

# Understanding the New Administration Building Project

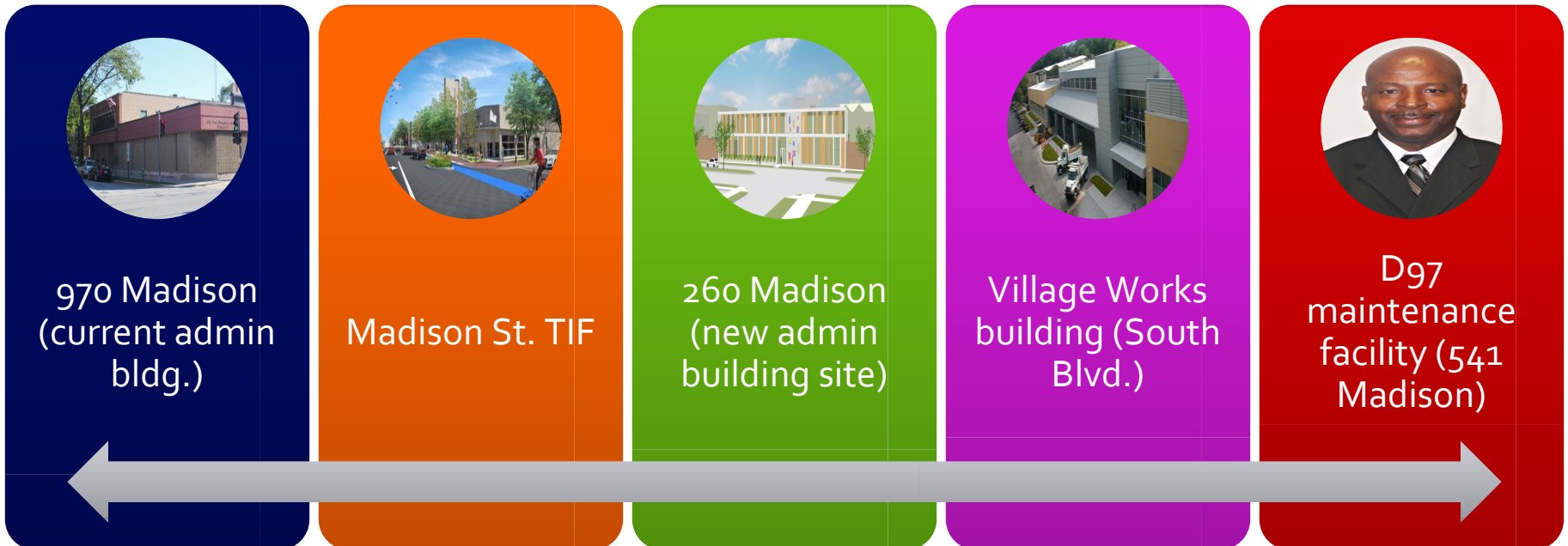


April 23, 2015 - DRAFT

# A UNIQUE MOMENT IN TIME

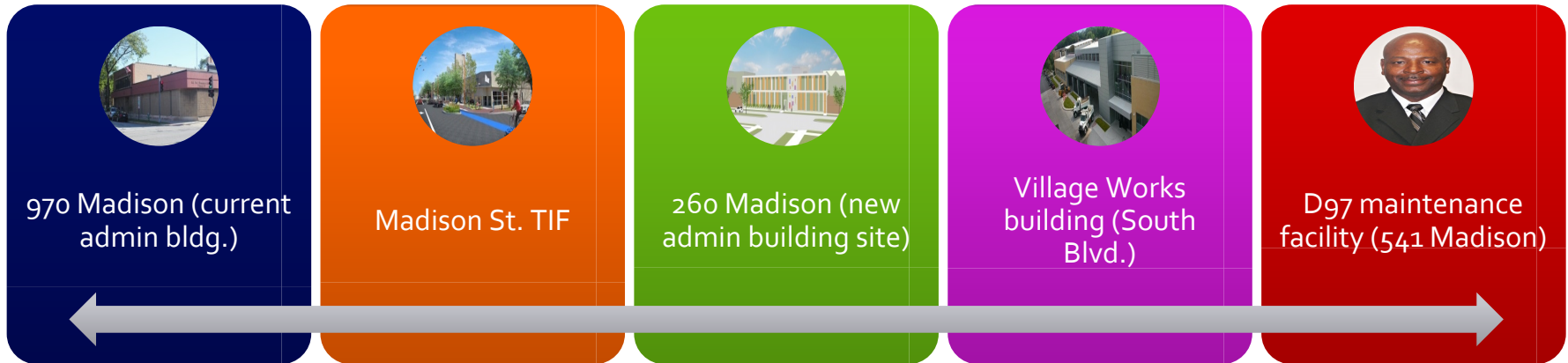


**THE NEW ADMINISTRATION BUILDING PROJECT HAS BEEN MADE NECESSARY AND POSSIBLE BY THE CONFLUENCE OF TIMING AND SEVERAL UNIQUE CIRCUMSTANCES**



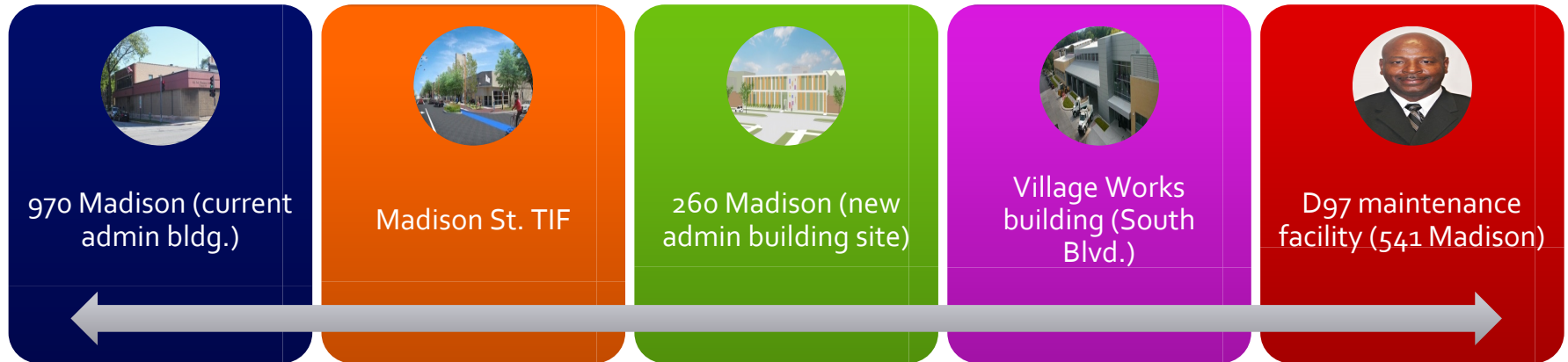
All factors are working together for the benefit of the District, the Village, taxpayers, and students

# CURRENT ADMINISTRATION BUILDING: THE SITUATION



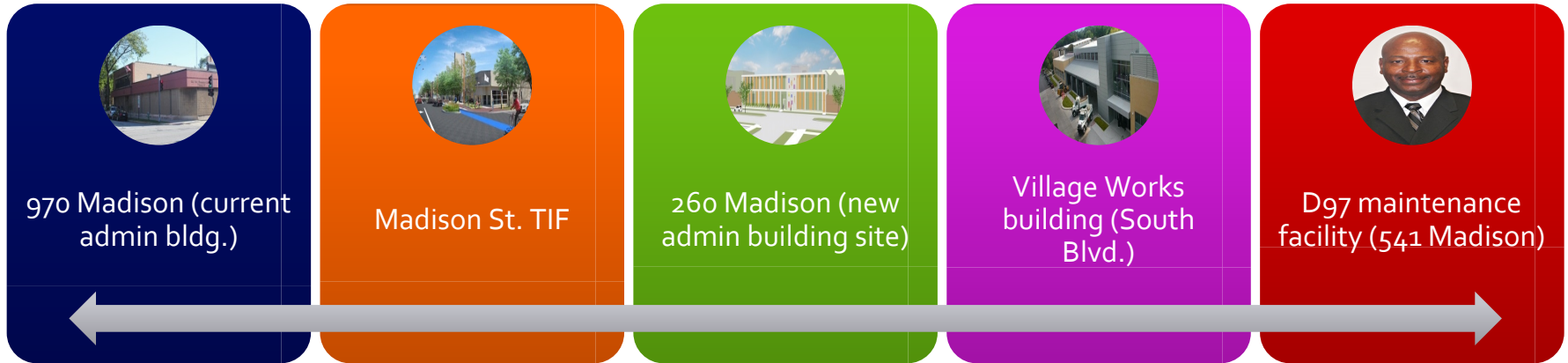
- ◆ *First occupied in 1970 – intended to be temporary (max. 5 years)*
- ◆ *District maximized use and value of the asset for over 40 years*
- ◆ *Facing **\$2.7MM** in repairs for continued occupancy, including roof and HVAC system*
- ◆ *Any major remodeling would trigger expensive building code and ADA compliance requirements*
- ◆ *Useful life of the building has expired – additional investment by the district would be fiscally irresponsible*
- ◆ *However, property has value to the community as a property to be redeveloped. The Village is planning to combine 970 property with the Robinsons Ribs property to create an enhanced redevelopment opportunity, further expanding the tax base.*

# MADISON STREET TAX INCREMENT FINANCING DISTRICT (TIF)



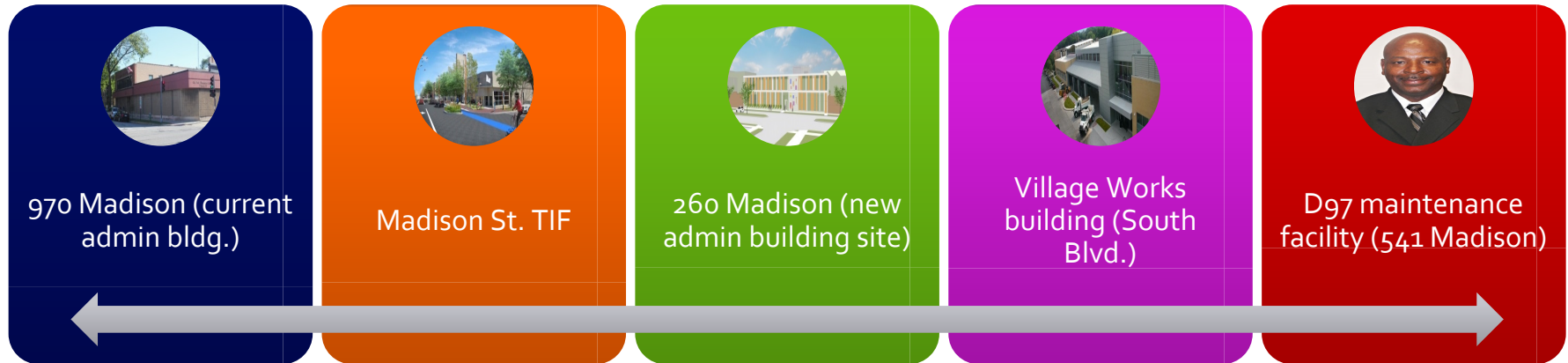
- ◆ Tax Increment Financing (TIF) district established in 1995 and under state statute runs through 2017 (23 years)
- ◆ Inter-Governmental Agreement (IGA) of December 2014 replaced two bilateral agreements (1995 & 2007) with a new agreement that results in:
  - ◆ The Village not having to make 25% or 100% surplus payments for the TIF through its end ( tax year 2017)
  - ◆ The Village acquiring 970 for redevelopment opportunity
  - ◆ D97 acquiring 260 and receiving \$6.3M for an admin building
  - ◆ Using the one-time payment, D97 will not have to issue long-term debt to finance the new building
  - ◆ D97 getting a 40-year rent-free lease to house it's buildings & grounds department
- ◆ TIF dollars, estimated to be more than \$12M, are now available for redevelopment activities by the Village on Madison Street

# NEW ADMIN BUILDING SITE



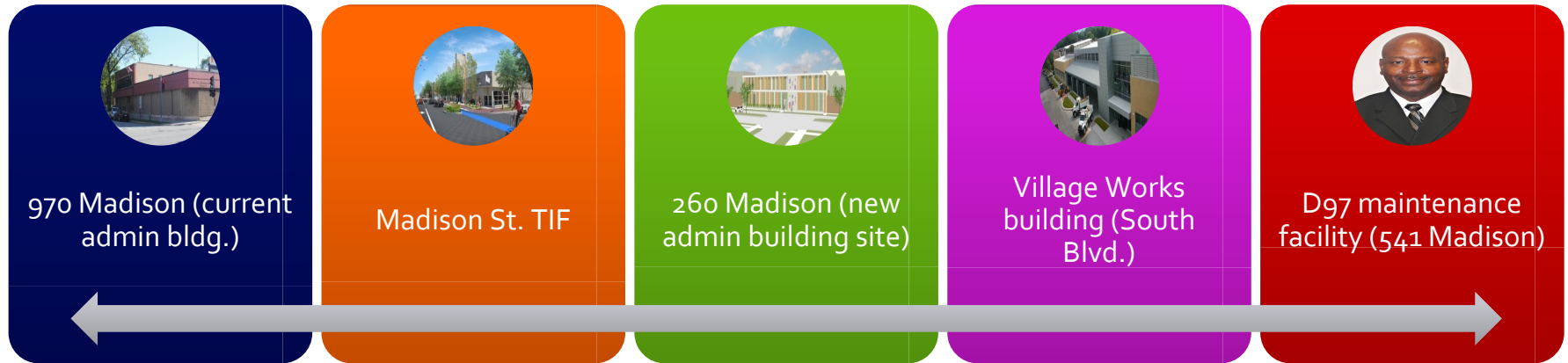
- ◆ Provides for major new redevelopment on long-dormant Madison St. property
- ◆ "Right sized" building with 22,100 square feet, fully ADA compliant, built to "green" design standards for energy efficiency and healthy working environment
- ◆ 50 year useful life
- ◆ Major oversight and guidance from the district's Facilities Advisory Committee, plus numerous public and stakeholder input events
- ◆ Agreement with Village includes no-cost, 40 year facilities sharing agreement to accommodate D97 Buildings & Grounds department at the Village Public Works building on South Blvd.

# VILLAGE PUBLIC WORKS BUILDING CO -LOCATION



- ◆ *Co-location of D97 Buildings and Grounds department with Village Public Works maximizes efficient use of space and resources*
- ◆ *Intergovernmental collaboration "win-win"*
- ◆ *\$1/year lease for 40 years*
- ◆ *Allows D97 to vacate and sell existing Buildings & Grounds maintenance facility at 541 Madison*

# RELOCATION OF BUILDINGS & GROUNDS FROM EXISTING FACILITY



- ◆ *Buildings & Grounds relocation from 541 Madison to Village Works facility will save D97 approximately **\$25,000** in annual operating expenses*
- ◆ *Enables D97 to sell the 541 Madison property at market rate; current appraisal about **\$800,000***

# SOURCES & USES OF FUNDS



## SOURCES – ONE TIME FUNDS

\$6.3MM TIF dollars  
\$0.8MM Sale of 541 Madison  
**\$7.1MM**

## AVOIDED COSTS

\$2.7MM Avoided costs for repair of 970 Madison

## OPERATIONAL SAVINGS

\$1.0MM Operational savings from B&G relocation to Village Works under 40-year agreement  
TBD Higher energy efficiency savings at new building vs. 970 Madison

## USES

\$5.9MM Site development & construction  
\$0.8MM Design & construction contingencies  
\$1.0MM A&E fees, construction management fees  
\$0.8MM Furniture, fixtures & equipment; other misc.  
**\$8.5MM**



# SUMMARY



- ◆ Existing building at 970 Madison beyond useful life and facing millions of dollars in required investment
- ◆ Madison St. TIF dollars available now before expiration of TIF in "win-win" agreement with the Village
- ◆ New site "right sized" green-design building supports redevelopment of Madison Street and D97 gains a brand new 50-year asset
- ◆ "Win-win" intergovernmental cooperation agreement between D97 and Village maximizes utilization of Public Works building
- ◆ Relocation from/disposition of existing D97 maintenance facility at 541 Madison eliminates B&G facility annual operating expenses and allows for market-priced sale of the property

## PROJECT ACCOMPLISHMENTS:

**NO EDUCATIONAL PROGRAMS OR RESOURCES DIMINISHED**

**LONG-TERM OPERATIONAL EXPENSE SAVINGS**

**NO LONG TERM DEBT ISSUED**

**CREATION OF A NEW 50-YEAR ASSET FOR THE DISTRICT**



## OAK PARK ELEMENTARY SCHOOL DISTRICT 97

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# THANK YOU!

For follow up questions and  
Information, please contact us.

# Appendix



# D97: AN ASPIRATIONAL DISTRICT... WITH RESULTS



DELIVERING FOR KIDS

DELIVERING FOR TAXPAYERS

