



FACILITIES REPORT



FACILITIES REPORT

Prepared by:

Clyde Wilhelm, Borough Manager

June 30, 2020

PLEASE NOTE THE FOLLOWING:

This report contains information that is considered confidential, including documents related to attorney-client privilege as well as private and confidential proprietary information documents obtained as part of confidential real estate negotiation activity.

Upon review and advice of the Borough's Solicitor, Appendixes K, O, P & T are not included in this public release of this report.

TABLE OF CONTENTS

Introduction

Section 1 – Evaluation and fact finding process

Section 2 – Needs Assessment

Section 3 – Reuse and Renovation of Existing Municipal Building.

Section 4 – Review of Land Use Regulations

Section 5 – Sites Identified and Reviewed as Potential Options

Section 6 – Evaluation of Sites for Feasibility

Section 7 – Conclusions of Viable Options

Section 8 – Debt Service and Affordability

Section 9 – Other considerations

Section 10 – Disposition of Current Municipal Building

Appendixes

(See next page for list of Appendixes)

APPENDIX KEY

APPENDIX	DESCRIPTION
A	Structural Engineer Letter - December 2015
B	Structural Engineer Letter- March 2019
C	Summary of Proposal- March 2019
D	Structural Engineer Letter- March 2020- Post Collapse
E	Structural Engineer Report of Remediation & Current Building Issues
F	Borough Zoning Map
G	Intermediate School Renovation Cost Estimate
H	Geo-Technical Report of Memorial Field
I	Engineer's Estimates of Probable Costs- Various Locations
J	Memo from Solicitor- LGAR Home Property Lien Summary
L	Appraisal of 1919-27 McCague Street (Owners)
M	Appraisal of 1919-27 McCague Street (Borough's)
N	Conceptual Drawings- Irvine Street
Q	Appraisal of Irvine Street Storefronts (Borough's)
R	Appraisal of 1931 Monongahela Avenue (Borough's)
S	Asbestos Report for Irvine Street Storefronts
U	2020 Borough General Operating Fund Budget
V	2020 General Obligation Note (GON) Commitment Letter
W	USDA Facilities Loan Guarantee Program
X	Allegheny County Boroughs Tax Rate Information
Y	Allegheny County School District Tax Rate Information
Z	Sampling of Surrounding Community Tax Profiles

INTRODUCTION

Borough Council recently directed the Borough Manager to provide information and potential solutions to provide for safe working conditions for its employees. This included, but not limited to, a facilities assessment and potential options for the relocation of Borough Operations into new facilities. This would be for the Administrative Offices, Police Department and Department of Public Works.

This request to revisit this subject matter was the result of the partial collapse of the Borough Building on or about March 26, 2020, when the rear wall of the third floor Council Chambers area had collapsed, falling through the roof of the Department of Public Works area below. Fortunately, no one was injured or killed as result of this failure. However, this resulted in grievances being filed by the Police and Public Works employees through their collective bargaining units for unsafe work conditions.

This structural failure was predicted by the Borough Manager on many occasions over the last several years. The signs of the significant structural deficiencies were first noticed in the winter of 2015. Previous discussions occurred at various meetings from 2016 through the present related to these issues. Council previously tasked the Borough Manager with finding solutions to relocate employees and operations. Over the course of several years, the administration worked on this project and in February of 2019 presented a viable, workable and affordable plan to relocate these facilities.

However, because of the demonstrated distrust and objections from a small group of citizens, Council did not adopt the plan presented. Council did, however, subsequently approve one portion of the plan presented that included the acquisition of the property located at 1927-29 McCague Street for the use as a Public Works facility.

Most recently, Council tasked the Manager to provide documentation of the previous processes and evaluations that were made to arrive at the previous recommendations by the Administration. Because there were many opinions voiced both at Council Meetings and on social media, Council wanted to have documentation of what properties had been evaluated and were available for potential use.

As part of this most recent report, cost considerations were updated and included.

I hope the enclosed information will be helpful to the new Council members understand what actions were taken as part of this process and see that the Administration spent a lot of time and effort to identify potential solutions over the last several years. The information contained herein should assist all of Council in their deliberations in finding solutions to our dire need for new facilities.

Respectfully Submitted,

Clyde Wilhelm
Borough Manager

SECTION 1. EVALUATION AND FACT FINDING PROCESS

There were several steps taken when evaluating the options of the Borough Building. The following is an outline of the considerations that were taken to during this process.

1. Needs Assessment.
 - a. Administration
 - b. Police
 - c. Public Works
2. Discussions related to renovating existing Building.
 - a. Workability to current needs.
 - b. Structural Issues (known and unknown)
 - c. Costs of Renovations
 - d. Costs of relocating operations during renovations
3. Review of Zoning and Land Use regulations.
 - a. Where can we locate new building(s)
 - b. "Spot Zoning" Issues
 - c. On and off street parking availability
4. Identify potential sites available for use.
 - a. Land and/or buildings for available for potential use
5. Evaluate identified sites for feasibility.
 - a. Advantages
 - b. Disadvantages
 - c. Other Concerns
6. Evaluation of costs
 - a. Renovation of Existing Building
 - b. Building new
 - c. Acquisition and renovation of Existing Buildings
7. Debt Service, Affordability and Financial Impacts
8. Disposition of Existing Municipal Building/Site (if vacated).

SECTION 2. NEEDS ASSESMENT

In 2016 and 2017, several meetings were held with Department Directors and the Borough Manager to discuss and perform an actual needs assessment. The purpose of this assessment was to determine the actual needs by each department. These department's included: Police, Public Works and Borough Administration.

During the assessment process, the Manager stressed that the assessment be based on each department's essential needs and it was made clear to limit our focus and expectations to the department's actual "*needs*" and not "*wants*". The group was encouraged to utilize strategies to ensure their functional needs were met in the most efficient and effective manner. This strategy was of particularly high importance to ensure that we were staying on track and to be responsible stewards of the taxpayer's money.

The overall goals were to:

- Encourage innovative space planning
- Be responsible with costs
- Contribute to employee productivity
- Encourage/Increase flexibility
- Provide a measure of equity
- Improve the quality and effectiveness of the work environment
- Promote equity between departments in the utilization and quality of space
- Provide safe and practical work spaces

During this process, we also reviewed what other municipalities had to see if there were any other ideas that we may be able to utilize and/or incorporate as part of our process.

Once the essential needs were determined, those needed program and function areas, (space and use types) were listed. These function areas were then assigned estimated square footage requirements based on generally accepted architectural design standards that were widely available for space planning. In certain function areas such as garage bays and other specialty spaces, we calculated space requirements specific to our needs.

After concluding the amount of space required for function areas, we then added 30% for circulation areas. Circulation areas contain space used predominately for circulation such as entrances, foyers, lobbies, hallways, corridors and so on. The generally accepted ratios for circulation areas by design professionals and space planners are between 25-40%. This factor is usually determined by two primary factors: occupancy load and efficient design. Our facility needs have nominal occupancy loads and with efficient design strategies, circulation areas can be effectively reduced. Therefore, we used 30% as our circulation factor (slightly less than the 32.5% median factor).

After several more meetings with department heads, we concluded the following minimum needs for our program space.

Administration	5900	Square Feet (SF) of Gross Floor Area (GFA)
Police	4750	Square Feet (SF) of Gross Floor Area (GFA)
Public Works	10850	Square Feet (SF) of Gross Floor Area (GFA)

ADMINISTRATION NEEDS

QUANTITY	ROOM DESCRIPTION	TYPE	Size Sq. ft.	Total
1	Council Chambers	Dais (Approx. 32 x 40 = 800 SF) Seating for 50 (1 per 15 GFA =750 SF)	2000	2000
1	Men's Room	ADA Accessible	160	160
1	Ladies Room	ADA Accessible	160	160
1	Conference Room	Seating for 10-12	320	320
1	Manager	Office	225	225
1	Assistant Manager	Office	180	180
1	Finance Director	Office	180	180
2	Admin Assistant	Work Stations - Secure	120	240
1	Copy	Mailboxes/Copier/Etc.	30	30
1	File Room	Storage	240	240
1	Mini Conference	Meeting	180	180
1	Supplies	Storage	48	48
2	General Storage	Closets	48	96
1	Waiting Area	Foyer Area	140	140
1	Telco/Server Room		100	100
1	Breakroom	Kitchenette	180	180
1	Janitor/Supplies	Floor Sink w/ supply storage	64	64
			Sub Total	4543
	Circulation Area		X 30%	1363
			Total	5906

POLICE NEEDS

QUANTITY	ROOM DESCRIPTION	TYPE	Size Sq. ft.	Total
1	Mayor	Office	225	225
1	Police Chief	Office	225	225
	Asst. Chief/Patrol			
1	Cmdr.	Office	180	180
3	Shift Supervisors	Cubicles/Work Stations	80	240
1	Detective 1 - General	Office	120	120
1	Detective 2 - Narcotics	Office	120	120
4	Patrol Room	Cubicles/Work Stations	80	320
1	Patrol Room	Mailboxes/Copier/Etc.	60	60
1	File Room	Storage	150	150
1	Interview room (Soft)	Office	54	54
1	Interview room (Soft)	Office	54	54
3	Holding Cells- Standard	6ft x 8 ft	48	144
1	Holding Cell - ADA	8ft x 10 ft	80	80
1	Interview room (Hard)	Adjacent to holding area	100	100
1	Locker Room- Male	24 Lockers, showers, toilets, sinks	320	320
1	Locker Room- Female	6 Lockers, shower, toilets, sinks	150	150
1	Breakroom	Kitchenette	180	180
1	Evidence Room	Storage	200	200
1	Evidence Processing	Function	48	48
1	Armory	Storage	48	48
1	Sally Port	Function	450	450
1	K-9 Kennel	Function	20	20
1	Animal Control Storage	Function	20	20
1	Vehicle Equipment	Storage	48	48
2	General Storage	Closets	48	96
			Sub Total	3652
	Circulation Area		X 30%	1096
			Total	4748

PUBLIC WORKS NEEDS

QUANTITY	ROOM DESCRIPTION	TYPE	Size Sq. ft.	Total
1	Director	Office	180	180
1	Foremen	Office	180	180
2	Storage Closets	In offices	15	30
1	Locker Room- Male	20 Lockers, shower, toilets	320	320
1	Locker Room- Female	6 Lockers, shower, toilets	150	150
				0
1	Breakroom/Kitchenette	Seating for 16. Also used for meetings	320	320
1	Laundry Room	Function	60	60
1	Mechanical Room	Storage	60	60
1	Supply Closet	Uniform and issued apparel storage	48	48
			Sub Total	1348
	Circulation Area		X 30%	404
	Built-out Finished Space		Sub Total	1752
2	Garage Bays 16w x 70d	3 Garbage and 1 Recycle Trucks	1120	2240
4	Garage Bays 16w x 70d	Dump Trucks & Pick Up Trucks	1120	4480
1	Garage Bays 16w x 70d	Back Hoe & Boom Mower	1120	1120
1	Garage Bays 18w x 70d	Leaf Machine, Chipper, Mowers, Air Compressor, Tractor, Miscellaneous Equipment and Supplies	1260	1260
	Total Equipment Storage Space			9100
			TOTAL	10852

In addition to the areas listed out above, the DPW has additional needs. We also need to consider a location for the Salt Bin (which is currently located behind the existing Municipal Building) as well as storage of other materials such as stone, bricks, etc. (which is now and has been stored at Memorial Field).

SECTION 3. Reuse and Renovation of Existing Municipal Building.

Beginning in 2016, subsequent to the findings and observations related to the bulging wall on the Council Chambers area of the Borough Building, several formal and informal conversations were had with both of the Borough's Engineering firms related to the repair and renovation of the existing Borough Building. This has continued up to this report.

EVALUATION

After completing an actual needs assessment as outlined in Section 2, we explored the possibility of placing these needed spaces into the current building. However, because of the construction and lay out of the building, it will be difficult to create a workable solution. Because the current building has multiple levels, it will never become an easily accessible, inviting and flowing space.

The basement level, which is ironically not level, has sloped floors to bring the various grades to the rear grade of the building. A large portion of the garage area has a brick floor. The elevator entrance is at an intermediate level between the basement and the first floor. The first floor level at the main entrance is elevated above the street grade, while the old fire garage (where the police are located now) is about 3 feet below the main level.

We seriously considered the current Municipal Building, its configuration, condition and usable space. We met and consulted with our engineering firms, both Glenn Engineering and KU Resources. Both firms indicated that they could not place a cost estimate on this project. It would take a complete in depth evaluation and study of the building to prepare an accurate estimate of probable cost. This would include having to take invasive measures such as opening up walls and ceilings as part of this process and could not be done until the completion of a thorough asbestos survey. Glenn Engineering did provide a letter outlining the steps that would need to be taken in order to perform a Feasibility Study in order to prepare a cost estimation for this work. This Feasibility Study is expected to cost well over \$125,000.

(Appendix I, Attachment 7)

RENOVATION CONSIDERATIONS.

While the cost for renovations of the Irvine Street or McCague Street Properties are estimated at about \$150 per square foot (***Appendix I, Attachment 2***), the costs for the renovation of the existing Borough Building are expected to be significantly higher. The McCague Street Property is virtually an open shell that requires nominal demolition work and no environmental hazard remediation work. The Irvine Street Property requires some minor demolition work (of some interior partition walls) and minor asbestos abatement work (the floor tiles). Both of these buildings have no structural issues in need of being addressed. In comparison, the current Borough Building is about 17,500 (+/-) square feet of gross floor area (GFA) and renovation costs would equate to \$2.6 million at \$150/per square foot up to \$4.4 million at \$250/per square foot.

During the demolition of the Council Chambers, the structural engineer inspected the construction methods of this addition and specifically made comment that he would not rebuild

the third floor on this section of the building due to the water infiltration and decay of the clay tile load bearing walls within **(Appendix E)**. For this space to be re-used, it would most likely require that this area be demolished and rebuilt. This would equate to approximately 5,000 (+/-) square feet being required to be completely rebuilt at a cost of about \$350 to \$450 per square foot or \$1.75 million to \$2.25 million.

Other issues revealed during the demolition of the Council Chambers noted some other significant structural deficiencies in the roofing system. The roof trusses showed signs of significant stress and deterioration. It appears that when these were built, they were not capable of supporting the roof snow loads and showed signs of bowing and cracking. Many showed signs of previous repairs that the engineer commented on as being insufficient to meet current standards. There would be a great likelihood that the entire roof's structural members would be required to be removed and replaced **(Appendix E)**.

We also identified significant asbestos in the building at this time. The walls in the Council Chambers consisted of panels with high levels of Asbestos that added significant additional abatement costs to the demolition. We also identified some other areas containing asbestos that were damaged in the basement as a result of the collapse which we are currently abating.

In most areas of the building, there is asbestos floor tile, some exposed and much located under the existing floor coverings that will need to be identified and abated. Because of the age of this building, it is also highly likely that all of the plaster also contains asbestos. These issues will add substantial costs to interior demolition work associated with renovations of this building. Considering that we already spent nearly \$20,000 in abatement costs for the little work that was done to remediate the collapse, it is highly likely that this will add at least an additional \$100,000 to \$200,000 to the renovation costs. Asbestos abatement costs are much more labor intensive and costly for a building under renovation versus the complete demolition of a building.

Even if the Borough chose to rehabilitate and renovate this building, there will still be insufficient area for the indoor storage of the DPW vehicles and equipment. Therefore, we would still have to build a new garage for the Public Works, similar to size and scope of what has been proposed at the Memorial Field Site, adding an additional \$1 million dollars in cost. This is why the Borough had already taken action to acquire the McCague Street property.

Lastly, this building is what is known as Type III Ordinary Construction. It has masonry-bearing walls but the floors, structural framework, and roof are made of wood or other combustible material. If this building were to be renovated, it would require a sprinkler system be installed under the current building codes. This would add at least an additional \$200,000 to the costs. (\$8-\$10 per square foot plus the sprinkler supply line installation.)

RELOCATION EXPENSES

Relocation of Borough Operations would need to be considered if the existing Municipal Building was renovated or a new building erected on the current site. This would require the need to relocate the Administrative Offices and Police Department to temporary facilities for a period of 18 to 30 months or longer. This presents its own set of issues and costs.

One of the sites we identified for potential temporary relocation was the mercantile space formerly occupied by Saint Vincent DePaul in the Swissvale Shopping Center located adjacent

to the Family Dollar. This site is approximately 11,000 square feet and the lease rate is \$132,000 annually. Leasing space would require additional costs for partitions and required updates to meet occupancy requirements in accordance with the Pennsylvania Uniform Construction Code (PA-UCC). Rent for this space would be \$198,000 to \$330,000. The costs for the build out of partitions and other required work would easily be between \$25.00 to 50.00 per square foot, resulting in additional costs of \$250,000 to \$500,000. The total costs for this temporary space would be between \$448,000 and \$830,000. This cost estimate does not include other “soft costs” such moving expenses, networking, phone systems, etc. which would add thousands more.

The following are a summary of the estimated costs based on the aforementioned discussions and considerations:

Renovation Costs:

Approx. 12,500 sq. ft.	\$1,875,000	to	\$3,125,000
Demo & Rebuild (damaged wing)	\$1,750,000	to	\$2,250,000
New Garages (pole buildings)	\$ 800,000	to	\$1,200,000
Relocation Expenses	\$ 448,000	to	\$ 830,000
<hr/>			
Total Estimated Costs Range	\$4,873,000	to	\$7,405,000

Again, it must be emphasized that the broad cost range is based on the fact that once this project is commenced, there is a very high likelihood that these costs would increase based on what is revealed during the renovation process.

These estimates are based on the most recent information obtained from the engineers and are not far off from the original estimations made by the Manager and Assistant Manager back in 2018 when the conclusion was reached that this project would be cost prohibitive.

For the purpose of the current situation, since the Borough has already purchased the McCague Street property and the DPW could be relocated to that location, we could remove the “New Garages” from the above estimations. This would still result in an estimated cost of \$4.1 million to \$6.2 million to renovate the existing Borough Building to accommodate the Administration and Police Department. This is 2 to 3 times the cost of an adaptive re-use projects and/or building a new public works garage at Memorial Field.

SECTION 4. Review of Land Use Regulations

The first step in evaluating potential locations for Municipal Service Buildings is reviewing the Borough's Land Use Regulations, specifically, the Zoning Ordinance.

The Borough has seven (7) zoning districts. They are as follow:

- CBD – Commercial Business District
- PU – Public Use
- RD – Redevelopment District
- NMU – Neighborhood Mixed Use
- MFR – Multi Family Residential
- SFD – Single Family Residential
- CFDD – Carrie Furnace Development District

Municipal Buildings and Police Station are specifically called out and defined in the Zoning Ordinance.

- Municipal Building- A building occupied by the principle offices and departments of Swissvale Borough.
- Police Station- The office or headquarters of a local police force.

These uses are only permitted to be located in the following districts:

- NMU – Neighborhood Mixed Use
- CBD – Commercial Business District
- PU – Public Use
- RD – Redevelopment District

CFDD – Carrie Furnace Development District

This district was not considered as an option during the evaluation process. While there are a multitude of reasons, the biggest factor was that this area of land mass is segregated from the community. You actually have to drive through the Borough of Rankin to access the Swissvale portion of the site. This would not be conducive to a community centered municipal building.

SFR and MFR Districts

The Borough cannot build a Municipal Building or Police Station in the SFR or MFR Districts. The only exception to this is if an existing building was located in one those districts and was used as an "Adaptive Reuse" as defined in the Zoning Ordinance, which would be a Conditional Use in all districts. We have not been able to locate any such building for consideration that are large enough for our needs.

Why can't the Borough just build anywhere?

There have been statements made and questions asked about why the Borough can't just build wherever they want. The answer is simple: Just because the Borough may want to build a

building doesn't mean that it is exempt from the regulations that are in place. In accordance to the Pennsylvania Municipal Planning Code (MPC) as well as supporting case law, land use outside of existing regulations would require a variance. In order to apply for a variance, the MPC has strict requirements. Those requirements are:

Pennsylvania Statutes Title 53 P.S. § 10910.2.

(a) The board shall hear requests for variances where it is alleged that the provisions of the zoning ordinance inflict unnecessary hardship upon the applicant. The board may by rule prescribe the form of application and may require preliminary application to the zoning officer. The board may grant a variance, provided that all of the following findings are made where relevant in a given case:

(1) That there are unique physical circumstances or conditions, including irregularity, narrowness, or shallowness of lot size or shape, or exceptional topographical or other physical conditions peculiar to the particular property and that the unnecessary hardship is due to such conditions and not the circumstances or conditions generally created by the provisions of the zoning ordinance in the neighborhood or district in which the property is located.

(2) That because of such physical circumstances or conditions, there is no possibility that the property can be developed in strict conformity with the provisions of the zoning ordinance and that the authorization of a variance is therefore necessary to enable the reasonable use of the property.

(3) That such unnecessary hardship has not been created by the appellant.

(4) That the variance, if authorized, will not alter the essential character of the neighborhood or district in which the property is located, nor substantially or permanently impair the appropriate use or development of adjacent property, nor be detrimental to the public welfare.

(5) That the variance, if authorized, will represent the minimum variance that will afford relief and will represent the least modification possible of the regulation in issue.

NOTE: If the Borough acquires property in a district which is not zoned for that purpose, the Borough created the unnecessary hardship and is therefore by statute not entitled to a variance.

SPOT ZONING

Some conversation has been had to where persons felt that the Borough can simply change the Zoning to suit our needs, should we locate properties in a district other than the permitted use districts. While this could, in theory be done, it would be in conflict with established law that is known as "Spot Zoning".

The Borough simply cannot change a specific lot or lots for a use outside of the conformity of the zoning district. This is what is called "spot-zoning" and is prohibited by law.

The following is an excerpt from a zoning publication by the Pennsylvania Department of Community and Economic Development that explains what "Spot Zoning" is.

Spot zoning was defined by the Pennsylvania Department of Community and Economic Development as “a singling out of one lot or small area for different treatment from that accorded to similar surrounding land from which it is indistinguishable in character for the economic benefit (or detriment) of the property owners.” Another key element of spot zoning is that it is usually at odds with a community’s comprehensive plan. Spot zoning may be ruled invalid as an “arbitrary, capricious and unreasonable treatment” of a limited parcel of land by a local zoning ordinance.

In their decision for Township of Plymouth v. County of Montgomery (1987), the Court stated the following regarding spot zoning: “The key point when a municipal governing body puts on blinders and confines its vision to just one isolated place or problem within the community, disregarding a community-wide perspective, that body is not engaged in lawful zoning, which necessarily requires that the picture of the whole community be kept in mind while dividing it into compatibly related zones by ordinance enactments. In other words, legislation as to a spot is the antithesis of zoning, which necessarily functions within a community-wide framework. Zoning, to be valid, must be in accordance with a rational and well-considered approach to promote safety, health and morals and a coordinated development of the whole municipality.”

The size of a parcel or parcels within a particular zoning district does not determine whether or not spot zoning has occurred. Spot zoning can more easily be measured by the benefit provided to a particular property owner or set of owners to the detriment of comprehensive plan or public goals. If a rezoning provides special benefits to a property owner while creating negative impacts to surrounding property, spot zoning likely occurred. Simply put, spot zoning is zoning adopted in the absence of good planning.

Is it Spot Zoning? Although a Planning Commission is not qualified to make a legal determination of spot zoning, it should review any zoning amendment with scrutiny to identify whether or not such an issue may exist. The following questions should be considered when reviewing any zoning amendment to help identify whether or not it may constitute spot zoning:

- Is the requested amendment consistent with the Comprehensive Plan?*
- Is the requested use or zoning district significantly different from the surrounding area?*
- Will the use or district benefit a few landowners while creating negative impacts to surrounding landowners?*

It would be in the best interest of the Borough, our community and our residents to follow our Zoning and Land Use Regulations and Comprehensive Plan.

LOT COVERAGE REQUIREMENTS

Each district has its own regulations for land use, lot coverages and set back requirements that present unique issues based on the district. The most restrictive is the Neighborhood Mixed Use District.

These lot coverage restrictions are for new development and would only apply for projects where we would build a new facility. However, this still had to be reviewed as part of the overall assessment.

TABLE 3 – NMU – NEIGHBORHOOD MIXED USE DISTRICT

Bulk and Areas Regulations NMU Zoning District							
Use Type	Minimum Lot Area Per Dwelling Unit	Minimum Lot Width Per Unit	Height (Maximum)	Front Building Line (minimum)	Side Building Line (minimum)	Rear Building Line (minimum)	Lot Coverage (maximum)
Single-Family	2,500 s.f.	25 ft.	35 ft.	10 ft.	3 ft.	30 ft.	70 %
Duplex	2,500 s.f.	25 ft.	30 ft.	5 ft.	3 ft. **	25 ft.	70 %
Townhouse	2,000 s.f.	20 ft.	40 ft.	5 ft.	3 ft. **	25 ft.	70 %
All Other Residential Uses	1,500 s.f.	50 ft.	50 ft.	10 ft. *	5 ft. **	25 ft.	80 %
All Other Non-residential Uses	4,000 s.f.	30 ft.	35 ft.	25 ft. *	5 ft.	30 ft.	50 %

* Minimum front building line in the NMU district may be reduced to ten (10) feet if located in a block where at least thirty percent (30%) of the existing structures do not meet the minimum setback requirements
 ** No minimum building line required in dwellings that share common walls along the shared wall

TABLE 4 – PU – PUBLIC USE DISTRICT

Bulk and Areas Regulations PU District	
Lot size (minimum, square feet)	5,000 sq. ft.
Lot width (minimum, feet)	50 ft.
Height (maximum, feet)	50 ft.
Front setback (minimum, feet)	N/A
Side setback (minimum, feet)	N/A
Rear setback (minimum, feet)	N/A
Lot coverage (maximum, percent)	85%

TABLE 5 – CBD – CENTRAL BUSINESS DISTRICT

Bulk and Areas Regulations CBD Zoning District	
Lot Size (minimum)	No requirement
Lot Width (minimum)	No requirement
Height (maximum)	50 ft.
Front Building Line (minimum)	No requirement
Front Building Line (maximum)	Average of the buildings on both sides
Side Building Line (minimum)	No requirement
Rear Building line (minimum)	No. requirement
Lot Coverage (maximum)	No requirement

ON AND OFF STREET PARKING

An additional concern related to Land Use and Zoning are parking requirements.

The Zoning Ordinance specifically relieves the “on-site parking requirements” for uses in the Commercial Business District (CBD) and the Neighborhood Mixed Use District (NMU).

However, this was intended for the development of small businesses in these districts with minimum impact to the surrounding neighborhood allowing for changing uses in already built upon lots so that we could relieve the previous ordinance’s restrictions, especially for existing unused building stock.

In considering our proposed uses, we still had to consider the impacts to the neighborhoods and a reasonable expectation of parking needs and availability of space to fill those needs without negatively impacting the neighborhood.

ASSESSING PARKING NEEDS

Based on our Zoning Ordinance, which prescribes the space requirements for parking, the following is a summary of those requirements:

- Each space size is required to be 9 feet X 18 feet and allow for a drive lane of 12 feet.
- This equals 270 SF per space.

Municipal Building (Approximately 5000 SF GFA)

- Requires 1 parking space per 300 square feet of Gross Floor Area (GFA).
- This would require 17 spaces be available.
- This would require an additional 4,590 square feet of additional lot space.
 - On a practical review of needed spaces, we would need space for a minimum of 8 spaces (4 for employees and 4 for daily borough business) and would require a minimum of 2,160 SF.
 - We also have to consider nearby available parking for council, committee and board meetings as well, which should have at least 10 to 20 additional spaces closely nearby.

Police Station (Approximately 4500 SF GFA)

- Requires 1 parking space per 200 square feet of GFA plus one per employee (used 6 for this).
- This would require 29 spaces be available (23+6).
- This would require an additional 7,830 square feet of additional lot space.
 - Even on a practical review of needed spaces, we would need space for a minimum of 16 vehicles (10 police vehicles and six employee vehicles) and would require 4,320 SF.

Public Works.

- No minimum parking requirements based on use.
- We currently have 16 employees and would need a minimum of 16 parking spaces.
- Would need an additional 4,320 square feet of additional lot space.

STORMWATER MANAGEMENT

Another issue that we have to consider is the Storm-water Management regulations. The Borough is not exempt from these regulations. To overly simplify these regulations and requirements, if we increase lot coverage with buildings and or asphalt parking lots (impervious surfaces), we have to plan for and accommodate the additional run-off from rainwater. This is a subjective issue and is based on site specific circumstances. However, this could potentially add tens of thousands to hundreds of thousands of dollars to a particular project.

Storm-water Management requirements could potentially result in more land area being required and that would most likely not be able to be determined until the site development planning stage of the project.

LOCATION

When the administration began this process, we took into consideration the perspective locations for municipal facilities. The consensus was that it would be of high importance to consider the location of the Municipal Office and Police Station to try to keep those centralized in our community. The elected officials at that time concurred with this assumption. The reasoning behind this assumption was to make it easily accessible to all of our community members, keeping it a predominate feature in the center of our community and making it a walkable, accessible and inviting site within our Central Business District (CBD).

SECTION 5. Sites Identified and Reviewed as Potential Options

As indicated in the preceding sections of this document, there are limited areas in a community such as Swissvale that has been mostly built out over the years.

The majority of our land use is residential (about 70%). This includes the SFR, MFR and NMU Districts. This leaves about 30% in the CBD and RD Districts. See Zoning Map (**Appendix B**).

REDEVELOPMENT DISTRICT (RD)

There are currently no suitable and available sites in this district. Upon review of the existing buildings and properties in this district, all are and have been occupied and in use.

PUBLIC USE DISTRICT (PU)

There are three locations in the Public Use (PU) District that were identified and reviewed. These locations are:

- 1.) The Dickson School Site: 7300 Schoyer Avenue.
- 2.) The Intermediate School Site: 7700 Evans Street.
- 3.) The Les Getz Memorial Field Site: Church Street.

NEIGHBORHOOD MIXED USE (NMU)

There are limited sites available or potentially available that have the lot size or building size requirements for any of the needs of the Borough.

There are three locations in the Neighborhood Mixed Use (NMU) District that were identified and reviewed. These locations are:

After review and evaluation of the sites, the following were identified for additional review:

- 4.) Swissvale Moose Building: 2200 Woodstock Avenue
- 5.) The Old GAR Home Site: 2622 Woodstock Avenue
- 6.) The Old Pittsburgh Die & Casting Company: 7503 Ardmore Street

COMMERCIAL BUSINESS DISTRICT (CBD)

The CBD has the most to offer for consideration of a police station and municipal building. It is centrally located in our community and the parking requirements are the least restrictive.

There are seven locations in the Commercial Business (CBD) District that were identified and reviewed. These locations are:

- 7.) Current Municipal Building Site: 7560 Roslyn Street.
- 8.) McCague Street Site: 1919-1929 McCague Street
- 9.) Irvine Street Site: 7405-7415 Irvine Street and 1931 Monongahela Avenue.
- 10.) Edgewood Avenue Site: 7600, 7602, 7604, 7700, 7702 Edgewood Avenue
- 11.) Noble Street Site 1: 2024, 2028, 2032, & 2038-40 Noble
- 12.) Noble Street Site 2: 2105, 2115, 2117 & 2021 Noble, 7544 Dickson and 7557 Roslyn
- 13.) Church Street Site: 7455 Church Street

The following map identifies the aforementioned sites that were reviewed.

(SEE INSERT- SITE EVALUATION MAP)

SECTION 6 – Evaluation of Identified Sites for Feasibility.

SITE 1. Dickson School Site. 7301 Schoyer Avenue.

Several years ago, there was talk of the potential use of this site for Municipal purposes. These informal discussions took place at a time when the school was not being used and the Woodland Hills School District (WHSD) was trying to determine a future comprehensive facilities plan. While this site could have been a feasible site due to its size and location, there were never serious discussions for a multitude of reasons, most importantly, the WHSD was evaluating its reuse.

The current building on this site has about 55,368 (+/-) square feet of gross floor area (GFA) and is much larger than what the Borough would need. This would have been an extraordinarily costly proposition to consider its use for municipal purposes. The costs were somewhat similar to what is shown for the Intermediate School and would have created significant financial hardship for the Borough.

Ultimately, this site was identified by the school district as the best option for renovations for re-use as their intermediate school. Construction was recently completed on this renovation/addition and the school district intends on re-opening this school in the fall of 2020.

Therefore, this location identified is not available for consideration.



OVERHEAD VIEW OF DICKSON SCHOOL



STREET VIEW OF DICKSON SCHOOL

SITE 2. Intermediate School Site. 7600 Evans Street.

During the initial evaluation of sites, this site was still in use and the future of its use by the WHSD was unknown. However, most recently, in conjunction with the Dickson School Project, this school will be shuttered by the WHSD with its future use or disposition currently unknown.

When the WHSD did a facility wide assessment, it was revealed that this building required a substantial amount of work to bring the structure back from disrepair and years of neglect. The building has not been well maintained and has had no significant updates since first constructed in 1976. When the School District did an evaluation of the two buildings considered for use as the intermediate school (DICKSON and this SITE), the School District determined that the renovation and upgrades needed were very costly.

This building's footprint is approximately 74,200 (+/-) square feet with a total Gross Floor Area (GFA) of 126,500 (+/-) square feet. While there are some great attributes to this building and site, based on the renovation estimates obtained from the WHSD, this would require substantially more investment than a building new Municipal Facilities. The WHSD renovation cost estimate in 2017 was in excess of \$25 million. The roof replacement alone cost nearly \$2 million dollars. See cost estimate from WHSD. (**Appendix G**).

The building is much larger than anything the Borough needs and it would be cost prohibitive to consider this building. To be forthright and honest, the acquisition and use of this building would potentially bankrupt the Borough. The debt service on \$25 million would be approximately \$1.35 million annually and is equivalent to a 4.66 mill tax increase (we are currently at 8 mills).

Lastly, it was concluded that this was not in an optimum location for use as a Municipal Building. It is secluded on the far eastern end of the Borough "on top of the hill" and is not easily assessable for walking, biking and is predominately accessible for most in our community by motor vehicle only. There is no public transportation available to this site.

Therefore, this location was determined to not be feasible for use.



OVERHEAD VIEW OF INTERMEDIATE



STREET VIEW OF INTERMEDIATE

SITE 3. Les Getz Memorial Park. Les Getz Drive.

The Borough owns this land and it is underutilized. The park has evolved over the years and used to have additional amenities such as tennis courts and basketball courts. However, under previous administrations, those amenities have been removed and it has pretty much become a baseball only park with a small pavilion and two playgrounds. The baseball and softball organizations have substantially diminished over the years and while it still does get used, it is not nearly used to the capacity it once was or should be.

While it is not part of this evaluation, it is strongly recommended that Council and the Community evaluate and reimagine the use of this facility. There is much more that can be done at this location, while also keeping available field(s) for baseball and softball use. Based on comments from community members over years, adding amenities such as a larger pavilion and a dog park come to mind, but the options could be far more ranging. Along with the additional land that the Borough is set to acquire along the hillside from the Carrie Furnace Development and the pending trail project to connect the Borough (and this park) to the Carrie Furnace Site, the river and ultimately, the Great Allegheny Passage, this could become a centerpiece of our community.

The rear portion of this site has been used as a dumping and storage area by DPW for about 70 years. There is great potential for use of this area for the DPW facilities on the Woodlawn Avenue side of the property. While there has been some criticism from a few citizens related to this possibility because it would allegedly ruin the view, the area proposed for use would not affect what little view there is. Additionally, when the trees are in bloom, there is virtually no view of the valley. Therefore, the construction of facilities at the location mentioned would not reduce what little view there is. If this site was considered and reasonably developed, it could actually become an improvement to the area by cleaning it up and organizing the use of the space better.

At the very minimum, this site should be seriously considered for the location of the Salt Bin and continued material storage. Even if this site is not selected for the DPW facilities, a small garage should be erected on site, for the storage of equipment used in the regular maintenance on the park. In addition, this has been identified as the most feasible site for the location of the salt bin for DPW.

There are many developing communities that have located their Public Works facilities within or adjacent to their park facilities. This is a practical location for the Public Works Facility because of the amount of maintenance that is done here by the DPW and this will increase into the future as we expand the park with trails and more land.

The location to build on this site would be tucked into the southeast corner, behind the trees and would not present an eyesore or obstruction. If tastefully done, it would be an optimum location. The location also has natural barriers (i.e. significant tree cover and natural ravines) that provide good natural buffers and isolation from the surrounding neighborhoods.

While there was also concern related to buildability on this site, the Borough had a geo-technical evaluation and core borings of the proposed site (**Appendix H**) and it was determined that the site is suitable to be built upon.

This site should be given serious consideration as a potential option for the Public Works Facility.

If Council chose to put the Public Works at this site, we would have ample room to place the facilities needed. As indicated in the following illustrations, this would include the construction of what are known as "Pole Buildings." These are cost effective solutions for construction of these types of facilities.

The facilities would include one building that is 32 feet wide by 80 feet deep (2,560 square feet) with two garage doors and will be able to provide for the indoor storage of the garbage and recycling trucks. The other building would be 120 feet wide by 70 feet deep (8,400 square feet) with six garage doors and would provide for the indoor storage of all other vehicles and equipment as well as approximately 1,680 feet of finished space for the offices, breakrooms, shower and locker rooms, etc. We would also be able to place the salt bin on this site.

The costs associated with this project have been provided by the Engineer. The estimation of probable cost would be \$1,234,000 (**Appendix I, Attachment 3**).



OVERHEAD VIEW OF MEMORIAL FIELD

(DEVELOPMENT AREA CONSIDERED – HIGHLIGHTED IN YELLOW)



EXAMPLE OF A COMPLETED POLE BUILDING GARAGE FACILITY (EXTERIOR)



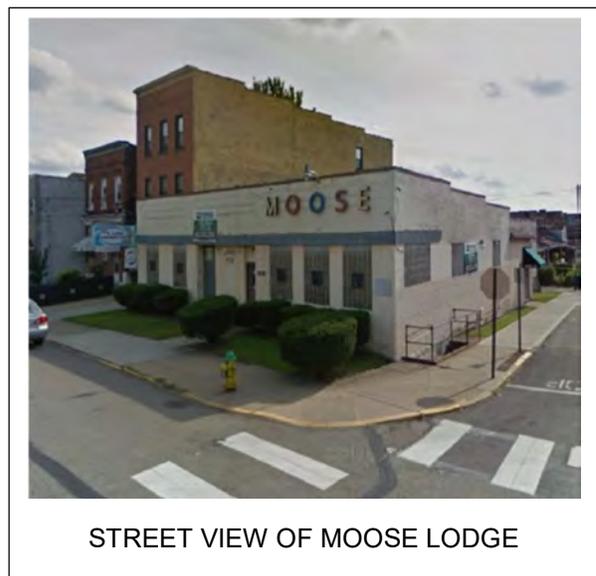
EXAMPLE OF A COMPLETED POLE BUILDING GARAGE FACILITY (INTERIOR)

SITE 4 – Swissvale Moose. 2200 Woodstock Avenue.

The Swissvale Moose was identified as being in process of Sheriff Sale proceedings. The lot size of this property is 5,015 SF and the building size is 4072 square feet. The building has some signs of neglect, whereas the parapet wall on the Roslyn Street Side has collapsed in 2019, similar to what we experienced at the Borough Building, but to a lesser degree.

The overall size of the building is not big enough to house either the Administrative Offices and Council Chambers nor the Police Department. This property is located in the NMU district and would not have ample on-street parking available. There is no availability of adjacent land for off street parking. Even if the building and site were large enough to house any of our operations, which they are not, the parking issues would seriously and negatively affect the surrounding residential neighborhood. This area of the Borough has regulated Residential Permit Parking, due to the limited available parking and the previous use by busway riders taking up a large amount of that on-street parking. Trying to use this site for one of our facilities would only exacerbate this issue.

Therefore, it was ultimately determined that it would not be suitable for use based on the aforementioned reasons.



SITE 5 – The Old LGAR Home Site. 2622 Woodstock Avenue.

The old Ladies of the Grand Army of the Republic (LGAR) Home site is located on the eastern edge Woodstock Avenue, nearest the border with Rankin and North Braddock Boroughs. The Borough obtained funding a few years ago to demolish the abandoned and blighted structure that was located here. The site is more than 1 acre in size, but due to the terrain, only about one third to one half is usable.

This site was considered early on as a potential location for use for the Public Works Facility, but does have some obstacles that may be very hard to overcome.

The last title search we performed on this property in 2017, indicated more than \$1.7 million dollars in liens and judgements on this property, including federal liens and judgements. This does not include the Borough's lien in excess of \$250,000 associated with the demolition of this property. This presents considerable obstacles for the Borough obtaining this property. The current owner, Time Out Ministries, filed for bankruptcy in 2012 and appears to no longer be operating. Therefore, the only viable option for the Borough to obtain this property is through the use of Eminent Domain. Lengthy discussions with the Solicitor over the last several years revealed that this could take several years to attempt to clear the title, and there were no guarantees that we could be successful in clearing the federal liens (**Appendix J**). The process of eminent domain is a lengthy and costly process (**Appendix K**). Because time is of the essence for us to find solutions, this option would not fit our current pending needs.

While this may be a large parcel of land, it also presents some unique issues. The location would not be optimal for use for the Municipal building to house the Administration and Police because its geographical location is not in the center of the community and tucked down well below street grade.

Because of the previous demolition of the structure and the foundation being filled with bricks and stones from the foundation, it may also require some additional site work to erect new buildings on the site. This site is also surrounded on three sides by residential dwellings and there are no natural barriers or buffers to isolate the noise and view of this facility. This issue would likely have a negative effect on the neighborhood and its quality of life for surrounding homeowners.

Therefore, based on the aforementioned information, it was concluded that this was not a viable option for consideration for our current pending needs.

SITE 6 – The Old Pittsburgh Die & Casting Company – 7503 Ardmore Street

The Old Pittsburgh Die & Casting Company Facility was also considered as an option for the Public Works Facility. In 2018, the Borough Manager was contacted by the previous owners to discuss requirements for them to sell the building. The family owned business decided to sell off their business holdings to another company and they were looking to sell their property.

Arrangements were made for the Manager and Assistant Manager/DPW Director to visit and view the site to determine if this would be a viable option for an Adaptive Reuse of the facility for Public Works.

Unfortunately, after a preliminary review of the property, it was determined that this would not be a suitable option for this use. There were several reasons for this determination. The primary reason being that the site consisted of six different industrial style buildings that were added upon as the business expanded over the years, which resulted in various compartmentations of the building that would not allow for conversion to primarily be used for garage storage space. The construction methods used for these buildings would not allow for them to be easily converted to the DPW's needs and would have also required considerable renovations and updates to bring them to compliance with the current code due to changing its use from an industrial facility to the DPW facility to meet the requirements of the Pennsylvania Uniform Construction Code (PA-UCC).

This building ultimately sold in June of 2019 and is used as an ornamental iron fabrication facility now.

Therefore, based on the aforementioned information, it this is not an option for consideration for our current pending needs.



OVERHEAD VIEW OF PGH DIE CASTING



STREETVIEW VIEW OF PGH DIE CASTING

SITE 7 – The Current Municipal Building Site.

One of the options considered was to build a new facility on the existing site. The location is prominent site and is on the “main drag” through town and the Municipal Building has been here since the Borough first acquired property in 1907. Through the years, the Borough has acquired adjacent parcels growing the land tract in its possession. The total site size with all parcels combined would be suitable to build a new facility here.

However, if we were to build a new facility here, it would be 10,000 to 12,000 square feet. In order to build a single story building, the current municipal building would need to be demolished as indicated on the attached overview. While a new building may be able to be fit adjacent to the existing building, it would be too close, causing significant issues for the demolition that may potentially cause damage to the new structure. (See next page for site plan overview.)

The estimation of probable costs provided by Glenn Engineering for the construction of a new municipal building are \$4,975,000. (***Appendix I, Attachment 5***)

RELOCATION EXPENSES

The relocation costs were not included in the engineer’s estimates. However, these costs were discussed and summarized in Section 3 of this report. The total costs for this temporary space would be between \$448,000 and \$830,000. This cost estimate does not include other “soft costs” such moving expenses, networking, phone systems, etc. which would add thousands more.

SUMMARY

The costs associated with the construction of a new Municipal Building on this site are significantly higher than other proposed solutions. Attempting to do so would result in serious financial strain to the Borough’s operating budget and would result in considerable property tax increases to our citizens.

As your Borough Manager, who has a demonstrated 6 year track record of effective financial management of the Borough’s budgets and operations, I would strongly recommend that this option not be considered. I wish to place on the record that the resulting debt of this project would substantially hinder the Borough’s continued successes and ability to do many other much needed infrastructure projects into the foreseeable future. The financial strain created would be considerable and coupled with need for significant tax increases to pay for this debt, it would have a negative impact on our citizens and our community’s healthy housing market.

SITE 8 – McCague Street Property: 1919-1929 McCague Street

The Borough currently owns this property and it was acquired in November of 2019.

HISTORY OF ACQUISITION

In the beginning of 2018, the warehouse space on McCague Street became available for lease and was posted on the exterior of the building. Knowing the size of the space from previously inspecting this property, this property appeared to be a great possibility for the Borough's use for either the DPW or the Administration and Police. This building is about 12,600 square feet, is structurally sound, built with 12 inch masonry walls and bar joist roofing system. With 13 feet high ceilings and 63 feet of open span inside, it was determined that this space would also be adequate to house large trucks and equipment.

The Borough Manager contacted the owner, Lou Weiss, and asked if he was just leasing or was also interested in selling the property. He said he could do either/or, but wanted \$600,000 to sell the property. He was informed that this was too much money for the property based on recent sales over the last few years. The conversation ended there.

Several months later, Mr. Weiss reached out to the Manager and that resulted in numerous conversations over the next several months. The Manager informed him that his expectations were too high and that he should get an appraisal of the property to formulate his asking price. In December of 2018, he provided an appraisal that listed the property value at \$460,000 (**Appendix L**). Negotiations continued for months and Mr. Weiss concluded and conveyed to Mr. Wilhelm that he has three other partners they could not sell the property for less than \$370,000. This price seemed reasonable so the Borough had their own appraisal completed for the property in March of 2019, which placed its value at \$380,000 (**Appendix M**). It should also be noted that Council was aware of and kept abreast of these conversations related to this potential acquisition throughout this entire process.

Subsequently, Borough Council approved the purchase of this property for the intended purpose of renovating into the DPW facility for \$370,000. The property was acquired in November 2019. The total cost including closing costs was \$377,536.27.

However, as circumstances changed in March of 2020, with the partial collapse of the existing Borough Building, Council is strongly encouraged to consider all options available for the use of this space for any and Borough Operations.

CONSIDERATIONS FOR USE

While the Borough acquired this property for the intended use of the Department of Public Works, this site should also be given serious consideration for the use of the Administrative Offices and Police Station as an alternative option. This location is in the center of our Commercial Business District. The structure (originally built as a grocery store) has open span space that would be conducive to easily adapt to any use needed.

While the Administration and Police need approximately 10,000 (+/-) square feet space combined, converting this space could allow for an additional 1,500 to 2,000 square feet to be used for a Community Center or other purpose. This has been something that has been brought up on numerous occasions within the Borough. This would allow for a space for an occupancy of approximately 80 to 100 people to be used for community meetings, gatherings, events and community programming.

The parcel of land is adequately sized to provide for suitable parking for either use. You will see the overall parcel and size on the site plan on the following insert page.

PUBLIC WORKS FACILITY USE

The engineers and architects have prepared an estimation of probable cost for the renovation and use as the DPW garage. The costs for this work is estimated to be \$525,000. This work includes the roof replacement, structural modifications for the installation of two oversized garage doors, sewer line replacement and oil separation tank, the build out of approximately 1700 (+/-) square feet of finished space for offices, lockers, showers and other required work space. This scope of work also includes the replacement of all of the sidewalks on the perimeter of the property. This does not include any alterations to the exterior fascia of the building, nor does it include the paving of the parking lot which will be included in future paving projects to keep those cost lower. **(Appendix I, Attachment 1)**

ADMINISTRATION and POLICE USE

The engineers and architect have concluded that the renovation of this property for the use of the Administration and Police would be the similar to that of what was estimated for the Irvine Street Property. This estimate included all sidewalk replacement and paving as part of that overall project. This estimate was placed at \$149.00 per square foot, which would total approximately \$1,880,928 **(Appendix I, Attachment 2)**.

However, it is believed that the costs associated with the renovation of the McCague Street Property would actually be less per square foot based on the following examples:

The McCague Street Property does not require any environmental work, such as asbestos abatement. This cost for the Irvine Street property is estimated at \$32,000 (or \$3.11 per square foot). This equates to about \$39,000 less.

The roof replacement estimate which was obtained by the engineer from a reputable roofing company for the McCague Street property is \$2.18 less per square foot than estimated cost for the Irvine property. This is due to the McCague Street property having one continuous roof without additional parapets that are on the Irvine Street Property. This equates to about \$27,600 less.

The McCague Street Property will not require the construction of an addition for use as a "Sally-Port" for the police. This will reduce the costs another \$31,200.

The associated electrical costs for the McCague Street property should be less because this site had a complete new 400 amp service installed just 4 years ago. This should result in an addition savings of about \$10,000 to \$15,000.

If the McCague Street property were used for the Police, the carport size would be reduced based on the building layout. This should result in additional savings of about \$20,000.

These various identified costs reductions should reduce the cost per square foot by at least \$10.00 or more, resulting in a significant savings overall.

Additionally, unlike the Irvine Street Property, there would be no demolition work involved with the McCague Street Property. The demolition costs associated with the razing of the existing Busch Brother buildings is not included in the Irvine Street Property estimate of probable cost. This would save an additional \$20,000 - \$30,000.

Another important consideration for the use of the McCague Street property for the Administration and Police is that we own the property and can begin with the design, bidding and construction immediately. As is outlined in the Irvine Street Property Evaluation (See Site 9), the expected timeline for the subdivision and acquisition of this property will take six to nine months to be able to obtain legal ownership and perhaps longer dependent on the Busch Brother's lease situation. This is a significant delay, and would likely delay the solution for the Administration and Police another year or so. Considering that time is of the essence to remove our employees from the existing borough building within the near future.



OVERHEAD VIEW OF McCAGUE



STREETVIEW VIEW OF McCAGUE (Front)



STREETVIEW VIEW OF McCAGUE (Front and Side)



STREETVIEW VIEW OF McCAGUE (Side and Rear)

SITE 9 – Irvine Street Site: 7405-7415 Irvine Street and 1931 Monongahela Avenue.

The properties on Irvine Street are comprised of the existing Busch Brother Tire Service Business, located at the corner of Monongahela and Irvine Streets, along with six (6) vacant storefronts on Irvine Street, directly across from the fire station facility. 7405, 7407, 7409, 7411, 7413 and 7415 Irvine Street have remained mostly vacant for the last decade. Living Spirits Ministries and Al's Hair Salon were the last two operating businesses located here and have been gone now for several years.

Structurally, these buildings are sound and in good shape. They are constructed of masonry walls, pilasters with steel beams and wood rafter roof systems. The total square footage is about 9800 (=/-) square feet.

The result of the last evaluation process identified this site as the most suitable for various reasons. The primary reasons were affordability, location, suitability and expediency. As indicated in the Conceptual Drawings (**Appendix N**), this space would be suitable for the Administration Offices, Council Chambers and Police Department needs.

HISTORY

Meetings and discussions were held with the owners over a course of more than two years. Various options and creative options and terms were explored such as leasing, build to suit with lease/purchase and out-right purchase and renovation. The biggest obstacle with this property was the existing lease-hold by Busch Brothers Tire Service on the property located at 1931 Monongahela Avenue.

Over time, the owners came to a conclusion that they would be willing to sell this property to the Borough for the specific use as the Borough Offices and Police Station for \$225,000. However, for this stated price, the owners insisted that it would be the Borough's responsibility to deal with the existing Busch Brothers Lease, which has options that run through 2036. They also expressed that the owners of this business "had to be on board" with the project and whatever the proposed solutions to the disposition of the lease-hold. This presented significant issues to be resolved.

Subsequent meetings were held with Busch Brothers to explore and determine viable solutions. The best solution determined at that time was to relocate them on a portion of the McCague Street property to be acquired by the Borough and transfer that lease to the new location. This was what was presented to council in March of 2019 (**Appendix C**), but was not accepted.

The only other alternative was to purchase the property and void the lease through eminent domain. This was also explored at the direction of Council and determined to be too costly. As indicated in a Memorandum from the Borough Solicitor dated, April 12, 2019 (**Appendix P**), the potential damages related to evicting Busch Brothers through eminent domain from this property could have damage costs of up to nearly \$100,000, not including our legal fees, which could be approximately an additional \$10,000 to \$30,000 or more. This information was presented to Council and determined to not be acceptable.

As part of the due process review of this property, appraisals were obtained by the Borough for both parcels. The results were that the Irvine Street storefronts were valued at \$100,000

(Appendix Q) and the Busch Brothers Property valued at \$225,000 **(Appendix R)**, due to the existing lease and income related thereto. This information was provided to the property owners for their review.

The owners then offered to sell the Borough the two properties for the appraised value of \$325,000. They agreed to take care of relocating Busch Brothers to another building that they would build on their shopping center site, provided that the Busch Brother's owners would agree to transfer the lease-hold to the other location. Their estimations were that they would use the proceeds of the sale to erect a new building for the business on the portion of the shopping center adjacent to the Stahl Plumbing building at the corner of McCague and Irvine Streets and therefore in essence, would be giving the property to the Borough with no gain for themselves. This was presented to Council in the late summer/early fall. Council did not approve.

There were then discussions by Council related to acquiring the Irvine Street Storefronts without the 1931 Monongahela parcel. As indicated on the conceptual drawings, specifically the site plan, it would not be possible to do this project without both parcels of land. We would not have sufficient parking, sufficient access to the rear of the structure for parking police vehicles and would not be able to erect the "sally-port" for the police.

Most recently, Council directed the Manager to contact the shopping center owners again to see if this property acquisition opportunity was still available. The owner's response was quite clear: *"We have spent nearly three years working with you on solutions to provide you this property to no avail. If you are serious, provide a bona-fide offer to purchase the property in writing and we can begin talking about this again. If not, we do not wish to continue wasting our time."*

In addition, the Manager had discussions with the Lessee of the 1931 Monongahela Avenue parcel, and their position was that they were no longer interested in the relocating or participating in any way with this project and to be honest and direct, were quite disgusted with the vilification and disparaging comments made against them by a few members of the community, especially on social media.

Based on these reasons, it is not believed that this option can be renewed for consideration at this time.

However, in case something miraculous happens, the following information outlines the overall project that was considered.

As indicated in the conceptual drawings **(Appendix N)**, this site would have been a great option for the Borough for numerous reasons. It was suitable in size, had ample parking, and would have centralized all Borough operations being that it is located directly across the street from the fire station which was built in 2012. Combined with the DPW being located one half block down the street at the McCague Street property, it would have created a virtual municipal campus, if you will, containing all operations in close proximity to each other as indicated in the following overview image. This was an obvious and good solution for our needs.



OVERHEAD VIEW OF PROPOSED BOROUGH FACILITIES LOCATIONS

COSTS OF ACQUISITION and RENOVATION

As indicated in the preceding paragraphs, it was established that the acquisition of this property would be \$325,000 plus closing costs. As part of this previously agreed upon sale price, the Borough would also be responsible for the preparation of the survey and subdivision plan for the Irvine Street property. This is anticipated to cost about \$10,000 based on previous estimates provided by KU Resources.

The renovation costs for this site have been updated by Glenn Engineering, due to the last estimates being from the fall of 2018. The total estimate of probable cost provided is \$1,534,600 (**Appendix I, Attachment 2**). Much of the increases in costs are attributed to the substantial rise in building material costs which have increased significantly over the last 2 years.

The following is a summary of the current anticipated costs for this project:

Property Purchase:	\$ 325,000
Closing Costs (Estimated):	\$ 7,000
Subdivision Costs:	\$ 10,000
Renovation Costs:	\$1,534,600
Total Estimated Project Cost	\$1,876,600

OTHER CONSIDERATIONS

As related in previous paragraphs, if the Borough did acquire this property and the current lease holder refused to leave, we would have to initiate eminent domain proceedings to void the lease. As indicated, this could result in an addition cost of upwards of \$130,000 or more.

Another issue to consider is that the property has been determined to be contaminated from previously installed underground storage tanks from its use as a gas station. This is primarily under the property located at 1931 Monongahela, but may have crept under a portion of the Irvine Street Property (**Appendix T**).

However, it was determined by KU Resources that the PA-DEP status of the site is inactive. This is because "this is a low risk and/or low priority site" based on DEP standards. "Typically, once the PADEP lists a facility as "inactive", it does not seek remedial actions in the future." In previous discussions with KU Resources, they felt comfortable that the buildings on this site could be demolished and the parking lot encapsulated and paved without any issues.

In the correspondence provided in the appendix, KU did provide estimations for the Borough to consider should there be a desire to investigate this further and potentially remediate the property. These costs were estimated at \$50,000 for the subsurface investigation and if active remediation was desired or required, those costs would be an additional \$150,000 to \$200,000.



STREET VIEW OF IRVINE STREET STOREFRONTS



STREETVIEW VIEW OF 1931 MONONGAHELA

SITE 10 – Edgewood Avenue Site: 7600, 7602, 7604, 7700, 7702 Edgewood Avenue

The area identified as the Edgewood Avenue Site is comprised of several vacant lots. These lots were also known as 7600, 7602, 7604, 7700, and 7702 Edgewood Avenue. They are located nearest to the intersection of South Braddock and Waverly Streets.

Parcels 178-D-115 and 178-D-111 are currently owned by the Borough and were acquired in 2001 after the buildings were demolished by the Borough sometime before. These lots have remained idle, primarily used as a material storage site for various major projects that have occurred in the Borough over the years. Most recently, these lots were used by the contractor for the Pedestrian and Bicycle Safety Upgrade Project on South Braddock Avenue.

The other three lots, Parcels 178-D-110, 178-D-109 and 178-D-108 are owned by the Mattes Family. All three of these lots are tax delinquent and have considerable liens placed upon them.

The following chart indicates the lot size and the total of all lots combined.

PARCEL	OWNER	LOT SIZE
178-D-115	Borough of Swissvale	7790
178-D-111	Borough of Swissvale	1760
178-D-110	Mary J & Loukas Mattes	1760
178-D-109	Stephan Mattes	1760
178-D-108	Loukas Mattes	1760
Combined Total Square Feet		14830

Based on the needs assessments, a new municipal building to house the Administration and Police would require approximately 10,650 (+/-) square feet along with a minimum of an additional 6,500 square feet or more for parking, the minimum lot size needed is at least 17,150 square feet.

While this site has 14,830 square feet, it would actually provide less than this amount for use because the rear portion of the property is adjacent to Tomlinson Way, an alley which is above the grade of the lots. This would require a portion of these lots to be used to erect a new retaining wall along the rear portion of the property to support the alleyway above.

Therefore, this site was determined to not be suitable for the Borough’s current needs.



OVERHEAD VIEW OF EDGEWOOD AVENUE SITE

SITE 11 – Noble Street Site 1: 2024, 2028, 2032, & 2038-40 Noble

This potential site included properties known as 2024, 2028, 2032, 2038-40 Noble Streets.

ADDRESS	PARCEL	OWNER	LOT SIZE
2024 Noble	178-H-075	Carol & Anthony Palangio	2700
2028 Noble	178-H-073	Mufti & Kahn Inc	4430
Noble	178-H-072	Mufti & Kahn Inc	116
2030 Noble	178-H-070	Swissvale Parking Authority	3540
Alley Way	N/A	Alleyways to be vacated	1080
2032 Noble	178-H-068	Mary Roberta	2236
2038-40 Noble	178-H-070	Frank & Larry Radinovic	1870
Combined Total Square Feet			15972

When we originally reviewed this site for possible development, several of the properties were vacant. Veltre’s Italian Kitchen had moved out of 2024 Noble. 2028 Noble was a vacant storefront. 2032 was vacant, both the storefront and the apartments. 2038-40 was occupied by Murray’s Café, however, it was shut down by the State Police and the LCB because of unsafe conditions and significant building code violations.

Since then, 2024 Noble is now used. 2028 is leased and used by the Food Bank. 2032 remains vacant. 2038-40 has been repaired and reopened for some time now. This makes the acquisition of these sites less likely and would increase the costs associated such dramatically, both in actual costs and community impacts.

ACQUISITION AND ASSEMBLY OF SITE

Based on the aforementioned information, it would not advantageous to do this project. However, for the purposes of this report, the financial analysis is contained herein for review.

The following is a chart listing the purchase prices and assessed values for these properties.

ADDRESS	PARCEL	OWNER	ASSESSED VALUE	ACQUIRED VALUE
2024 Noble	178-H-075	Carol & Anthony Palangio	\$55,700	\$42,000
2028 Noble	178-H-073	Mufti & Kahn Inc	\$50,600	\$55,000
Noble	178-H-072	Mufti & Kahn Inc	\$200	Sold with Above
2030 Noble	178-H-070	Swissvale Parking Authority		
Alley Way	N/A	Alleyways to be vacated		
2032 Noble	178-H-068	Mary Roberta	\$62,600	\$0
2038-40 Noble	178-H-070	Frank & Larry Radinovic	\$111,300	\$85,000
Cost Ranges			\$280,400	\$182,000

If we were able to acquire all of these parcels, we would then need to raze the structures. A cost estimate was calculated based on the costs of past demolition contracts in the Borough. To demolish the existing structures located at 2024, 2028, 2032 and 2038-40 Noble Streets would be approximately \$22,000 to \$35,000 per building which is dependent of the asbestos surveys that would need to be conducted. This estimate of probable cost includes the environmental surveys, engineering and bidding costs.

Please keep in mind that these costs do not include the use of eminent domain, should one or more of the property owners refuse to negotiate in good faith and be willing to sell the properties for a reasonable market value. This often occurs in situations where the government is interested in acquiring parcels of land for redevelopment.

Total Land Acquisition Costs:	\$182,000 – \$280,400
Legal Costs:	\$ 20,000 - \$ 30,000
Demolition Costs:	\$ 88,000 - \$ 140,000
Total Cost Range	\$290,000 – \$450,000

NOTE: There is great likelihood that the costs associated with the acquisition of these properties will be higher than above listed costs due to them being occupied.

While the acquisition of these properties appear to be a great solution, there were many issues considered.

The advantages of this site were:

- Location. This is located at the center of town in the Business District.
- Parking. We would be able to use the existing Municipal Parking Lot on Noble Street which would be directly adjacent to this site.

The disadvantages of this site were:

- The need for property acquisition of several lots and buildings incurring significant additional costs.
- The need for demolition of existing structures on site incurring significant additional costs.
- The dislocation of at least four occupants of these buildings, including the food bank, which is an essential service to our community.
- Overall potential costs and extended timeline for completion.

Therefore, after serious consideration and review, it was determined that this would not be feasible in cost, time and community impact.



OVERHEAD VIEW OF NOBLE STREET SITE 1



OVERHEAD VIEW OF 2024 NOBLE



STREETVIEW VIEW OF 2024 NOBLE



OVERHEAD VIEW OF 2028 NOBLE



STREETVIEW VIEW OF 2028 NOBLE



OVERHEAD VIEW OF 2032 NOBLE



STREETVIEW VIEW OF 2032 NOBLE



OVERHEAD VIEW OF 2038-40 NOBLE



STREETVIEW VIEW OF 2038-40 NOBLE

SITE 12 – Noble Street Site 2: 2105, 2115, 2117 & 2021 Noble, 7544 Dickson & 7557 Roslyn

This potential site included properties known as 2105, 2115, 2117, and 2121 Noble Streets as well as 7544 Dickson Street and 7557 Roslyn Street.

ADDRESS	PARCEL	OWNER	LOT SIZE
2105 Noble	178-H-060	Kol De Fran	5549
2115 Noble	178-H182	Lavonne Milisits Trust	3060
2117 Noble	178-H-183	Lavonne Milisits Trust	1466
2021 Noble	178-H-184	RNA Properties LLC	3215
7544 Dickson	178-H-058	Keith & Alene Marshman	3000
7557 Roslyn	178-H-186	Anton & Raymond Defade	3720
Alley Ways	N/A	Alleyways to be vacated	2150
Combined Total Square Feet			22160

The major issues with this set of parcels is that the property located at 2105 Noble used to be the Hohman’s Dry Cleaners. This site has ground contamination. Although we were able to receive Phase 2 Environmental Clearance with the PA DEP by getting a Special Industrial Area (SIA) designation on the property as part of our efforts along with the Turtle Creek Valley COG and the Land Bank for re-use purposes, that clearance has particular restrictions against land disturbance. To oversimplify what this means is that if we don’t reuse the existing building in compliance with the covenants placed on the property as a result of the Pennsylvania Department of Environmental Protection (PA-DEP) Phase 2 Clearance, we open up “Pandora’s Box” and have to provide for potential remediation of the property. The only way the property can cost effectively be used is to utilize the existing structure. The existing building is 5537 square feet and we need to build an additional 5,000 square feet adjacent to this.

ACQUISITION AND ASSEMBLY OF SITE

2105 Noble is currently in process of being owned by the Land Bank. This property could be acquired directly from the Land Bank.

2115 and 2117 Noble Street are currently in disrepair and are for sale. We could either purchase this property thru negotiation or take through eminent domain. The most cost effective route would be to negotiate a purchase from the current owners.

2121 Noble Street is currently unoccupied but maintained. We could either purchase this property thru negotiation or take through eminent domain. The most cost effective route would be to negotiate a purchase from the current owners. While they only paid \$14,500 for this property via sheriff sale in 2017, they have spent a considerable money fixing the structure since.

7557 Roslyn Street is currently unoccupied. We could either purchase this property thru negotiation or take through eminent domain. The most cost effective route would be to negotiate a purchase from the current owners.

7544 Dickson Street is currently unoccupied and in disrepair. We could either purchase this property thru negotiation or take through eminent domain. The most cost effective route would be to negotiate a purchase from the current owners. They paid \$5,500 for this property via sheriff sale in 2015.

The following is a chart listing the purchase prices and assessed values for these properties.

ADDRESS	PARCEL	OWNER	ASSESSED VALUE	ACQUIRED VALUE
2105 Noble	178-H-060	Kol De Fran	\$76,500	\$300,000
2115 Noble	178-H182	Lavonne Milisits Trust	\$19,500	\$19,500
2117 Noble	178-H-183	Lavonne Milisits Trust	\$19,500	\$19,500
2021 Noble	178-H-184	RNA Properties LLC	\$124,200	\$14,500
7544 Dickson	178-H-058	Keith & Alene Marshman	\$54,700	\$5,500
7557 Roslyn	178-H-186	Anton & Raymond Defade	\$79,300	\$68,000
Alley Ways	N/A	Alleyways to be vacated		
Cost Ranges			\$373,700	\$427,000

If we were able to acquire all of these parcels, we would then need to raze the structures. A cost estimate was calculated based on the costs of past demolition contracts in the Borough. To demolish the existing structures located at 2115, 2117, 2121 Noble Streets, 7557 Roslyn Street and 7544 Dickson Street would be approximately \$22,000 to \$35,000 per building which is dependent of the asbestos surveys that would need to be conducted. This estimate of probable cost includes the environmental surveys, engineering and bidding costs.

Please keep in mind that these costs do not include the use of eminent domain, should one or more of the property owners refuse to negotiate in good faith and be willing to sell the properties for a reasonable market value. This often occurs in situations where the government is interested in acquiring parcels of land for redevelopment.

Total Land Acquisition Costs:	\$373,700 – \$427,000
Legal Costs:	\$ 20,000 - \$ 30,000
Demolition Costs:	\$110,000 - \$175,000
Total Cost Range	\$503,000 – \$632,000

While the acquisition of these properties appear to be a great solution, there were many issues considered.

The advantages of this site were:

- Location. This is located near the center of town in the Business District.
- Parking. We would be able to use the existing parking lot on Roslyn at South Braddock for Police and Employee vehicles. This is also in close proximity to the Municipal Parking Lot on Noble Street.

The disadvantages of this site were:

- The need for property acquisition of several lots and buildings incurring significant additional costs.
- The need for demolition of existing structures on site incurring significant additional costs.
- Complexity of development of the site. We would need to utilize the existing Hohman's Cleaners building and also build additional new space attached thereto to fulfill our needs.
- Overall potential costs and extended timeline for completion.

Therefore, after serious consideration and review, it was determined that this would not be feasible both in cost and in time.



OVERHEAD VIEW OF NOBLE STREET SITE 2



OVERHEAD VIEW OF 2105 NOBLE



STREETVIEW VIEW OF 2105 NOBLE



OVERHEAD VIEW OF 2115 NOBLE



STREETVIEW VIEW OF 2115 NOBLE



OVERHEAD VIEW OF 2117 NOBLE



STREETVIEW VIEW OF 2117 NOBLE



OVERHEAD VIEW OF 2021 NOBLE



STREETVIEW VIEW OF 2021 NOBLE



OVERHEAD VIEW OF 7544 DICKSON



STREETVIEW VIEW OF 7544 DICKSON



OVERHEAD VIEW OF 7557 ROSLYN



STREETVIEW VIEW OF 7557 ROSLYN

SITE 13 – Church Street Site: 7455 Church Street

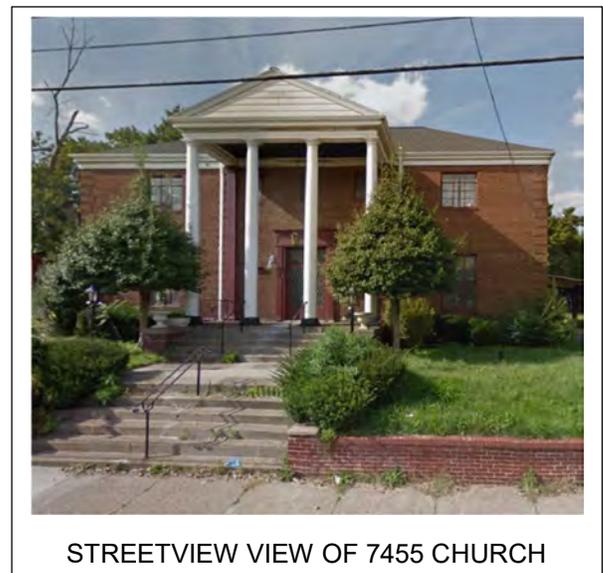
This site was identified as an option early on as a result of this and two adjacent properties entering foreclosure proceedings as a result of the owner being criminally prosecuted by federal authorities.

The area considered included 7449, 7455 and 7465 Church Street, which were all owned by the same person.

The centerpiece of these properties was 7455 Church Street. This building had a significant presence in the neighborhood with a beautiful stately front portico with four large columns in front and was originally built and operated as the Perrone Funeral Home until about 1999. It was subsequently purchased and used as commercial office space.

This building has 5,856 (+/-) square feet of Gross Floor Area (GFA). 3,914 square feet is on floor 1 (including garages) and 1,942 square feet on floor 2. The lot size is 17,500 square feet. This building is not large enough to house the Administration and Police, therefore construction of an additional building or addition would be required. However, because this building is directly in the middle of this parcel, one or both of the adjacent parcels would be needed to accomplish this task.

Unfortunately, 7465 Church Street was foreclosed on and sold in January of 2018. 7449 Church Street was foreclosed on and sold in November of 2018. This action left the viability of this potential property unusable. Additionally, 7455 Church was purchased in October of 2019 and is now being sold to Mark Haak, who will be moving his legal offices and property management business there.





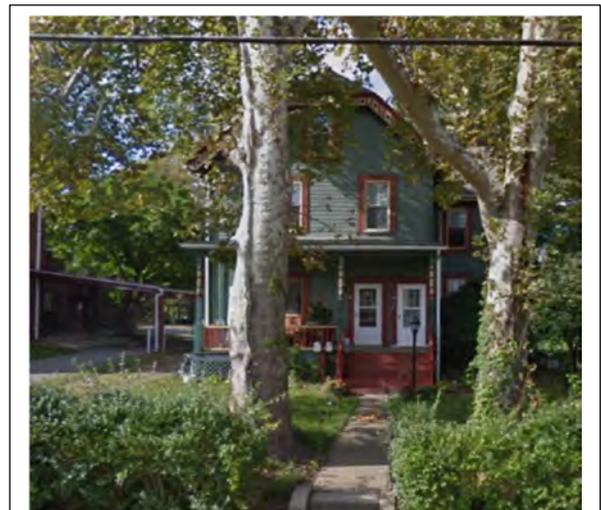
OVERHEAD VIEW OF 7449 CHURCH ST.



STREETVIEW VIEW OF 7449 CHURCH ST.



OVERHEAD VIEW OF 7465 CHURCH ST.



STREETVIEW VIEW OF 7465 CHURCH ST.

SECTION 7. CONCLUSION OF VIABLE OPTIONS

As a result of the evaluations that have been conducted over the last several years combined with the financial implications of such projects, the following have been identified as the most viable, affordable and cost effective solutions available.

MUNICIPAL BUILDING FACILITY (Police and Administration)

OPTION A – Irvine Street Site (Adaptive Reuse of Existing Structure)

Estimate of Probable Cost: \$1,876,600

OPTION B – McCague Street Site (Adaptive Reuse of Existing Structure)

Estimate of Probable Cost: \$1,880,928

PUBIC WORKS FACILITY

OPTION A – McCague Street Site (Adaptive Reuse of Existing Structure)

Property Acquisition: \$ 377,536 (*Already Purchased*)

Renovations Costs: \$ 524,365

Parking Lot Paving: \$ 54,000

Estimate of Probable Cost: \$ 955,901

OPTION B – Memorial Field Site (New Construction of Pole Buildings)

Estimate of Probable Cost: \$1,234,000

Section 8. DEBT SERVICE, FINANCIAL IMPACT and AFFORDABILITY

As part of this overall process, we also took into consideration the financial impacts this project would have to the Borough. This included evaluating our current long-term debt, the term of those current debts, the annual costs associated with current and new debt as well as the affordability and financial impacts associated with new debt for the purpose of the facilities proposals.

CURRENT LONG TERM DEBT.

The Borough currently has three long term outstanding debt notes.

1. Pennsylvania Infrastructure Bank (PIB) Loan. This loan was taken out in 2012 for street paving. The original loan amount was \$716,680 for a ten year term at 1.625% interest. The current balance is \$202,632. . The annual payments are \$77,697. This loan will be paid off in January 20, 2023.

2. 2016 General Obligation Note (GON). This loan was taken in 2016 to be used for our Capital Fund for various capital improvement purposes. These included the purchase of one fire engine, demolitions, road paving and other grant matching projects (overall, this money was leveraged for more than \$5.5 million in capital improvements and expenditures) The original amount was \$1.5 million for a term of 10 years at 2.15% interest. The current balance is \$765,821. The annual payments are \$167,090. This loan will paid off in April 25, 2026.

3. 2020 General Obligation Note (GON). This loan was taken in 2020 for the purpose of the purchase and renovation of the McCague Street property for use as the Public Works Garage. The original amount was \$850,000 for a term of 15 years at an interest rate of 3.35%. The annual payments will be \$72,168. This loan would be paid off in 2035.

The total budgeted amount in 2020 for long term debt service is: \$290,552 (**Appendix U**). This will increase slightly to \$316,954 (based on the current 2020 GON recently taken).

DEBT SERVICE FOR MUNICIPAL FACILITIES PROJECTS

As indicated in this report, we basically have three options for facility replacement:

1. Build a new Municipal Building with Adaptive Reuse for DPW
 - Total would be approximately \$6,760,901
2. Acquisition and Adaptive Reuse of Existing Buildings for both Municipal and DPW
 - Total would be approximately \$2,832,501
3. Combination of Acquisition and Adaptive Reuse for Municipal & Build New DPW
 - Total would be approximately \$3,110,600

(Please note for the purpose of this report, these numbers include the \$850k for the 2020 GON. If Council is now going to move forward with a comprehensive facilities replacement plan, this GON should be rolled into the new debt financing to get a longer term and lower rate.)

TYPES OF FINANCING AVAILABLE

Unfortunately, municipal governments cannot simply take out mortgages like private persons or businesses. Municipal Debt is strictly regulated by the Commonwealth of PA and the Federal Government (related to tax free financing). Taking on long term debt is not a simple process.

However, with that said, there were three basic types of financing identified as available to the Borough for this type of Project.

1. General Obligation Note (GON) from a Bank
2. Municipal Bond Issuance
3. Federally Guaranteed USDA Program Loans.

GENERAL OBLIGATION NOTES

General Obligation Notes (GON) are generally the most effective for small projects such as this. These types of loans are generally negotiated between the Borough and a Bank and are permitted for tax exempt financing under federal rules, meaning that the bank doesn't pay taxes on the interest collected, resulting in lower interest rates compared to convention commercial loan products. The limitations with these loans are the terms (or length) of the loan. Banks will generally write these GONs for terms from 10 years to 20 years, however, some have been stretched to 25 years.

This type of debt is the least complex to navigate and has the least amount of costs associated with initiating said debt.

MUNICIPAL BOND ISSUES

Municipal Bond Issues are generally used for larger debt. Generally, bond issues are not cost effective until you reach a certain level of borrowing. This is because of the large amount of work and costs associated with its underwriting. This includes having to establish the municipality’s bond rating, underwriting fees, brokerage fees and bond counsel fees. While the interest rates are generally lower than a GON, once you add all the fees associated with the issuance, on small bond issues (such as what we need), the overall cost of borrowing is often the same as a GON. The benefits of Municipal Bonds are that they can be taken out for longer terms, up to 40 years for larger amounts (tens of millions). Generally, Municipal Bonds have 20, 25 and 30 year terms. Because of the complexity of the bond market, an actual cost of a bond issuance cannot be determined until a bond financial consultant is hired to determine the feasibility and costs of such.

USDA LOAN PROGRAM

The USDA has a loan program that is available for the purpose of Municipal Facilities. This is a loan guarantee program by the federal government. However, there are some caveats that make it cost prohibitive for a municipality such as Swissvale that has a good clean balance sheet and is financially sound. This program is for municipal governments that cannot obtain commercially available credit at a reasonable rate. This program has a 1.5% upfront fee and an annual fee of 0.5% of the outstanding balance to fund the guarantee program. While the rates for this program can be slightly less that of a GON, once you add the program fees in, the overall cost of the debt service actually is higher. Because of this, it has been determined that this would not be the best solution. *(Appendix W)*

Based on the aforesaid information, for the purposes of this report, the GON will used as an example for debt costs. Below you will find examples based on two loan amounts: \$3 million and \$6 million. Generally, the banks will not provide a current rate until you request a commitment letter for the loan. Therefore, the interest rate used will be the rate that was issued with the 2020 GON, although, the rates today and in the future may vary. Based on the current Federal Reserve rates and recent actions related to rates, this rate will likely be less. However, rates are generally lower with shorter term loans and higher for longer term loans, similar to conventional fixed mortgage rates.

\$3 million GON Costs

Loan Amount	Term/Years	Rate	Monthly Payment	Annual Payment
\$3,000,000	15	3.25%	\$21,080	\$252,960
\$3,000,000	20	3.25%	\$17,016	\$204,192
\$3,000,000	25	3.25%	\$14,619	\$175,428

This chart is used for the example of debt for facility options 2 and 3 listed above, including the refinance the 2020 GON.

\$4 million GON Costs

Loan Amount	Term/Years	Rate	Monthly Payment	Annual Payment
\$4,000,000	15	3.25%	\$28,107	\$337,284
\$4,000,000	20	3.25%	\$22,688	\$272,256
\$4,000,000	25	3.25%	\$19,493	\$233,916

This chart is used for the example of debt for facility options 2 and 3 listed above, including the refinance of the 2016 and 2020 GON.

\$6.75 million GON Costs

Loan Amount	Term/Years	Rate	Monthly Payment	Annual Payment
\$6,750,000	15	3.25%	\$47,430	\$569,160
\$6,750,000	20	3.25%	\$38,186	\$458,232
\$6,750,000	25	3.25%	\$32,894	\$394,728

This chart is used for the example of debt for facility Option 1 (New Municipal Building), including the refinance of the 2020 GON.

As you will find in the preceding charts, the \$6.75 million loan amount would be quite burdensome to the annual budget, ranging from \$395k to \$569k in annual payments. It is not believed that we would be able to get a Bank issued GON in this amount and would most likely have to move to a bond issue. To forthright an honest, the Borough could not sustain this payment without a property tax increase ranging from about 1.0 to 1.75 mills or more, dependent of the resulting fiscal situation post COVID-19.

RECOMMENDED OPTIONS FOR CONSIDERATION

OPTION 1

Whereas, it is believed that we can afford the \$3 million loan amount, most likely without having to raise taxes, with continued responsible financial management. This example will consider the \$3 million GON for a 25 year term. This is briefly detailed below.

If we were to negotiate a long term GON with a bank, it would be established with a draw down account for the project(s). This basically means that we would have 12 to 18 months to draw down on the funds for progress payments for the project. This would reduce the initial monthly or annual payments for that period, so the full payment amount would not be due until the final drawdown. Therefore, if this project was initiated now, it would take 3 to 6 months before we started to draw and another 12 to 18 months before the full payment amounts became due. This will have a positive affect the 2021 and 2022 budgets.

If we refinance the 2020 GON into the longer term new GON, the amounts budgeted for 2020 should cover the majority of the interest payments due for this fiscal year. In 2021, this amount will increase as we drawdown for construction/renovation expenses and can be funded through existing revenues. In 2022, we would have to fund the entire annual payment in the amount of \$175,428. 2022 would be the crucial year to make this successful.

We would have already budgeted \$72,000 for the 2020 GON, therefore we would only have to make an additional \$103,000 that year to bridge through until January 2023, when the PIB loan is paid off. The \$78,000 used to pay the PIB loan could then be applied to the new GON, resulting an increased annual cost in debt service of only \$26,055.

In the worst case scenario, the \$100,000 gap can be funded by the General Fund Reserve to act as stop gap measure to 2023. However, I believe with prudent financial management and proper planning, this could be avoided. However, since I will not be the Manager preparing and administering the budget during these periods, I cannot guarantee that this will happen. If I were, I definitely would make commitment to this pledge.

This the example of how this would play out.

2020- (Remainder of year) Costs paid from current budgeted 2020 GON line item.

Current overall debt service payments to remain close to same as budgeted.

2021- GON Budget item increased to about \$120,000. (\$45,000 increase)

Overall debt service payments to increase by \$45,000 (compared to current)

2022- GON Budget item increased to \$175,428 (\$55,428 increase)

Overall debt service payments to increase by \$90,428 (compared to current)

2023- PIB Loan is paid off.

Overall debt service payments to increase by \$26,055 (compared to current)

This would remain until April of 2026, when the 2016 GON is paid off and thus reduce the annual debt service payments by \$167,000.

OPTION 2

In the alternative to Option 1, this example would consider a \$4 million GON for a term of 25 years. This would include the refinancing of the 2020 GON as well as the remaining balance of the 2016 GON. This is briefly detailed below.

Unlike Option 1, we would start out with a balance of at least \$1.1 million with subsequent draw down resulting in increasing payments during the drawdown period. After the complete drawdown of the loan then annualized payments would equal \$233,916. So for the first year or two, the payments would be less.

Taking into consideration that the annual payments for the 2016 GON are \$167,090 and for the 2020 GON \$72,168 for a combined total of \$239,258, we could easily afford a new GON in the amount of \$4 million for a 25 year term with annualized payments in the amount of \$233,916. This would result in a \$5,342 annual savings.

We may also wish to consider the \$4 million GON for a shorter term of 20 years. This annualized payment would be \$272,256, which is \$38,340 more. Combined with the PIB loan maturing in January 2023, this would also be affordable in the long term, would most likely result in a lower rate than a 25 year GON, and would be a term 5 years shorter than listed above, thereby reducing the overall borrowing costs.

Section 9. OTHER CONSIDERATIONS

Here we will show the primary revenue sources through taxation. These are based on the 2020 Budget (**Appendix U**). These revenues are generally based on previous year's budget performance.

The two primary sources of taxation for the Borough are from Real Estate Property Tax and Earned Income Tax.

The current Real Estate Property Tax Rate is 8 Mills. One mill equals \$1.00 in taxation for every \$1,000 in assessed property value. As an example:

Assessed Taxable Property Value:	\$100,000
1 Mill of Taxation:	\$ 100.00
8 Mills equals	\$ 800.00

Allegheny County has 86 Boroughs. These Boroughs have property tax rates ranging from 1.29 Mills to 14 Mills. The average (or mean) millage rate is 7.3155 mills. The median millage rate is 7.22 mills. Swissvale's millage rate is 8.0 mills and is about 10% higher than both the average and the median millage rates. Of the 86 Boroughs, 50 have a lower rate and 30 are higher. (**Appendix X**)

Of the 41 non-city school districts in Allegheny County, these millage rates range from 17.5 mills to 31.545 mills. The average (or mean) millage rate is 22.5644 mills. The median millage rate is 21.92. Woodland Hill's millage rate is 26.1105 and is about 16% higher than the mean and 19% higher than the median millage rates. This places the Woodland Hills School District as the 7th highest of the 40 districts. (**Appendix Y**) Because our school taxes are so high, it makes raising the Borough's tax rates that much more unappealing.

This information is an extremely important when considering raising taxes.

Our Borough tax millage rate is already about 10% higher than the county's average and median rates. While there are some communities that have a much higher millage rate, this is a direct result of the lower assessed property values in their communities. (**Appendix Z**)

As examples: Braddock's millage rate is 13.65 and their median assessed property value is \$7,400. North Braddock's millage rate is 11 and their median assessed property value is \$16,500. In comparison, Swissvale's tax rate is 8 mills and the median assessed property value is \$61,000.

However, Swissvale is quite unique compared to other communities. We have such a wide range of property values for occupied homes. They range from as little as around \$15,000 upwards to over \$400,000. While a 1 mill increase may only increase the bill of one homeowner as little as \$15 per year, it would cost others as much as \$400 or more. This is a significant impact to our citizens.

Swissvale's overall assessed taxable value of real estate is \$323,528,425. However, we have nearly 600 parcels that are delinquent. Of these, many are undeveloped land that has ownership dating back to the early 1900's and are virtually uncollectable.

All factors combined, we receive about 89.5% of our taxable value in real estate taxes. What this means is that while in theory, 1 Mill of taxes should generate \$323,528 annually, the actual figure that 1 Mill generates is about \$289,460 annually.

Below is a sampling of Millage increases and what the actual revenue would be:

- 0.25 Mill tax increase would generate: \$ 72,365
- 0.33 Mill tax increase would generate: \$ 95,522
- 0.50 Mill tax increase would generate: \$144,730
- 0.66 Mill tax increase would generate: \$191,043
- 0.75 Mill tax increase would generate: \$217,095
- 1.00 Mill tax increase would generate: \$289,460

This information should be given serious consideration while deliberating on the Borough's direction for this project.

Section 10 - Disposition of Existing Municipal Building/Site.

If the Borough chose to vacate and no longer use this site, the recommendation would be to sell this real estate.

While it would be difficult to establish an accurate market value of this property at this time, there are some ways to anticipate a range of potential value based on information available.

The Borough would first need to determine if they would try sell the land with the existing building in place or raze the current building and sell the property as a developable lot.

It is believed that the property would bring a higher dollar value if the structure was razed. There is a reasonable likelihood that the Borough could get grant funding towards the demolition of the building.

A little known fact regarding South Braddock Avenue is that, according to PennDOT, it is the highest travelled (daily vehicle volume) locally owned and maintained roadway that intersects an Interstate Highway in the Commonwealth of Pennsylvania. It is estimated that more than 22,000 vehicles travel this roadway daily.

Because of this location, it could bring a reasonably higher value than other properties in the area because this is a reasonably large parcel located on high volume road at a traffic controlled intersection. As an example, when the developer built the Dollar General Store located at 2610 South Braddock Avenue, they were willing to spend up to \$600,000 to acquire, consolidate, clear and develop the parcels to build that type of store.

The estimated cost of demolition for this building would be \$275,000. This is based on the latest estimate provided by the engineer.

There has been talk from many in the community about what type of development should be located at this site, should it be disposed of. This may or may not be able to be considered or decided by the Borough. There are statutory requirements regulating the disposition of municipal owned real estate that are governed by Chapter 12 of the Pennsylvania Borough Code. To oversimplify the statutes for the purpose of this discussion, if the Borough wishes to dispose of this property, with certain exclusions enumerated in the statute, the Borough must dispose of the real estate through sealed public bid. The following is the applicable statutes.

Pennsylvania Borough Code

§ 1201.1. Real property.

(a) Sale.--No real estate owned by the borough may be sold except upon approval of council by resolution. Additionally, no real estate owned by the borough may be sold for a consideration in excess of \$1,500, except to the highest bidder after due notice by advertisement for bids or advertisement of a public auction.

(a.1) Advertisement.--The advertisement shall be published once in one newspaper of general circulation not less than ten days prior to the date scheduled for the opening of

bids or public auction. The date for opening bids or public auction shall be announced in the advertisement.

(a.2) Award of contracts.--The award of contracts shall be made only by public announcement at a regular or special meeting of council or at the public auction. All bids shall be accepted on the condition that payment of the purchase price in full shall be made within 60 days of the acceptance of bids. If no compliant bids are received after advertisement, the applicable procedures in the act of October 27, 1979 (P.L.241, No.78), entitled "An act authorizing political subdivisions, municipality authorities and transportation authorities to enter into contracts for the purchase of goods and the sale of real and personal property where no bids are received," shall be followed.

(b) Rejection of bids.--The council shall have the authority to reject all bids if the bids are deemed to be less than the fair market value of the real property. In the case of a public auction, the council may establish a minimum bid based on the fair market value of the real property.

§ 1201.3. Exceptions.

(a) Sale of property.--Nothing under this chapter requiring advertising for bids or sale at public auction and sale to the highest bidder shall apply if borough real or personal property is to be sold to any of the following:

- (1) A county, city, borough, town, township, institution district, school district, volunteer fire company, volunteer ambulance service or volunteer rescue squad located within the borough.
- (2) A council of government, consortium, cooperative or other similar entity created pursuant to 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental cooperation).
- (3) An authority as defined in 53 Pa.C.S. § 5602 (relating to definitions).
- (4) A nonprofit corporation engaged in community development or reuse only upon entering into a written agreement with the nonprofit corporation that requires the property to be used for industrial, commercial or affordable housing purposes. This exemption shall not apply to property on which existing governmental functions are conducted. This exemption shall also not apply to property owned and operated by the borough or subcontracted or operated on behalf of the borough in order to conduct existing government functions.
- (5) A person for the person's exclusive use in an industrial development program.
- (6) A nonprofit corporation organized as a public library for its exclusive use as a library.
- (7) A nonprofit medical service corporation as authorized under section 1202(50) (relating to specific powers).
- (8) A nonprofit housing corporation as authorized by section 1202(51).
- (9) The Federal Government or the Commonwealth.
- (10) A nonprofit museum or historical society for its exclusive use as a nonprofit museum or historical society.

(b) Sales to certain nonprofit corporations.--When real property is to be sold to a nonprofit corporation organized as a public library for its exclusive use as a library or to a nonprofit medical service corporation or to a nonprofit housing corporation, council may elect to accept nominal consideration for the sale as it shall deem appropriate.

(c) Reversion.--Real property sold under this section to a volunteer fire company, volunteer ambulance service or volunteer rescue squad, nonprofit medical service corporation or nonprofit housing corporation shall be subject to the condition that, when the property is not used for the purposes of the company, service, squad or corporation, the property shall revert to the borough.

Act of Oct. 27, 1979, P.L. 241, No. 78

Section 1. Nonreceipt of bids.

(b) Sale of property.--When a political subdivision, municipality authority or transportation authority is required to advertise for bids in order to sell real or personal property and no bids are received, the political subdivision, municipality authority or transportation authority may proceed as follows:

(1) The political subdivision, municipality authority or transportation authority may advertise for bids a second time.

(2) If no bids are received within 15 days of the second advertisement, the political subdivision, municipality authority or transportation authority may initiate negotiations for a private sale of the property, taking into consideration its fair market value.

(3) The political subdivision, municipality authority or transportation authority must publicly announce the identity of the parties, the sale price and a summary of the other terms and conditions relating to any proposed private sale at a regular or special meeting of its governing body.

(4) After the public announcement of the sale is made in accordance with paragraph (3), at least 30 days must elapse before a political subdivision, municipality authority or transportation authority may authorize the private sale in accordance with this subsection.

(1 amended Nov. 24, 1998, P.L.819, No.104)

Section 2. Applicability of act.

The provisions of this act shall apply only when such political subdivision, municipality authority or transportation authority has complied with the provisions of law as to advertising for bids and no bids were submitted.