New Public Works Department Facility

The City of Grosse Pointe Park is undertaking the construction of a new facility to support the operations of the Department of Public Works and Water Board activities. This new building is planned to front Mack Avenue from Maryland through the Wayburn right of way. Construction is expected to begin late spring 2020 and require 8-10 months to build with transition of operations to the new building in spring 2021. This facility will replace the current building on Jefferson Avenue west of Wayburn. The old site will become a part of the site for the planned A. Paul and Carol C. Schaap Center for the Performing Arts and the Richard and Jane Manoogian Art Gallery (Schaap Center).

Background

The existing facility on Jefferson is actually two buildings constructed in the 1920’s. The front building was originally built as retail space and the rear building supported a car dealership. The City has been exploring alternatives to this site for many years, anticipating the considerable maintenance cost associated with the structure, the advantages of a facility designed specifically for public works operations, and also the possible use of the site for a more suitable development fronting Jefferson. With this in mind, there is considerable deferred maintenance on the structures. The recent momentum for the development of the Schaap Center provided a catalyst to complete plans for a new facility.

For a time, it was expected that DPW operations could relocate to the former Joe’s Garage on Ashland in Detroit, and arrangements were in process for this transition with the owner of Joe’s Garage (Urban Renewal Initiative Foundation) and appropriate departments of the City of Detroit. After review, it was determined that this would not be the best and most feasible site. The City has for several years used Joe’s Garage for equipment storage, while completing some building maintenance in lieu of rent. The alternative on Mack Avenue had been under consideration, and became the primary focus in late 2019. The recent availability of the former Verdonckt Bakery building enabled a larger, more suitable site footprint for DPW.

Cost and Financing

Construction project costs have been estimated not to exceed $4 million. This includes all hard and soft costs for a successful build and move to the new site. Most of the needed property has been owned by the city or the Northwest Tax Increment Finance Authority (TIFA) for several years in anticipation of possible redevelopment. TIFA also committed to purchase the
required remaining property, known by many as the Verdonckt’s Bakery. This building has been vacant and requires substantial deferred maintenance.

The construction project costs will be paid through the sale of a $4 million revenue bond to be serviced by TIFA funds over a period of 15 years. Steps to complete this sale will be completed during the spring, 2020, and will result in no additional taxes or millage on our residents.

Northwest Tax Increment Finance Authority (TIFA)

TIFA was created under state law by the Grosse Pointe Park City Council on October 27, 1986. It is a tax recapture mechanism whereby certain incremental tax revenues are returned to the TIFA for investment that would otherwise have gone to other taxing authorities. The objective of the TIFA is generally to support the economic success of the district, in order to halt decline in property values and promote growth. Geographically the district encompasses the area from the western city border through the properties on Beaconsfield. This includes Mack Avenue frontage and all internal cross streets. The Downtown Development Authority area, which fronts Jefferson, is excluded. The Downtown Development Authority (DDA), similar to the operation of the TIFA, is a state statute governed tax recapture mechanism to invest in the development and vitality of the DDA district.

Since its inception, TIFA has successfully completed many projects, involving both public and private investment. This includes procuring property for redevelopment, new commercial district streetscapes, residential street lamp posts, a residential district garage program, a business façade improvement program, parking improvements and many others. The TIFA is authorized through June 30, 2035, and can potentially be extended depending on state approvals. The current annual tax recapture/investment budget is approximately $850,000 and is expected to increase to over $1 million during the next 15 years. The planned bond to support the new DPW facility would represent approximately 38% of the current budget. Remaining funds can be directed to other initiatives and administrative support as determined by the TIFA board, consistent with the approved TIFA Development Plan.
FAQ

**Is there a professional estimate of the project construction cost?**

Yes. CBRE, a large full service commercial real estate firm, provided a total project cost estimate of $3,748,500. This includes hard and soft costs of the project as well as a contingency budget.

**Has an architect been selected?**

Yes. The firm of Stuckey-Vitale has been selected after a competitive bid process, considering qualifications, experience on similar public projects and cost. Architectural fees will be paid by bond proceeds.

**Was consideration given to collaboration with our neighboring Grosse Pointe Communities?**

Yes. There is already sharing of some specialty equipment, especially with the City of Grosse Pointe. Sharing of facilities has been explored, but was found to be not feasible due to proximity, space and site limitations. Grosse Pointe City is currently constructing a new DPW facility at their property on Maumee Rd.

**How will the new facility interface with the adjacent residential neighborhood?**

City owned property includes residential lots on Wayburn adjacent to the building site. The site plan anticipates leaving one lot open on each side of Wayburn outside the site perimeter to be landscaped and provide a buffer space. The site itself will include an architecturally tasteful privacy wall. Vehicle access to the site will be off Mack, primarily through the existing Wayburn right-of-way.

**Was the site on Mack professionally evaluated?**

Yes. The city retained OHM, a large planning, architectural and engineering firm, to review the current DPW site and evaluate other sites within the city. They advised that the Mack Avenue site was most suitable for a new facility.

**Have alternative developments on Mack Avenue been considered?**

Yes. Over several decades the City and TIFA have acquired blighted property for redevelopment, including property on Mack, Wayburn to Alter. This area has proven particularly difficult to attract redevelopment, and the city has pursued numerous possible developments, all of which failed to be realized. These included a sports complex and a self-storage facility, among others. Over the past few years, the City successfully worked with Huntington Bank to enable the development of the new branch bank at Mack and Alter. Huntington worked with the City of Detroit over a period of years to complete this effort. The
last and most troubled frontage on Mack yet to be re-developed is that selected for the new DPW facility. It will provide an attractive development while adding to the safety and security of the surrounding neighborhood.

*Will the DPW site plan be reviewed publicly?*

Yes. As a major project within our City it will be presented and discussed in a public meeting of the Planning Commission. This presentation will be scheduled after there is sufficient architectural work completed. The meeting will be publicly posted according to Planning Commission open meeting requirements. It is expected to be scheduled during spring, 2020.

*When will the existing DPW building be demolished?*

The existing facility will be demolished after DPW operations have moved to the new Mack Avenue site and will be funded by the DDA.