



CASCADE CHARTER TOWNSHIP

2865 Thornhills SE Grand Rapids, Michigan 49546-7140

Cascade Township Hall **Facts, Information, and Frequently Asked Questions** *Updated – 7/07/16*

Cascade Charter Township has recently undertaken a feasibility study for a potential new Township Hall Project. The feasibility study has been completed and accepted by the Cascade Township Board of trustees, and considerations are being made to move the project forward. For those that have not followed the project, several questions have arisen regarding the nature and need of the project. This document is an attempt to answer some of the frequently asked questions and it provides extensive background and historical context for the project. The Township will continue to update this document as more questions arise. If you have additional questions, you may contact Benjamin Swayze, Township Manager, at bswayze@cascadetwp.com.

What are the services that are provided out of Township Hall?

Cascade Charter Township is a full service municipal organization that operates similar to a city. Services that are provided directly out of Township Hall include:

- Administration (Budgeting, Accounting, Human Resources, Operational Management)
- Clerk (Elections, Records Management, Passports, Cemeteries)
- Treasurer (Tax Collections, Fiscal Management, Investments)
- Assessing (Property Assessments, Board of Review, Tax Exemptions)
- Community Development (Planning, Zoning, Business & Economic Development, Downtown Development Authority, Parks, Recreation, Buildings and Grounds, Code Enforcement)
- Building Department (Full service inspections department serving Cascade Township, Grand Rapids Township, Ada Township, Plainfield Township, Vergennes Township, Lowell Township, City of East Grand Rapids and City of Lowell)

In addition to the above services provided directly out of Township Hall, these additional services are also supported by Township Hall and Township Hall staff:

- Fire Department (Full time, 24/7 operation, including fire, rescue and emergency services)
- Infrastructure Development and Maintenance

- Roads (in partnership with the Kent County Road Commission)
- Water/Sewer (in partnership with City of Grand Rapids)
- Police Services (In partnership with the Kent County Sheriff's Department)
- Library (In partnership with the Kent District Library)
- Pathway Maintenance and Development

What is the background of the current Township Hall?

The current Cascade Township Hall, located at 2865 Thornhills SE, was originally built in the late 1960's as a commercial office building. In 1980, the Township purchased the building and renovated it to become the Cascade Township Hall, Library, and Fire Station. In the late 1990's the library moved to the new facility located on Jacksmith Drive and the building was once again remodeled to accommodate the growing organization and Building Department.

What are the key reasons the Township is looking at a potential new Township Hall?

In fall of 2014 the Township Board approved a Township Facility Master Plan and Administrative Office Design Study. The study was approved in response to several major needed repairs and facility deficiencies at the current Township Hall. The sentiment was that we should first determine the present and future needs of Cascade Township and see if the existing structure could fulfill these needs before investing significant dollars into our current Township Hall facility. Issues that were identified that led to the study being approved included:

- Identification of nearly \$500,000 in repairs needed to the current Township Hall facility including a new roof and a complete overhaul of the HVAC system
- Current Township Hall was developed in 1980 and was built to accommodate a Township that was approximately 56% of what the population is today (not to mention the tremendous industrial, commercial, and retail growth). The Township was able to renovate the facility in 1997 to accommodate the organic growth in the organization, but the Township is not able to expand the facilities again due to zoning, fire department traffic circulation, and structural issues. Thus, adding to the current facility is not a viable option.
- The Building Department has already run out of space and does not have the space needed to accommodate scheduled equipment upgrades. In addition, future employment needs, including those related to anticipated new work in current customer communities, cannot be accommodated in our current facility. It is important to note that the Cascade Township Inspections Department serves Cascade Township, Grand Rapids Township, Ada Township, Plainfield Township, Vergennes Township, Lowell Township, City of East Grand Rapids, and City of Lowell. These shared services benefit all communities

and lower costs for all the communities while also generating revenue for Cascade to support general operations related to building department functions.

- Township Hall lacks needed meeting space and it is becoming increasingly difficult to hold on-site meetings. Meeting space is often occupied by non-regular operations (elections, auditors, Board of Review, etc...)
- Storage space is extremely limited. Most archive record storage is held at the Wisner Center and current space barely meets the needs of regularly stored active records.
- The proposed new Township Hall will require no new taxes or revenue. The Township has been fiscally responsible over the years and has purposely maintained a healthy fund balance in order to avoid financing costs for large capital improvements, such as this potential project.
- In addition to being undersized and needing significant maintenance, the current Township Hall does not project the image of a vibrant Township. We expect quality and attractive projects based on township ordinances and specifications. These are in place to make Cascade a better and more attractive place to live and do business, thus attracting more residents and businesses. This professional approach has been extremely successful and has helped to grow our community and its tax base while also providing new amenities, such as the pedestrian paths, new parks, the Buttrick Fire Station, the library, an updated recreation park, and others. So, we expect development in the Township to project a very favorable image, and our standards have led to a growing and vibrant township that has also generated a lot of pride from residents and businesses. Since our current Township Hall is inadequate, cannot be expanded, and is about 40 years old, a new Township Hall is needed to serve the community for the next 20-30 years or more. It was felt that any new Township Hall should reflect a very positive image on Cascade. However, a thorough process was needed to assess the feasibility of a new Township Hall.

What was the Township Hall Feasibility Study and how much did it cost?

The Township Hall Feasibility Study was a three-part study to determine the need, location, and conceptual design and budget for a potential new Township Hall. The parts were broken down as:

- **Phase I** – Programming – During this phase our consultant looked at historical trends and population projections and held interviews with Township staff and officials to determine the space that would be needed to accommodate the Township organization in the next 20 years.
- **Phase II** – Master Planning – During this phase our consultant looked at several different options for the location of a potential new Township Hall. In addition, the phase did a mini-master planning session for the property the Township owns surrounding the library.

- **Phase III** – Schematic Design – During this phase our consultant created conceptual and schematic design and elevations for a new Township Hall as well as creating a budgetary estimate.

The total cost of all three phases of the study was approximately \$45,000 and took place between September 2014 and March 2016.

Who participated in the Township Hall Feasibility Study?

The Township Hall feasibility study included participation from Township Elected Officials, Township Staff, members of the public during public meetings and other key stakeholders during various stages of the study (Library staff and Friends of the Library, etc...). The Infrastructure Committee of the Township Board (Trustee Lewis, Trustee McDonald and Treasurer Peirce) were responsible for reviewing the work done during the feasibility study and recommending action to the Township Board.

What was the outcome of the Township Hall Feasibility Study?

Phase I – The programming phase of the Township Hall Feasibility Study showed that based on historical trends, population estimates, and interviews with Township staff and elected officials, the Township will need approximately 52% more space to accommodate the Township organization over the next 20 years. Some of the space requirements come from deficiencies the Township is experiencing already (lack of meeting space, file storage space, office space in the Building Department) while other space needs come from anticipated organic growth of the Township staff as the resident and business population increases over the next 20 years.

Phase II – The Master Planning phase of the study took a look at the various opportunities for a new Township Hall facility, including the current site, the Township Library property, and various other areas of the Township. Part of the master planning phase was to look at the potential to significantly renovate the current Township Hall. While some minor renovations/additions could be implemented to relieve immediate issues, it was determined that renovation and addition to the current Township Hall could not fulfil all of the estimated needs of the Township. This was due to zoning regulations and fire station traffic flow issues (inability to build out) and structural issues (inability to build up).

After considering all options, the Township Board ultimately chose to locate a potential new Township Hall at the library property to continue to build a civic complex “feel” and to capture the synergy and efficiency between the two buildings, which includes that residents may need to visit both in the same trip. The Board did consider two locations on the property, both the currently proposed location and a location that would connect the Hall to the back of the Wisner Center. Ultimately the Township Board chose the current location as there was a want to provide a separate identity for the Township Hall from the library and make sure it was in a prominent location for resident and visitors.

Phase III – With the needs established and the location selected, the consultant worked with a focus group of Township Staff and officials to create a schematic and conceptual design for a potential new Township Hall. The process involved several site visits to the facilities of other

cities and township and involved several group sessions as plans were being developed. The floor layout saw several different variations as the group dealt with customer (residents and business) flow issues and site constraints. The consultants provided a half dozen various floor plans. Once a schematic design was selected, the consultant then created a budgetary estimate for the project.

You can see the completed Township Feasibility Study, including the needs assessment, master plan, schematic design, and budget estimate, on the Cascade Township website (beginning the first week of June) at www.cascadetwp.com

What is the budget estimate for the new Township Hall and what does it include?

The budget estimate for the new Township Hall is \$7.5 million and should be considered a “turnkey” estimate, including all construction, architectural, engineering, furniture, fixtures and equipment costs. The budgetary estimate also includes nearly \$800,000 in design and estimating contingencies as the construction market has proven to be very volatile of the past two years. Our hope is that these contingencies will not be needed, but we asked our consultant to provide us with a very conservative, worst-case-scenario estimate. This budgetary estimate will continue to be updated and modified as the Township goes through the building design process. A final budget will be presented when a final bid is presented to the Township Board for consideration.

How will the new Township hall be paid for?

The Township Board did not want any new taxes to be required for a new Township Hall. The Finance Committee of the Township Board spent considerable time reviewing the following proposed funding scenarios and offered the following insights:

- **All Cash Funded Project** – The main “pro” (advantage) of this scenario is that it would eliminate all financing costs, meaning the project cost would be the true cost of construction. The Finance Committee did not like this option as it would significantly spend down the Township fund balance and would limit Township financial flexibility, bond rating, and ability to withstand an economic downturn.
- **Finance Entire Project Over 20 Years** – The main “pro” of this scenario is that our financial stability and flexibility would remain intact. The Finance committee did not like this option as it adds significant cost to the project (\$3 million in interest) and there was worry that the general fund operating budget and/or building fund would not be able to handle the annual debt service without tapping fund balance anyways.
- **Finance Construction Costs Over 20 Years** - In this scenario, the Township would pay cash for the furnishings and soft costs and finance the base construction costs over a period of 20 years. Again, the Committee’s main issue with this scenario was that it drove up the overall cost of construction even though we do have enough cash to pay for a significant part of the project. The ability to meet debt service was less of a concern in this scenario, but could still stress the budget in “lean” years.

- **Finance Construction Costs Over 10 Years** – The same scenario as above, but reducing the debt service period from 20 to 10 years. The benefit here over the above scenario is that it reduces the financing cost from \$2.8 million to \$1.3 million. However, the debt service skyrockets to what the Finance Committee determined was an unsustainable amount.
- **Finance 50% of Construction Costs Over 15 Years** – In this scenario, the Township would pay cash for the furnishings and soft costs as well as 50% of the base construction costs. The remaining base construction costs, about \$3.1 million, would be financed over 15 years. The Finance Committee liked both this scenario and the next scenario the best. It seems to strike an appropriate balance between utilizing cash reserves and financing without putting a particular stress on either the financial health of the Township or the Budget going forward.
- **Finance 50% of Construction Costs Over 10 Years** – Same as the scenario above, but reducing the debt service period to 10 years. This increases the annual debt service requirements, but reduces the overall cost of financing about \$400,000.

After debating the pros and cons of each scenario, and bringing up other scenarios that the Township Board could consider, the Finance Committee recommended that the Township Board select the funding scenario where the furnishings and soft costs, as well as 50% of the construction costs would be paid for utilizing General Fund and Building Department fund balance, and the remaining costs would be financed over a period of 10 years. The analysis shows that both funds would continue to maintain a health fund balance, and the 10-year budget projection shows that each fund can handle the debt service without stressing the funding of General Operations. The Finance Committee is focused on the Building Fund providing 25% - 35% of the support for the project, but has asked staff to do more research before that recommendation is made.

For the General Fund, the cash outlay will end up being somewhere between \$3-\$3.5 million. The current fund balance for the general fund is over \$8 million dollars which means that the new fund balance will be between \$4-\$5 million, still well above 100% of regular operating expenditures. The debt service for the general fund will be around \$275,000, while our 10-year budget project shows surpluses (\$480,000 - \$1,000,000 +) in 8 of the next 10 years.

For the Building Fund, the cash outlay would be between \$1.1-\$1.3 million. The current fund balance for the Building Fund is around \$2.1 million, which means that the new Building Fund “fund balance” would be around \$1 million. It is important that the Building Fund “fund balance” remains at least at 100% of regular operating expenditures given the volatile nature of permit revenues. This scenario would maintain the balance at that level. The debt service to come from the Building Fund would be around \$100,000 depending on the final mix of support. Staff is working on exactly where that portion will come from, but unless we see a significant economic recession again we do not see covering that cost to be an issue. The Building Fund has run significant surpluses (\$400,000+) over the past several years.

Will there be a tax or fee increase for the new Township Hall.

No. The funding scenario selected by the Township Board for the new Township Hall involves no new revenues of any kind. All costs for the project will be paid for from either the Township Fund balances or revenues that the Township current receives through taxes, fees, leases, contracts, and revenue sharing with the State.

How did the Township Board get to the current point in the process and what were the votes for approval?

The Township Board approved the contract for the Township Hall Feasibility Study at its regular public meeting on August 27th, 2014. Below is a schedule of public meetings that were held regarding the project:

- **August 27th, 2014** – Contract for Feasibility Study approved. (Approved 7-0)
- **January 14th, 2015** – Needs Study Presented, Phase II approved (Approved 7-0)
- **May 13th, 2015** – Master Plan and Site Selection Presented, Phase III approved (Approved 4-3 for free standing building site selection Yeas – Beahan, Lewis, Koessel, Peirce Nays – Goodyke, McDonald, Goldberg)
- **September 9th, 2015** – Conceptual/Schematic Design and Budget Estimates Presented, board directs Finance Committee to consider funding options. (Approved 7-0)
- **February 24th, 2016** – Funding options presented, Township Board directs staff to hold Community Forum on the project. (Approved 4-0; Goldberg, Goodyke, Lewis Absent)
- **March 24th, 2016** – Community Forum held on project.
- **April 13th, 2016** – Board considers project, directs staff to seek design and construction management proposals. (Approved 5-0; Goldberg and Koessel Absent)

Does the proposed Township Hall include a “gym” and showers for the Township employees?

The proposed project includes restroom facilities for employees with showers. Showers are an important amenity for Township staff. Our Building Department employees spend a majority of their days in construction sites not only in Cascade but also in neighboring communities that we serve. Sometimes there is a need to take showers once employees return from the field, especially if they have business related meetings later in the day or came into contact with an environment that calls for an immediate shower. Other staff members also work in the field from time to time, including inspections in natural areas, parks, construction sites, and storm drains; thus, they may also need to use shower facilities. Showers may also encourage employees to take alternative means to work (biking, walking, etc.). It is also important to note that showers will be important should the Township Hall become a Red Cross relief site. The showers are also important for LEED certification (again, promoting alternative means of transportation). The

showers add minimal cost to the project (less than \$10,000) as they are only one stall in each of the already planned restrooms.

The Township Hall plan also calls for a small workout room for employees. This will be similar to the facility that Township employees already have access to in the current Township Hall. It is not a gym. The room will be approximately 200 square feet (e.g., 10 x 20) and will contain some basic fitness equipment (treadmill, elliptical, fitness ball, etc.). The fitness equipment placement will be coordinated so that equipment retired from the fire department can be repurposed for usage by Township Hall employees. It is anticipated that the workout room adds less than \$10,000 to the cost of the project. If needed, this space could be used for office expansion in the future.

Does the proposed Township Hall project involve the proposed amenities at Jacksmith and 28th Street referenced in the Master Planning portion of the feasibility study?

No, the proposed Township Hall project is specifically for the Township Hall building and site improvements only. The Cascade Township Downtown Development Authority is currently leading a planning exercise to consider what, if anything, should be considered for the Jacksmith Drive/28th Street property. Whatever recommendations come from that exercise would be considered an entirely separate project from the proposed Township Hall project.

Has the State of Michigan issued any direction to Cascade Township regarding the current fund balances of the Township are set any limitation on fund balance accumulation?

No, the State of Michigan does not regulate the level of fund balance that the Township can carry and the Township has not received any communication from the State regarding the level of fund balance. The only restriction that the State of Michigan imposes on the current fund balances of the Township is that any funds currently held in the Building Department fund must only be utilized on activities and projects related to the Building Department.

Who will make the final decision on whether or not to proceed with the proposed Township Hall project?

The Cascade Township Board of Trustees is the entity with the vested power to spend Township funds. Any decision to spend Township funds must be approved by a majority vote of the Cascade Township Board of Trustees.

Is there a limit on the amount of money that the Township can spend?

Per the Charter Township Act and other enabling legislation, the Township can levy no more than 1.1 mills for general fund operations without a vote of the residents. That millage rate has been rolled back to 0.9716 mills due to the Headlee Amendment, which ensures tax revenues do not grow greater than the rate of inflation. Besides the general fund millage, the township has other voted approved millages for services such as Fire, Police, Open Space, Pathways and the Library.

As long as the Township does not levy taxes higher than the authorized rate, the Township can spend funds at a level and rate that the Township Board of Trustees approves. The Township is required to approve a balanced budget each year, but the budget may be balanced by utilizing funds saved from previous years (fund balance).

Why will the proposed Township Hall project not be on a ballot?

The proposed funding method for the Township Hall project is through current revenues, including General Fund and Building Fund fund balance, and bonds to be paid for utilizing current General Fund and Building Fund Revenues. No new taxes or revenues would be utilized for the proposed project. Projects or services that have been approved through a ballot measure in the past have been projects or services to be funded through new property tax revenues, which require a vote. Since no new revenues are required, the proposed project would not appear on a ballot.

What is the method for Cascade residents to enact a referendum on this project?

The state of Michigan Charter Township Act, under which Cascade Charter Township is organized, does not provide a method for enacting a referendum on a decision of the Township Board. The Township has consulted with the Kent County Department of Elections, and they have indicated that they are unaware of a method to enact a referendum on a decision of the Township Board. Questions on referendum procedures should be directed to the Kent County Department of Election or the State of Michigan Secretary of State.

Is the Electric Vehicle Station and LEED certification necessary?

The Electric Vehicle Station and LEED Certification items were included in the schematic design budget estimate in order to give the Township Board a budgetary estimate on what costs would be associated with these items. The Township Board has not committed to including or not including either of these items as formal design work for the proposed project has not been considered. There are pros and cons to each of these items that the Township Board would weigh prior to making a commitment to pursue either of these items in a final design for the project.

What is the plan for the Fire Station and current Township Hall?

The long-term vision for the Fire Station is that when it is needed, a new Fire Station would be erected on the space where the current Township Hall sits, and the current Fire Station will either be repurposed for the Buildings and Grounds Department, or demolished if repurposing is not an efficient option.

The short-term plan would be for the Fire Station to remain in operation at its current location. More study is needed to determine what the short-term use of the Township Hall facility would

be. Possible alternative include repurposing for a related fire department use, repurposing for a community use, or partial/full demolition.

Who decides the Zoning regulations for the Township?

Zoning regulations for the Township are approved by the Township Board with input from the Planning Commission. The Township is required to comply with Zoning regulations just as any other entity is required to comply. Variances to the Zoning ordinances of the Township are considered by the Zoning Board of Appeals.

Why does the Township serve other communities for Building Inspection services and how are those services funded?

Cascade Township provides Building Inspection services for the following communities:

- Ada Township
- Grand Rapids Township
- Plainfield Township
- Vergennes Township
- Lowell Township
- City of Lowell
- City of East Grand Rapids

The Building Department is fully supported by revenue generated from Building Department activities. In addition to being self-funded, the Building Fund consistently contributes \$80,000 + per year to the General Fund to cover administrative costs related to the Building Department. The Building Department is structured so that no tax dollars are utilized to fund that service.

The funding for the Township Hall would be covered approximately 30% by Building Department funds, including usage of fund balance from the department and covering a portion of any debt service related to the project.

Is the Township planning on buying, swapping or otherwise acquiring additional land for a proposed “civic complex” project?

Cascade Township recently approved a Planned Unit Development (PUD) for the property located directly south of the land for the proposed Township Hall project. The approved project includes the development of 10 detached condo units (essentially single family homes.) The Township has absolutely no interest in this land and does not believe the land would provide any advantage for future Township facilities over the land the Township currently owns.

SUMMARY: Key Points Regarding a Potential New Township Hall

- The current Township Hall is a Township asset from 1960's. It is over 40 years old, has undergone multiple renovations, and was built to serve a township nearly half Cascade's current size.
- The current structure needs approximately \$500,000 of maintenance and cannot be expanded to meet current and future needs.
- The Building Inspections Department serves Cascade Township, Grand Rapids Township, Ada Township, Plainfield Township, Vergennes Township, Lowell Township, City of East Grand Rapids, and City of Lowell. This government sharing arrangement is efficient and smart, but the current township office cannot accommodate the department's requirements. This is a revenue generator for Cascade, while also saving money for other townships. Fees collected from Building Inspections will cover approximately 30% of the project.
- A new Township Hall will not require any new taxes. The township has been fiscally responsible over the years and has purposely maintained a surplus for this type of investment.
- An extensive study was done to determine the needs, requirements, and feasibility of new township offices. The evaluation also considered financing options and what would be best for Cascade Township. The work to date took place over the course of nearly 18 months and has included multiple public sessions and has been documented in township meeting packets and at Board meetings.
- The library has indicated a need to expand. A new Township Hall building will free up space in the library and potentially delay the need for expansion and/or reduce the cost of library expansion.
- Per this Facts and Information document, a detailed evaluation process shows that to facilitate Cascade's needs and growth over the next 30 years, a new Township Hall is needed.

In addition to being old and needing maintenance, the current Township Hall does not project the image of a vibrant township, which is what business and commercial enterprises, as well as new residents moving to the area, are looking for.