

Project Cost Breakdown

Total Project Cost
\$56 million

Site and Construction Costs **\$37 million**

This covers all the site work, construction and fit up work for the building, temporary parking arrangements, demolition of the existing structures, etc., that must still be done at prevailing wage under state regulations as if it were a publicly financed project.

Soft Costs **\$11.5 million**

This covers all the developer's fee based off of site and construction costs only, engineering, architectural, legal, and financing expenses.

Allowances **\$7.5 million**

Allowances are being provided for new IT infrastructure, security, furnishings, generators, moving and temporary relocation expenses, construction of a new offsite vehicle impound facility, additional green building elements, and potential environmental clean-up and utility relocation work. Any of the allowance amounts that are not expended will be credited back to the Township.

Anticipated Set Offs

Pad Site Sale or Lease **\$6-10 million**

The Township will subdivide two pad sites along Route 35, which can be sold outright or leased through the redeveloper who would either operate or sell them with the Township. These sites will also become taxable commercial property. If the Township sells them outright, 60% of the sale price for the pads would immediately be received by the Township. Under a lease arrangement, the Township would receive 50% of the revenue without any responsibility for operation. In either scenario, the Township will also receive new tax revenue from the pad sites.

Timeline of Town Hall Redevelopment Process

August 2013 – Township hires architectural firm to conduct space planning analysis and begin preparing conceptual plans for improvements and/or development of new town hall.

April 2014 – Space planning analysis first draft completed and Township prepared specifications for architect to design new town hall as it was determined that the current facilities are beyond reasonable repair and grossly unsuitable for a municipality the size of Middletown. Preliminary estimates for design, engineering and construction were more than anticipated and Township went back to the drawing board as to how to proceed.

February 2015 - Substantial modifications and further revisions of design concepts.

September 8, 2015 - Further revisions presented to the Township Committee.

March 1, 2016 - Proposal received to move to next phase of design drawings. Subsequent to this it was determined to also remove the Johnson Gill Annex and add the 12,000 sq. ft. to the new building and to consider a Public Private Partnership or Sale Leaseback approach to the project.

April 3, 2017 – Township adopts Resolution No. 17-133 authorizing redevelopment investigation of the town hall site.

June 7, 2017 – Planning Board holds a public hearing on redevelopment investigation of the town hall site.

June 19, 2017 – Township adopts Resolution No. 17-184 determining that the town hall site is an area in need of redevelopment for non-condemnation purposes.

August 21, 2017 – Township adopts Ordinance No. 2017-3200 enacting the Municipal Complex Redevelopment Plan.

October 16, 2017 – Township adopts Resolution No. 17-256 authorizing the public solicitation of Requests for Proposals (“RFPs”) for the redevelopment of the Municipal Complex Redevelopment Plan area through a public-private partnership.

December 12, 2017 - Two responsive submissions were made to the Township Committee for review of qualifications and evaluation that included a financial analysis by consultants retained by the Township.

February 20, 2018 – Township adopts Resolution No. 18-98 conditionally designating the Redeveloper of the Municipal Complex Redevelopment Plan area and enters formal negotiations.

September 19, 2018 – Township adopts Resolution No. 18-219 extending the conditional designation of the Redeveloper to December 31, 2018.

November 17, 2018 – Township adopts Ordinance No. 2018-3236 making minor amendments to the Municipal Complex Redevelopment Plan.

December 6, 2018 – Township formally designates the Redeveloper and introduces Ordinance to enter Capital Sale/Leaseback Agreement with redeveloper for public-private partnership.

Comparison of Processes for Constructing New Town Hall Complex

Redevelopment Process	Traditional Bond Financing Process
May negotiate terms at arm's length under the Local Housing and Redevelopment Law for turnkey design, build and fit out to be handled by redeveloper based on Township's specifications.	May only hire lowest bidder to develop the town hall under Local Public Contract Law after having to bid out for architects and engineers to develop plans to secure the construction bids, which often result in bid protests. Township would have to separately pay cash for, finance or lease all new IT systems, security systems, phone systems, furnishings, etc.
Guaranteed maximum contract price whereby any cost overruns outside of the contract price are assumed by the redeveloper.	No guaranteed maximum contract price. Any cost overruns are not assumed by the redeveloper, but have to be assumed by the Township to complete the project. Cost overruns on large public projects typically run in the 15% to 20% range.
No Local Finance Board approval required.	Would likely require Local Finance Board approval.
No down payment required.	5% down payment required at time of financing.
No payments required to be made for 26 months from date of financing. It's possible that the Township may be in the new building before a single payment is required to be made.	Payments immediately required to be made upon financing before a single shovel is in the ground. Years of debt payments will likely have to be made, in addition to the down payment, before a single office is occupied.
No general obligation of the Township is created, therefore, requiring no annual debt statement disclosure as the Township is not borrowing any money.	General obligation of the Township is created, thereby, counting against Township's ability to bond in the future and requiring disclosure on debt statements.
Construction period 18-24 months.	Construction period 36-48 months.
Revenue offsets through development of pad sites, including tax revenues generated therefrom.	No revenue offsets.

Middletown: 1960 to Now

	1960	2018
Population	39,000	68,000
Units of Housing	9,600	22,600
Police Officers	28	126
Female Officers	0	12

Planned Facility Replacement into New Building

Building	Existing Square Feet
Current Town Hall	26,390
Johnson Gill Annex	12,000
Police Garage Facility	4,850
180 Main, Pt. Monmouth	3,180
Penelope Lane Offices	1,530
Kane's Lane Offices	1,000
Old Police Building/Storage	5,600
TOTAL	54,550