

County Administrative Center (AC) May 2014

- Built in 1963, all mechanical systems must be replaced, adequate preventative maintenance has been restrained due to asbestos.
- Asbestos fireproofing sprayed on all structural steel and throughout interior walls, ceiling & floors. Courts halted roof replacement due to asbestos in 1984. Open plenum air system risks distributing asbestos fibers if disturbed.
- Midwest Environmental 2004 study indicates removing asbestos throughout entire structure combined w/ major renovation is the lowest cost option (conclusions re-confirmed in 2013 update). Delayed decision due to recession.
- Feb 2013 ACDSC formed, hired River Architects Aug. 2013 to study space needs and options for remodel or replacement of the AC
- Multiple Options considered including: Renovation, Redesign, Relocate to an Existing Building, Build New or Addition to HHS and Associated Bank Building
- County offered AC for sale. 7 firms considered, only 1 proposal received.
- January 2014, sale to Stizzo LLC approved by County Board, adds property on tax rolls for minimum of 20 years, meets growing student housing need and adjacency to WTC should reduce need for students to have vehicles.
- Timeline is very tight. Sale of AC contingent upon re-zoning and purchase of Associated Bank. Purchase of Assoc. Bank contingent upon relocation to Lot C. Lot C Request for Proposal is in process, following work of the Task Force.

Some Common Questions:

Why doesn't the County seek other offers for the building?

Firms who viewed building were reluctant to take on the cost of abatement.

Why is there a 20 year limit to being on the tax rolls?

As privately owned building, Stizzo LLC has no plans to be tax exempt anytime in the future. County negotiated a guarantee if ownership were to change.

Why allow residential on the first floor in the downtown?

Maybe appropriate adjacent to WTC, but not in the historic district. Provides an alternative to lower quality residential housing to the east of WTC campus.

Won't Parking be a major problem if converted to student housing?

Students wouldn't need a car or could purchase a voucher for WTC lot

What is the effect on tax value?

Est. Assessed Value of AC for student housing: \$6.8 million vs. Associated Bank properties \$4.1 million = Net gain of \$2.6 million. Plus potential for up to \$38 million new value on Lot C development.

Proposal from Stizo Development LLC



206 beds (w/ potential to expand to 270)
 \$250,000 purchase price and saves County cost of Asbestos disposal \$1.5 m
 Estimated project cost \$10.6m Estimated assessed value of \$6.8m

Sustainability Measures: reuse of building, solar hot water and energy saving insulation, windows, and roof. Transportation policy will encourage students to not bring cars - bike storage on-site and bike purchase voucher for students that don't bring car

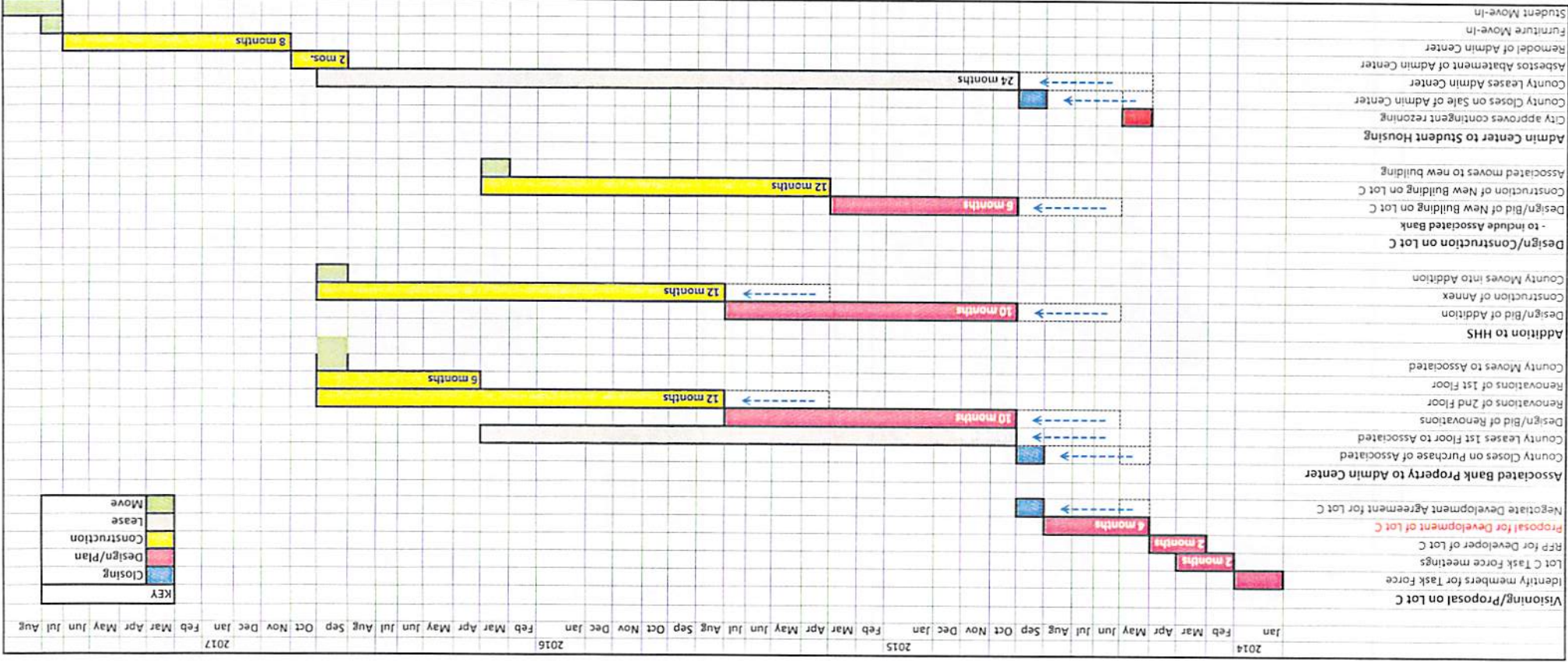
Campus Parking Current vs. Future

Parking Lot	Current Capacity of County Campus	Future Planned Capacity of County Campus
Admin Center	44	0
Lot D (HHS)	187	170
Lot C (across from LEC)	285	125
Lot A (behind LEC)	130	130
Associated – adjacent lot	0	68
Associated – 7 th & Vine lot	0	117
Total	646	610

WTC Parking: Construction of 292 stall parking structure this spring, structure is able to be expanded to include another 226 spaces for a total of 518. Western does not have any excess capacity for parking for other uses. In short term, they will shuffle parking due to construction over the next few years. In long term, enrollment is projected to grow from approx. 7,000 to about 10,000 (based on their 2020 Vision Plan).



CONCEPTUAL Timeline for Administrative Center Relocation April 2014



SUMMARY OF ADMINISTRATIVE CENTER OPTIONS: MARCH 2014

SCOPE OF WORK	OPTION A Renovate Admin Center (112,300 SF)	OPTION D New Construction Replace Admin Center (85,000 SF)	OPTION E Relocate to Assoc. Bank & Addition to HHS Building (95,881 SF)
Site Work	\$315,000	\$180,000 ⁹	\$357,300 ⁹
Asbestos Abatement	\$1,500,000	\$0	\$0 ⁷
Building Demolition	\$0	\$0	--- ⁸
Interior Demolition	\$966,150	\$0	--- ⁸
Renovation Construction	\$13,355,000 ¹	\$0	\$0
Remodeling Construction	\$0	\$0	\$6,430,160
Rehab Construction	\$0	\$0	\$267,000
Build-Out Construction	\$325,000	\$325,000	\$325,000
New Construction	\$0	\$14,880,000	\$4,375,650
Construction Sub-Total	\$16,461,150	\$15,385,000	\$11,755,110
<i>Construction Cost / SF</i>	<i>\$146.58 / SF</i>	<i>\$181.00 / SF</i>	<i>\$122.60 / SF</i>
Construction Contingency (10%)	\$1,646,115	\$1,538,500	\$1,175,511
Other Costs (15%) ²	\$2,716,090	\$2,538,525	\$1,939,593
Sale of Building	\$0	(\$250,000)	(\$250,000)
Relocation Allowance	\$500,000	\$150,000	\$150,000
Data Center Relocation Option	\$600,000	\$600,000	\$50,000
Extra Office Build-Out	\$2,080,000	\$0	\$0
Real Estate Acquisition ³	---	---	\$4,000,000
Estimated Project Cost	\$24,003,355	\$19,962,025	\$18,820,214
<i>Estimated Project Cost / SF</i>	<i>\$213.74 / SF</i>	<i>\$234.85 / SF</i>	<i>\$196.29 / SF</i>
Parking Considerations of each Option ⁴	Unchanged	Loses up to 75 spaces	Adds 116 space parking lot for \$600,000

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SCOPE OF WORK	OPTION A Renovate Admin Center (112,300 SF)	OPTION D New Construction Replace Admin Center (85,000 SF)	OPTION E Relocate to Assoc. Bank (AB) & Addition to HHS Building (95,881 SF)
Office Lease Potential ⁵	Revenue \$240,000 / yr ⁵		
Estimated Benefit to Tax Base ⁶	—	Assessed Value of Admin Center \$6,800,000	Assessed Value of Admin Center, less Associated Bank properties \$2,645,100

¹ Figure includes program area only. Future build-out area of approximately 20,000 square feet is unfinished.

² Other costs include Furnishing, Fixtures + Equipment (FF+E), Architectural/Engineering Fees, Code Approvals, Survey, Testing, and Misc. Expenses.

³ Real Estate Acquisition indicates the current approximate appraised value. Actual purchase price may vary.

⁴ Parking Considerations of each Option, refers to the impact on available parking compared to the current conditions. Purchase of lot on 7th St. adds approximately 116 spaces for a purchase price of \$600,000, not considering the 68 spaces adjacent to the Associated Bank Building. As part of Option E, this property would be purchased in tandem with the building properties. **Please note that the value of this land being removed from the tax rolls is taken into account when determining estimated benefit to tax base (\$461,500).**

⁵ Office lease potential assumes a gross leasable space of 20,000 SF x \$12/SF. According to the County, historical lease rates have ranged from \$11/SF to \$17.50/SF. Thus, \$12/SF at 100% occupancy or \$15/SF at 80% occupancy provide leasing options to achieve the proposed \$240,000 annual lease revenue projection. It is important to note that by committing to lease the additional space, there may be other tax implications for the County.

⁶ According to 2012 figures provided by La Crosse County, the sale of the existing Administrative Center would benefit the community (including the City, County, School District, Tech College, and State) approximately \$6,800,000 in tax base, or approximately \$195,731 per year. The direct benefit to the County would be approximately \$26,316 per year. **The sale of the Associated Bank properties at their assessed value would reduce this benefit by \$4,154,900, for a net estimated benefit of \$2,645,100 to the total tax base in Option E.**

⁷ According to Associated Bank representatives, all asbestos materials have already been abated in their building.

⁸ Option E numbers reflect the total cost of demolition, but are not itemized separately in this chart.