. A satellite Clerk's Office was established on the campus of UM, in part to alleviate administrative pressure and wait times at the Clerk's main office in City Hall. Even with this additional office, lines were long in both locations for students and residents seeking to register to vote and request an absentee ballot. Additionally, the Huron High School gymnasium proved to be a perfectly sized space for our needs—but now that the pandemic is over with students back in school, we cannot have access to it and the city does not currently have a similarly sized facility at our disposal. Further, the city rents space from a privately owned warehouse to store our election equipment between elections and for election supply preparation. While this space has historically provided the necessary level of secure storage for our equipment, additional space for preparation and testing of equipment and supplies is also needed. Staff also believes strongly that a city-owned facility completely under our own control would provide a much greater level of confidence in our processes, especially in an environment where election results and procedures are being challenged across the nation.

From year to year, the city has had to work diligently to identify new locations for the AV count board. As noted previously, Huron High school hosted it during the 2020 election. We have hosted it in City Council chambers in the past, and most recently we hosted it in the jury assembly room at the Justice Center. These smaller venues present a variety of challenges given the number of people that must be present to properly count an absentee ballot, and the number of ballots that they are observing, counting, and handling. It is also important to note that there is sensitive ballot counting equipment that must be used to count these votes in a timely manner. The city owns a small collection of high-speed tabulators that are capable of counting votes in large quantities very quickly, and do so with impressive accuracy. However, this equipment is meant to be stationary. Every time we setup the AV count board in a temporary location, the equipment must be moved and setup, then moved back to storage again. Over time, this will cause wear and tear on the expensive equipment that will limit its life span and performance. The equipment is meant to be permanently installed and not moved.

Finally, we also have the important task of storing absentee ballots both before they are sent to a voter, and also—most importantly—after they have been voted and sent to the city. As previously mentioned, a voted but not yet counted absentee ballot is perhaps the most valuable single object the city has in its possession because of the foundational importance the right to vote in free and fair elections is to our society. In 2020, the number of absentee ballots we received necessitated the creation of additional secure storage space to hold them. We identified a conference room in a secure city facility where access was already limited to certain city staff. The room had no windows, and only one door. Security cameras were installed both inside the room



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and outside of it, pointing at the door. Access was limited to the room and the door was keyed for only clerk staff. The arrangement worked well for our purposes. However, once the election was over and after staff returned to work in their offices, the secure facility had to be removed so the room could be restored to its prior use. From election to election, we have to identify new secure storage facilities based on our needs. While we do so every time—and to be clear there is no circumstance where we will be unable to provide secure storage for our ballots—it would be ideal if we did not have to start from scratch every election and identify new facilities that can be temporarily commandeered.

For all these reasons staff believes that a separate, dedicated Election Center is necessary to provide the highest level of integrity, security, and confidence in our election processes. The City Administrator is recommending such a dedicated space be acquired and developed by the City.

3021 Miller Street

For the last year and a half, the city has been monitoring commercial real estate listings to identify a suitable property for such a function. The Election Center will require large, open workspaces to accommodate the ballot counting and organizational efforts that are features of our election administration work. Real estate listing have been sparse, however what we discovered is buildings with the large open floor spaces needed for the Clerk are also much larger in total square feet than what we would need. Put another way, a building that is 12,500 square feet total is unlikely to have 4,500 square feet dedicated to an open workspace. To get the open space we need, we had to look at buildings much larger, in the 20,000 square feet range. We began to consider what other government functions could be housed in this new facility that, first, needed new space and, second, could also help subsidize the cost of the project. Our Community Television Network (CTN) emerged as a perfect candidate for reasons that we will explore in this memo, and so we have pursued this project with the goal of also finding a property that could host a new home for CTN.

We have reviewed dozens of property listings during the course of this project, and seriously evaluated four properties (spread among three owners) to the point where we engaged basic level diligence and design options. 3021 Miller is the first property we have explored that meets our cost, location, and layout needs to such an extent that we decided to pursue a purchase agreement and begin formal diligence on a transaction. The property is in the city limits, however it is on the west side of M-14 just past the AAATA Park and Ride, and has good access to public transit. The total square footage of the building is 20,861 and it is built mostly as open space, with large open floor area intended for cubicles and convertible office space. There is ample space at the building for the Election Center, which would also serve as a satellite clerk office where voting and voter registration could take place, and to move CTN into a new studio space.

City staff toured the facility in mid-February and representatives from Communications, CTN, the Clerk's Office, Emergency Operations, and Facilities reported that the building would likely be suitable for our needs based on their preliminary review. In addition, Oxford Companies provided a top-level design for the building and estimated construction costs to buildout the Election Center and the studio space to be \$1.34 million. In the interest of facilitating a transaction, the property owner has allowed us to conduct extensive diligence on the property. Most of this



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work is completed, some of it will be completed during the diligence phase of the purchase agreement. We discuss our findings later in this memo.

The plan, should the City Council authorize proceeding with the acquisition, would be for the City to close on the building this fall in time for the City Clerk to occupy it as is, in its current condition, for the 2024 elections including the primaries in February and August, and the general election in November. We would likely have to make some interim improvements to provide for IT connectivity, and to allow for secure storage of election equipment and ballots. However, these will be relatively minor expenses. Throughout 2024 we will contract with a design and engineering firm to finalize a design for the building and render construction drawings and estimated costs. Then we will bid the construction out for a 2025 construction period, with the intent of having a fully remodeled facility at the beginning of 2026, including studio space for CTN and the new Election Center. In 2026, both CTN and the Clerk will occupy the building. CTN’s lease at their current facility allows for a penalty free early termination no sooner than August of 2026, so we have some cushion in case there are construction overruns and delays.

Acquisition Costs

The city’s finance staff recommends a cash transaction for the purchase of the building as the general fund does not currently have the capacity to fund a debt services obligation for the entire project cost. We have negotiated the final sales price of the building to be \$2.8 million, which does not exceed fair market value based on the city’s independent appraisal. Funds for the sale of the property would be rendered from several sources, detailed below:

Table 1. Source of funds for the cash transaction to acquire 3021 Miller

SOURCE OF FUNDS	TOTAL FUNDS
SALE OF 350 S. FIFTH AVE	\$828,250
ARPA ALLOCATION	\$996,750
FY23 UNUSED FUND BALANCE	\$1,075,000
TOTAL	\$2,900,000

We are not employing brokers for the transaction, so there are no brokerage fees. In addition, the City Attorney’s office is providing all legal services for the sale. There will be some minimal costs related to property inspections and other due diligence. You will notice that the sources of funds totals to \$2.9 million, while the sales price is set at \$2.8 million. The extra \$100,000 will be used to pay for the cost of inspections and other due diligence on the property, plus any other costs related to the transaction. It should be considered a contingency and it is likely that a portion of these funds will be returned to fund balance.

Operating Costs

This building is included in a condominium office complex, where there are commonly owned elements of the property that each condo member contributes toward maintaining and operating. These elements include the parking lot, the exterior lighting, landscaping, privately owned utility infrastructure for water, electricity, and gas, and other similar items. The condo fees



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for this property would be approximately \$75,000 annually and are the largest contributor to the annual operating costs. The condo fees for the current fiscal year are estimated as follows:

Table 2. Condo Fees by expense category for 3021 Miller

FEE TYPE	TOTAL
CONTRACTED SERVICES/MAINTENANCE AND REPAIRS	\$38,628.26
BUILDING RESERVES	\$28,189.09
MANAGEMENT FEES	\$6,000
TOTAL	\$74,817.36

Contracted services and maintenance and repair for this building include things like landscaping, irrigation systems maintenance, snow and ice removal, trash removal, pest control, window washing, and contracted work on utility systems that are exterior to the buildings. The building reserves are funds paid into a capital reserve fund for future major capital investments in the commonly owned elements of the property. Finally, the management fees pay for the administrative staff time dedicated to maintaining the condo and the property.

In addition to operating fees, there are utility costs. We estimate the utility costs to be approximately \$41,000 annually in FY23 based on the cost of heating, cooling, and providing electrical and internet services to similarly situated buildings. We will need to extend our own contracts for maintenance of the building, including electrical, plumbing, HVAC, and janitorial services. We anticipate those costs to be approximately \$80,650 annually. We will also need to extend our property insurance to this building, which will cost \$6,800 annually. Finally, we will need to make annual contributions to the facilities sinking fund to deal with future capital costs at the building for the city-owned elements of the property. We are budgeting \$50,000 annually in contributions to the facilities sinking fund. These costs are estimated and subject to change.

Table 3. Total annual operating costs for 3021 Miller after City Acquisition

EXPENSE TYPE	TOTAL
CONDO FEES	\$75,000
UTILITY COSTS	\$41,000
CONTRACTED SERVICES	\$80,650
BUILDING INSURANCE	\$6,500
CONTRIBUTION TO FACILITIES SINKING FUND	\$50,000
TOTAL	\$253,150

The estimated annual operating costs, \$253,150, initially would be covered by the general fund. Once CTN occupies the space in August 2026 an appropriate split of operating costs would be determined. The current estimate of the operating cost split between the general fund and the cable communications funds are a 70% (\$177,205) to 30% (\$75,945) respectively based on the utilization of the space by square foot by fund.

Construction Costs

Upon acquisition of the building, we would need to contract for design and construction drawings for the new space. We are assuming an estimate of \$100,000 for this service given the square footage of the building and based on our experience with other recent similar city projects.



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Some months ago, Oxford Companies made their design team at Yellowstone Construction, their in-house construction company, available to meet with our staff to determine design needs, mock-up a preliminary design sketch of the floor plan and render an estimated cost of construction to remodel the building so it can be purpose built for an Election Center and CTN studios. Their estimate rendered a cost of \$1.34 million, which we believe is a reliable figure in FY23 but will likely grow over time as costs rise. Our current plan, if we acquire the building, is to operate it as an Election Center in 2024 as is and commence construction on the building no sooner than calendar year 2025. In consulting with construction companies that the city has worked with recently, we believe a reliable current cost figure for an office remodel is \$120 per square foot. You will note that \$120 factored by the building's total square feet is quite a bit more money than \$1.34 million. However, vast portions of the building would need to remain open space to create areas large enough for the Clerk's office to effectively use as administration space for the AV count board and other activities, and portions of the building would remain untouched including the reception area, main hallway, mechanical closets, bathrooms, the annex areas, and southern great room area. With this discounting of space, we do believe the \$1.34 million figure represents a reliable estimate. We will be unable to render a more precise figure until we hire a design and engineering firm that can provide detailed construction plans for the building and program construction costs.

Other Capital Needs

We have asked for up-to-date service and life-span information from Oxford Companies for all mechanical systems and have received some information (more complete information will come as part of the due diligence period on a real estate transaction). The roof is a limited common element maintained by the condo association at the cost of the condo owner, so the city would be responsible for roof replacement. The roof is original to the building and is nearing the end of its useful life. Our inspector advised that it will need to be replaced very soon at a cost of \$175,000.

It was noted during our site visit that while the building has a fire suppression system the fire alarm system did not appear to be up to current code and would likely require an investment of some amount of funds to correct. Since this is a one-story open concept building, we assume the cost to be \$2 per square foot, or \$40,000 at a maximum.

We will need to connect the building to the City's fiber network to service CTN at the site. IT was able to get an estimate for this work at \$134,000 which includes boring under M-14. To make the fiber connection MDOT would need to permit the project, and it would have to be complete before CTN could move in. IT believes that they have fund balance in their fiber fund to pay for this project and could potentially share costs with AAATA who have in the past been interested in running fiber to their park and ride lot that is adjacent to the property. Finance's preference is to have the general fund bear the cost of the fiber installation since this facility would be owned by the general fund. However, a final source has yet to be determined and is dependent on availability of resources.

There will be substantial IT needs for this building as well. While the building was recently occupied by an engineering firm and does have basic IT infrastructure like data ports and data cabling run throughout, we will need to equip the building to be a fully functional workspace for



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more than 100 employees on the City's network, which will include more advanced equipment. IT estimates that the total cost to outfit the building would be \$117,010. This does not include the cost of computers for employees, however all employees assigned to this building should already have computers and any replacement of this equipment or increased IT services charges would be born through their departmental operating budgets.

The building has eight rooftop condenser units, with the size ranging between three tons and 12.5 tons. Three of these HVAC units were replaced in 2019, one was installed in 1999, and four others were installed in 2000. There are four ground-mounted condenser units, one is original to the building and was installed in 1999, two were installed in 2005, and one was installed in 2018. One of them is one ton, the others are five tons. There are two furnaces that are both original to the building and are 100 mbh (approximately 8 to 10 tons each). Finally, there are three mini-split systems that were installed in 2007 and are each between one to one and a half tons. In summary, there are 17 pieces of equipment related to the HVAC systems, 10 of which are at or nearing the end of their useful life and will need to be replaced in the years immediately following building acquisition, three are in the mid-range of their lifespan, and four are at the beginning of their lifespan. It is safe to assume the immediate mechanical costs for the building will be substantial, potentially totaling in the hundreds of thousands of dollars. Staff have provided a low confidence estimate of \$300,000 in immediate mechanical needs, plus the need to invest recurring funds in the facilities sinking fund every year to meet ongoing mechanical replacement needs that will be present for some time. Inspection by a licensed contractor was completed on all of this HVAC equipment last week and we are awaiting a final report.

The building does have a generator that is original to the facility, so it is more than 20 years old. The building owners report that it requires regular preventative maintenance at this point, and so it may be a candidate for replacement. We estimate the cost of replacement to be \$150,000. Inspection by a licensed contractor was completed on all of this HVAC equipment last week and we are awaiting a final report.

An energy audit of the building is being conducted to determine what efficiency improvements need to be made, what opportunities there are for decarbonization, and what solar potential exists on the site. Additionally, the building will be programmed into the city's plans for decarbonization of city facilities in accordance with the city's A2 Zero plan. Added costs for this transition are yet to be budgeted, however there are existing funds in the Office of Sustainability and Innovations that could be used to defray some costs.

There are also commonly owned elements of the property, including the water, stormwater, and wastewater leads that connect to city utility systems. Many of our current staff members worked for the City when this development was designed and built nearly 24 years ago and have first hand knowledge of advising and approving the utility interconnections and systems on this property. The water and stormwater systems are not extensive and we will not be assuming a significant liability with them. There is a city owned easement that runs through the parking lot on the property in service of a city owned water main. The only water infrastructure we would own as the building owner would be the water service line that leads from our building to the main, and given its age we estimate that it is in excellent condition. Similarly, the stormwater system is comprised of a few drains that lead to a stormwater basin on the property. The drains are in good



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condition, though the basin may need some basic maintenance at some point soon. The city has received no drainage complaints on this property since it was constructed.

The building is connected to the city’s sewage system through a pressurized pump and a masticator, which is a grinder that pulverizes solid waste and allows it to be pumped more effectively. This is an extensive underground utility system and it will need both routine maintenance and capital investment, though the extent of this investment is unknown at this time. Additional major common elements of the property are the parking lot and sidewalks. The city’s engineering unit inspected this infrastructure and determined that the sidewalks were in fair to good condition, however the parking lot was likely nearing the end of its life and will need replacement in the coming years. This work will be funded out of condo fees, and any overage will be funded directly by the condo members. The city’s participation would be commensurate with the proportion of square feet we own in the condo—or approximately 23% of the total cost of the project. We believe our share of the parking lot reconstruction would be approximately \$90,000.

Table 4. Known Facilities Costs at 3021 Miller

PROJECT	TOTAL COST
NEW ROOF	\$175,000
FIRE ALARM SYSTEM	\$40,000
IT SYSTEMS	\$117,010
HVAC REPLACEMENT	\$300,000
GENERATOR	\$150,000
I-NET CONNECTION	\$134,000
PARKING LOT REHABILITATION	\$90,000
TOTAL	\$1,006,010

Budget Impact

From a purely financial perspective, the acquisition, build out, capital investment and the annual operating costs of this property are challenging for the general fund and CTN fund budgets. The CTN fund in the long-term is not a viable contributor, under current conditions, to the annual operating costs or in the near term a viable contributor to the acquisition because of continued declines in cable subscriptions, and therefore the cable subscription fees that the city collects from them. The cable franchise revenue stream continues to decrease and is anticipated to continue a downward trajectory. A long-term plan needs to be developed for what our local community television service and funding will look like in the future given this reality.

The city recently negotiated a new lease agreement for CTN at its existing location, and the lease includes an early termination clause with no penalty to the City. However, this early termination is effective on August 31, 2026. The city’s current plan is to have the building under construction for a remodel in 2025, with final move-in at some point in early 2026. If construction occurs on schedule, that means CTN will have a short gap in time between when it will be done paying lease payments on its current location and when it will be able to move into the new location. If there are unanticipated delays, the timing may line up. Regardless, at this point we would not plan for any contribution from the CTN fund for operating costs until August of 2026; however, we would assume the use of CTN fund balance for their required build-out of the



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property. Currently, CTN is programming to use fund balance of \$273,000 in FY24 to meet annual operating expenses. Using the fund balance will shorten the timeframe until the need for General Fund assistance for operations, but by how much is difficult to estimate at this point. The current fund balance of the CTN fund is approximately \$4.2 million.

A conversation about reshaping CTN’s operations is coming, regardless of this project. It is simply a matter of when. It is also notable that building a new studio space for CTN will involve shrinking its physical footprint significantly, technology upgrades for a more digital and automated future, and lowering annual operating costs for its physical space, and so this project is an important step in shaping CTN’s future to be more financial sustainable. Indeed, in FY27 CTN’s annual lease payments, including additional building operation fees, will approach \$200,000 annually. Moving CTN to this new facility will cut their annual building expenses by more than half, and so this project is an important step forward in creating a more financially sustainable future for CTN.

Table 5. Annual Budget Estimates and Results for the CTN Fund

	FY20		FY21		FY22		FY23*	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUE								
	\$2,199,958	\$2,100,986	\$2,140,499	\$1,756,031	\$2,003,692	\$1,590,152	\$1,998,281	\$1,679,315
EXP.								
	\$(2,127,793)	\$(1,751,203)	\$(2,000,422)	\$(1,694,822)	\$(1,981,295)	\$(1,832,712)	\$(1,948,402)	\$(1,907,521)
CHANGE IN FUND BALANCE								
	\$72,165	\$349,783	\$140,077	\$61,209	\$22,397	\$(242,560)	\$49,879	\$(228,206)
FUND BALANCE								
		\$4,626,954		\$4,688,163		\$4,445,603		\$4,217,397

The general fund remains challenged because of rising costs compared with relatively low revenue growth as reflected in our budget model. The city’s updated budget model predicts a balanced budget in FY25 and a modest budget deficit in FY26 which grows in the out years. Any additional expenses on the budget, including the Election Center, will have to be made up with additional real or projected revenue, or cuts to programs and services. Of note, however, is that the city’s budget model assumes no growth in property tax revenue or state revenue sharing in FY26 and beyond, and these figures are adjusted up or down as economic data and related information becomes available to the city. While in most years these revenue categories grow, there have been notable years in the last two decades where they have remained stagnant or shrank.

With this information in mind, a discussion about funding sources is warranted. As an all-cash transaction, the Election Center is essentially a \$5.25 million project including the cost of acquisition, construction, and other capital needs. In addition, there are ongoing annual operating expenses totaling \$253,150 that would be borne by the general fund until FY27, when those costs could be shared by the general fund and the CTN fund (at a significant net savings to the CTN fund over their current facility expenditures).

To fund these expenses as a cash transaction the city will have to draw extensively on existing cash reserves and also seek outside funding help. As previously mentioned, the \$2.8 million needed to acquire the building can be funded by a market value transaction for 350 South Fifth Ave,



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our ARPA funds, and budgeted money that is being returned to the general fund from unused FY23 funds.

Table 6. Cost of Cash Transaction for 3021 Miller

COST	TOTAL
ACQUISITION	\$2.8 million
CONSTRUCTION	\$1.44 million
OTHER CAPITAL NEEDS	\$1,006,010
TOTAL	\$5.25 million

There are other cash reserves that can be drawn on to fund the remodel related construction to create a purpose-built space for the Clerk and CTN. While the CTN fund has an uncertain future because of decreasing cable subscription fees, there is a sizeable fund balance available now and we can draw upon these funds for remodel and construction costs related to the new CTN studios, estimated at this point to total \$407,896 (less than 10% of the current CTN fund balance). Additionally, the city has other real estate assets including 926 Mary Street, the recently demolished polling location that was struck by a tree (this building has yet to be appraised), and the closed Fire Station 2 at 1510 Stadium Blvd that has appraised for \$470,000. There is also the potential to use unutilized budgeted funds that would otherwise return to fund balance in future years, however use of these funds is contingent upon availability, the city’s ability to retain its policy minimum 15% general fund reserve balance, and prioritization of this project over other potential needs. These sources could likely fund the cost of remodel related construction.

Even with these resources, there remains a funding gap to cover the immediate capital needs of the building detailed in this memo. Notably, there is also only enough money to cover the remodel if Council concludes the sources detailed above can be sold at market value and utilized for the Election Center. To cover any remaining gap, the city will continue to explore opportunities within our own budget to provide funding, but we are also seeking funding support from the state government through community enhancement grants or other similar sources of funds for one-time financial support. Staff are optimistic that funding for the remainder of this project can be secured from external sources, however it should be noted that the acquisition of the property must proceed very soon, before outside funding can be secured, and must rely on internal sources of funding. The property owner has kept this property off the market for most of 2022 while the city has conducted extensive diligence on the property, engaged a design process, and worked to secure funding for the transaction. However, they are unlikely to hold the property off the market in perpetuity if the city is unable to enter in a purchase agreement very soon.

Conclusion

The acquisition of an Election Center is important to support one of the city’s core missions—the reliable and secure administration of free and fair elections. The property we have identified is ideally suited for this purpose and based on our own independent appraisal we know that we can acquire the property at a good price that does not exceed fair market value. If we move to acquire the building now, we can have a functional Election Center up and running for the 2024 election, but for various reasons we must approve the purchase agreement by early-September to retain exclusive privileges on the property that have to this point been granted voluntarily by the



RE: **Election Center Analysis for 3021 Miller**

TO: Mayor Taylor and Member of City Council

FROM: John Fournier, Deputy City Administrator

CC: Milton Dohoney, Jr., City Administrator; Atleen Kaur, City Attorney; Marti Praschan, CFO;
Jackie Beaudry, City Clerk; Lisa Wondrash, Communications Manager; Kevin McDonald, Chief
Deputy City Attorney; Sara Higgins, Director of Operations

DATE: 9/1/23

property owner. Any delays and we risk losing the building to other potential lessors or purchasers. Further, there are funds available to acquire the building with cash assets, with Council's approval on the sources and uses of funds. However, we will have to seek external funding to complete construction and capital investments so the building can be purpose built for an Election Center and a new studio space for CTN. To be clear, no guarantees have been made for this external funding at this point, however staff are optimistic that external funding can be secured to complete this project.