

FAQ 8 Phasing:

Could this project be phased to reduce the financial impact?

From a financial standpoint, the primary benefit of phasing the community campus project and delaying construction of one or more buildings would be in allowing debt service payments to be extended for a longer period. Wisconsin statutes limit the maximum term for general obligation notes and bonds to twenty (20) years. By constructing the project in phases, the City could effectively extend the period over which the debt service is paid. For example, creating one building initially, a second five years later, and a third five years after that would allow debt service payments to be spread over a thirty (30) year period. Potentially, this could result in lower annual payments by taxpayers for debt service while extending those payments for additional years.

However, some factors should be considered when evaluating phasing options.

- Phasing the project would likely result in higher total project costs due to inflation over the extended construction period.
- There would be additional uncertainty in future interest rates for debt used to finance the later phases of construction.
- It is anticipated that there will be additional facilities and major capital project needs for the City in future years. Delaying construction of portions of the community campus project could result in a higher future annual debt service impact if additional borrowing is needed for those projects. In contrast, a second or third phase of the community campus project is being constructed.
- Extending the phasing of the project over a longer period would likely require the investment of resources to address deferred maintenance in current buildings that would only be used for a short period. It would also delay the benefit of enhanced sustainability features.
- An alternative to delaying construction of buildings for the community campus project may be to limit the initial building square footage and to design the buildings in a way that allows for expansion in the future when additional space is needed and resources are available.

All of the Options 1-7 allow opportunities for phasing improvements, but they would need to be phased in a specific order and may cause parking challenges between phases. Phasing for options 4 & 7 may be the most complicated. Here is an example of how Option 4 could be phased:

Option 4 provides a combination of new and repurposed buildings. The existing library is repurposed as a new senior center, and the adjacent 53-space surface parking lot is retained. A new multi-story building co-locating an expanded city hall and an expanded library is located on the north side of Hubbard Avenue. Eighty-four parking spaces are provided under the new city hall/library building, and a new 23-space surface parking lot is located to the east.



Phase 1: Build a new 4-story Library on the current parking lot that serves City Hall and the Senior Center. Open the new Library while allowing the existing Senior Center and City Hall to remain in place. Allow the existing Library to remain vacant.

Phase 2: Renovate the existing Library into the Senior Center and open the new Senior Center. Allow the existing Senior Center to remain vacant.

Phase 3: Demolish the existing Senior and build an addition to the new Library that includes three levels for City Hall. Allow the existing City Hall to remain vacant.

Phase 4: Demolish the existing City Hall and build a parking lot.

At the Council’s direction, City staff could work with the consultants to develop a new option with a phasing plan specified by the Common Council.