

# City of St. Johns

- Special City Commission Meeting – Consideration of the Wilson Center Development Project.
- 6:00 p.m., October 10, 2023

Presenter: Chad A. Gamble, P.E., City Manager



# Welcome & Thanks for Coming!

## Presentation Objectives

1. Review of September 12<sup>th</sup> Meeting
2. Community Engagement and Information Sharing
3. Capital Expenditure Options
4. Financial Impact Information
5. Review Timeline Options
6. Outstanding Questions



RESIDENTS

BUSINESS

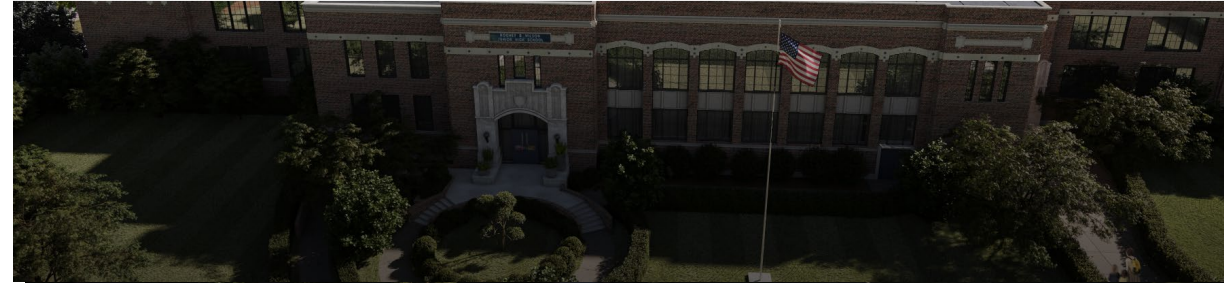
LOCAL GOVERNMENT

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## Wilson Center

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## Update: 10/10 City Commission Special Meeting

The St. Johns City Commission will hold a special meeting on Tuesday, October 10, 2023 at 6:00 p.m., St. Johns Police Department, 409 S. Whittemore, St. Johns, MI 48879. The purpose of the meeting is to consider approval of agreements related to the Wilson Center project.

### Listen to Meeting Via Telephonic Conference

Dial 1 929 205 6099

<https://zoom.us/j/2050014286>

Meeting ID: 205 001 4286

**Please note:** You will not be able to participate in the meeting through Zoom. Only in-person attendants will be able to participate in public comments.

The official meeting notice is available [here](#).

## In this Department

[Board of Appeals](#)

[Planning Commission](#)

[Property Review Committee](#)

[Wilson Center](#)

## Topics of Interest

Business Registration Requirements

9.12.23 Wilson Center Q&A

Rental Housing Program

Signs

Zoning Map

# 1. Review of September 12<sup>th</sup> Meeting

## Welcome & Thanks for Coming!

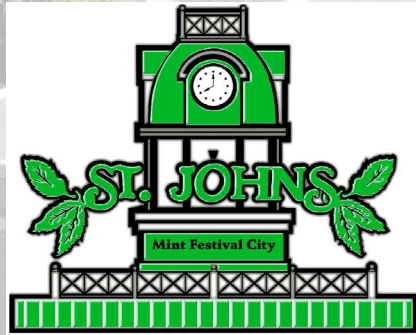
### Presentation Objectives

1. Website Information and Summary
2. Summary & Status of Purchase Agreement
3. Considerations & Influences of Decisions
4. Wilson Center- "By the Numbers"
5. Review of Proposed Development Documents
6. Outstanding Questions

- ### Website Information & Summary
- a. Special Meeting Information
  - b. Project Documents
  - c. Project Summary
  - d. Frequently Asked Questions



# 1. Review of September 12<sup>th</sup> Meeting (continued) Wilson Center Team Members



City of St. Johns/Purchaser/Unit #1 Owner



Condominium Development Architect



Attorney managing Development Agreement  
& Master Deed document production



Developer/Seller/Unit #2 Owner



# 1. Review of September 12<sup>th</sup> Meeting (continued)

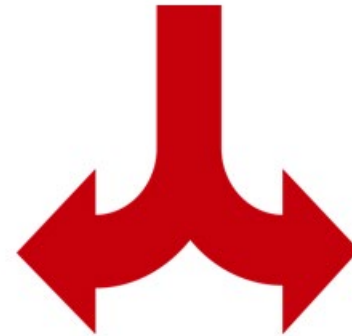
## Summary & Status of Purchase Agreement

- September 15, 2022 – Purchase Agreement between 101 W. Cass (Dymaxion) & the City of St. Johns - Approved by Commission
- April 4, 2023 – City decides to not consider the option to purchase additional office space in the Wilson Center

## Purchase Agreement At a Glance

### Purchase Agreement Options

City Defaults on Purchase Agreement: Must Pay the Earnest Money Deposit of \$200,000, 50% of costs of development of purchase documents, possible additional legal exposure



City moves forward with the decision to purchase property in accordance with the purchase agreement

# 1. Review of September 12<sup>th</sup> Meeting (continued)

## Considerations & Influences of Decisions

### • How will this development impact the City – Strategically

- 2020 Strategic Plan - Land Use Development
  - Goal #3 - ENCOURAGE ECONOMIC DIVERSITY AND JOB GEOGRAPHIC AND CULTURAL ASSETS.
    - a. Rezone vacant or underutilized property in and near n is compatible in use and intensity with the existing nei
    - b. Support and encourage efforts to diversify the econon
    - c. Facilitate economic development activities that will str training and empl

### • How will this development impact the City – Strategically (Continued)

- 2020 Strategic Plan – Neighborhoods
  - GOAL #2: PROVIDE A HOUSING STOCK THAT MEETS THE NEEDS OF A DIVERSE CITY POPULATION WITH SUPPORTING AMENITIES.
    - e. Provide housing for all ages. Including younger families and the aging population.
    - g. Increase housing stock for growing work force.
    - i. Promote and control the further development of living units in the downtown

### How will this development impact the City – Historically



Jesse Wig bought an abandoned high school for \$100,000 and with two other partners converted it into stunning apartments.

[Formerly Abandoned School Transformed Into Unique Apartments \(mymodernmet.com\)](https://mymodernmet.com)

March 28, 2023



“Tearing down old buildings won’t make our cities more affordable or inviting,” writes Meeks in *City Lab*. “It’s time to make better use of the buildings and spaces we already have. “When a much-beloved building is restored to life, the surrounding neighborhood shares in this invigoration. The impact on residents can also be profound. There is something reaffirming about living in a community landmark, particularly one that so clearly exhibits the care that went into its restoration.”

[Transforming Old Buildings into New Affordable Housing - Salud America \(salud-america.org\)](https://salud-america.org)

September 20, 2019

# 1. Review of September 12<sup>th</sup> Meeting (continued)

## Wilson Center By the Numbers

- How will this development impact the City – Monetarily – Expenses

### Wilson Center Project Costs

Item	Cost	Source
Preliminary Engineering - 50% of Documents Preparation	\$ 107,000.00	Actual
Purchase Price Paid to Date	\$ 200,000.00	Actual
Purchase Price (acquisition and partial remediation)	\$ 350,000.00	Purchase Agreement
Final Construction Drawings and Specifications	\$ 110,000.00	Consultant Estimated
Bidding Services	\$ 10,000.00	Consultant Estimated
Contribution Towards common space design	\$ 25,000.00	In Agreement
50% of Common Space Construction Costs & Landscaping	\$ 214,000.00	Preliminary Cost Estimated
Construction Engineering and Inspection	\$ 113,000.00	Consultant Estimated
Construction of Improvements to Gym and Auditorium	\$ 1,691,355.00	Professional Estimate by Concord
<b>Total Project Costs</b>	<b>\$ 2,820,355.00</b>	

# 1. Review of September 12<sup>th</sup> Meeting (continued)

## Wilson Center By the Numbers (Continued)

- Best information required for important decisions.

Construction of Improvements to Gym and Auditorium	\$ 1,691,355.00
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- Previous cost estimates were *conceptual* costs from early 2022.

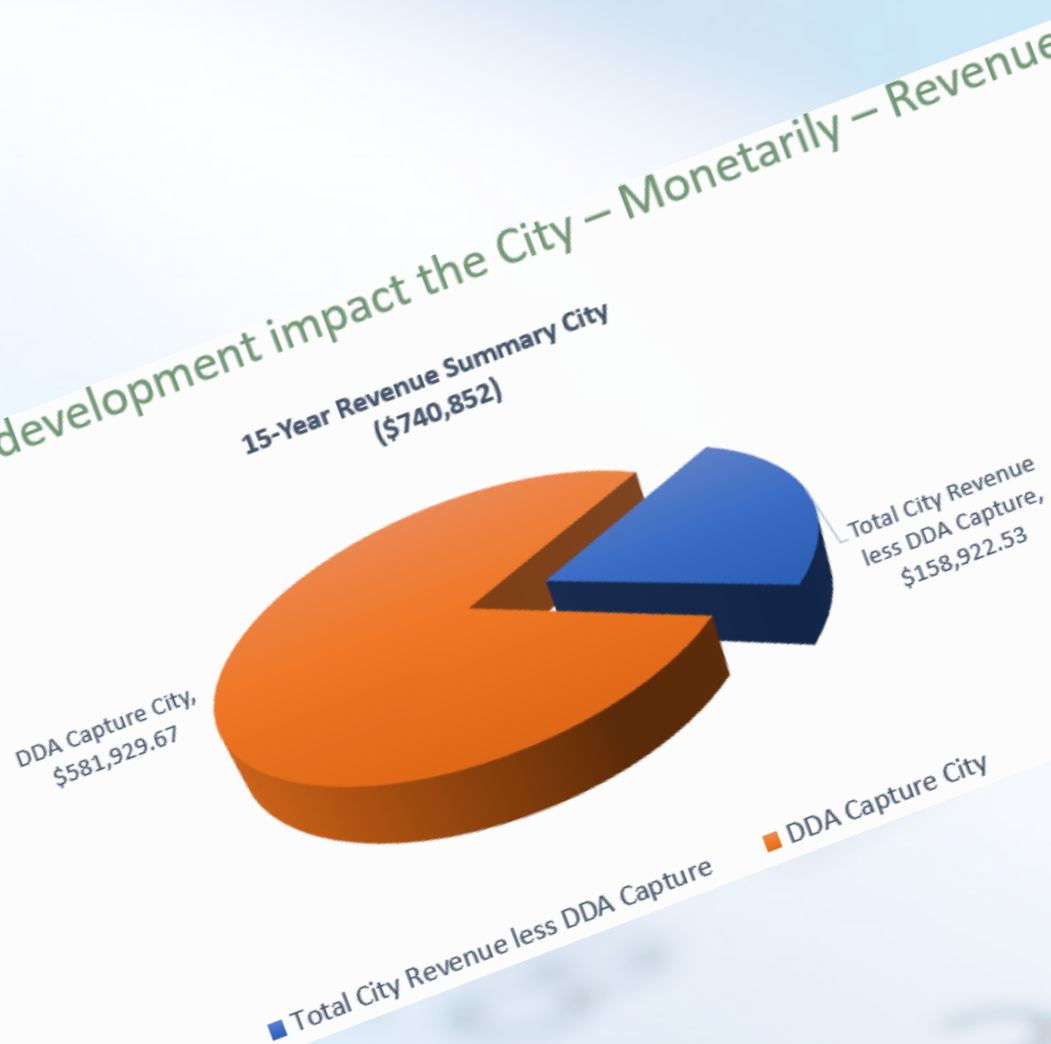


Professional Estimator contracted to obtain increased level of accuracy in construction estimated for proposed improvements to Wilson Center Unit #1 improvements

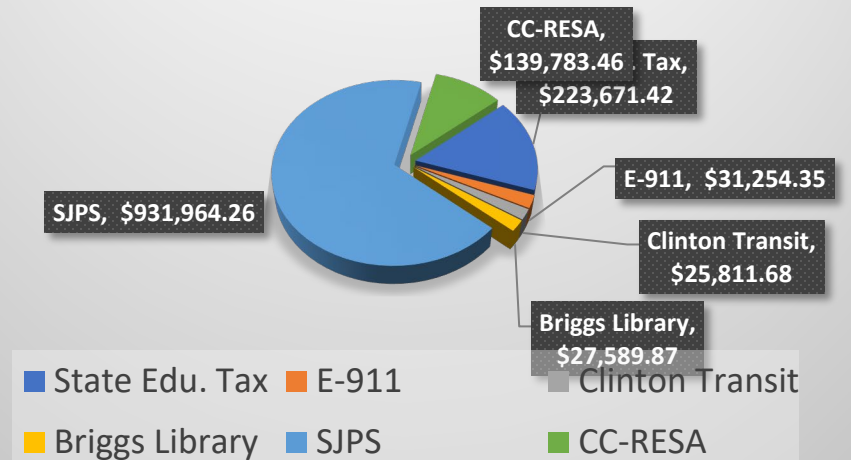


# 1. Review of September 12<sup>th</sup> Meeting (continued)

• How will this development impact the City – Monetarily – Revenue\*



## 15-Year Revenue Summary - Other Taxes (\$1,380,075)

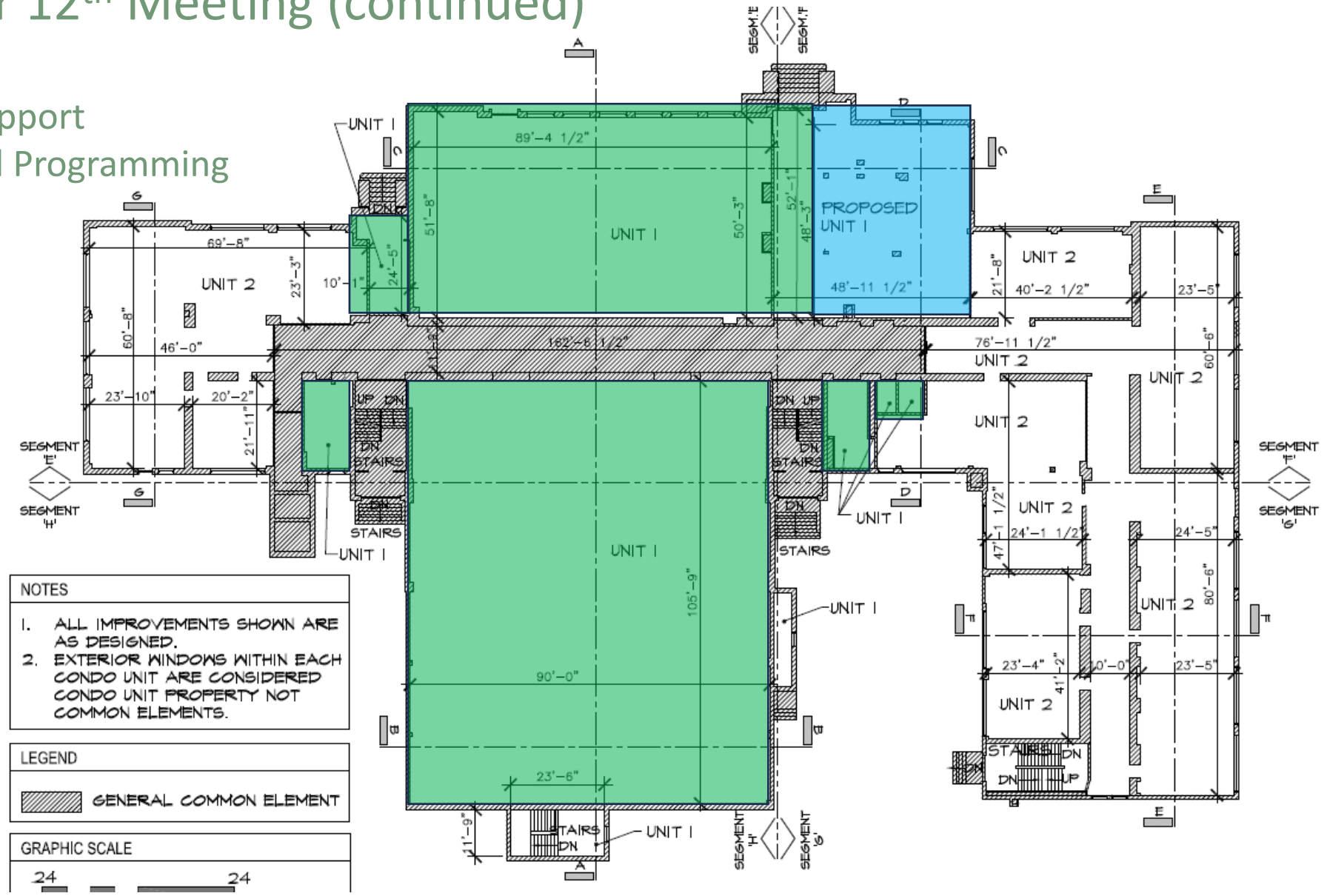


# 1. Review of September 12<sup>th</sup> Meeting (continued)

## Optional Additional Space to Support Auditorium/Gym and Additional Programming Opportunities

Purchase Option: \$130,000  
 Estimated Construction Budget: \$350,000  
 Total Investment: \$480,000

- Original Unit #1
- Optional additional space for community room, concession area/kitchen, storage (1,728 square feet +/-)





# 1. Review of September 12<sup>th</sup> Meeting (continued)

## 5. Review of Proposed Development Documents

### 1. Development Agreement

### 2. Master Deed

#### 1. Exhibit A – Condominium Bylaws

#### 2. Exhibit B – Condominium Subdivision Plan

## 5. Review of Proposed Development Documents (Cont.)

### Development Agreement

(Governs Relationship prior to Original Condominium Construction Project Completion)

1. Sec. 3 - Requires 50/50 split of design and construction costs between seller and buyer of Public Improvement/ Common Elements (PICE)
2. Sec. 3 - **City runs and is responsible for obtaining bids for PICE**
3. Sec. 3 - Seller/Buyer must agree on design of PICE
4. Sec. 4 - PICE completion date permits access to City Unit #1 by 12/31/24, all other areas 7/1/25
5. **Sec. 5 - Unit Improvements – require developer to make improvements to existing parking lot (101 W. McConnell) to provide for 83 parking spaces to replace previous 69 on-street parking spaces.**
6. Sec. 7 – requires PICE to begin 3 months after environmental clearance in accordance with purchase agreement
7. Sec. 7 – Requires developer to provide “proof of construction financing” prior to starting construction
8. Sec. 10 – Requires seller and purchaser to maintain insurance no less than \$2 Million and to indemnify each other.

### Master Deed (MD)

#### 1. Exhibit A – Condominium Bylaws (BL)

#### 2. Exhibit B – Condominium Subdivision Plan (CSP)

(Governs Relationship after original Condominium Construction Project Completion)

1. MD Article IV – Defines Common Elements and Limited Common elements (i.e. individual condo units) and sets 50/50 split of value of condominium association ownership
2. MD Article VII – Governs how subdivision of units #1 (City) or Unit #2 (developer) takes place
- BL (Governs day to day operations of condominium association)
  1. Establishes annual budgets for routine maintenance, cleaning, lawn maintenance, winter maintenance, etc.
  2. Provides for dispute resolution and general aesthetics and alternation protocols.
1. Provides for how the condominium association board of directions is formed and how it votes. (1 vote for Unit #1 – 1 vote for Unit #2)
2. Indicates graphically how Unit #1, Unit #2 and the Common Spaces are proposed to be



# Q&A from 9/12 Special Meeting on the Wilson Center

Home / Departments / Community Development and Zoning / Q&A from 9/12 Special Meeting on the Wilson Center

At the Special Meeting on September 12, 2023 - and post-meeting through noon on September 14th via email - residents were invited to share their questions about the Wilson Center Project. This page is dedicated to answering those questions and providing additional information.

The questions received were divided into two separate groups: first, inquiries regarding the development agreement documents, operational questions, and other questions. The answers to these questions are indicated below.

The second group of questions required more opinion-based answers. The Commission commented on these inquiries at the regular Commission meeting on September 25, 2023. For those who would like to listen to the comments of the City Commission, please use the link to the meeting recording. The commission commented on the Wilson Center project at 4:00 p.m.

## September 25, 2023 Meeting Recording

Link:

[https://us06web.zoom.us/rec/share/qa4o\\_1OLEW\\_mxBDROuEixCDe7xP2lqYZgVjyktwnl\\_sdT6n022Uu\\_NZix6WqPtFB.xPugbINVIXO1UOsG?startTime=1695679108000](https://us06web.zoom.us/rec/share/qa4o_1OLEW_mxBDROuEixCDe7xP2lqYZgVjyktwnl_sdT6n022Uu_NZix6WqPtFB.xPugbINVIXO1UOsG?startTime=1695679108000)

Passcode: cQq3r=2G

## First Set of Questions

### What is the plan to finance \$2.7 million if we don't get the grant?

Note: "The grant" refers to the two grant applications submitted by the City to date. See [Slide 21](#) of the City's special meeting presentation. On October 24, 2022, the St. Johns City Commission passed Resolution #29-2022 Authorizing Publication of Notice of Intent to Issue Limited Tax General Obligation Bonds in an amount not to exceed \$3.5 million. If the City is unable to obtain adequate grant funding, the City has the ability to finance the project by issuing General Obligation Bonds.



the City have any say in how the parking lot with weeds, etc. was being

## Contact Us

### Clinton County Courthouse

100 E State St  
St Johns, MI 48879

[Get Directions](#)

Phone: (248) 596-0920

Fax: (939) 224-2204

[Email Us](#)

[Staff Directory](#)

M - F 8:00 a.m. - 4:00 p.m.

## In this Department

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[Wilson Center](#)

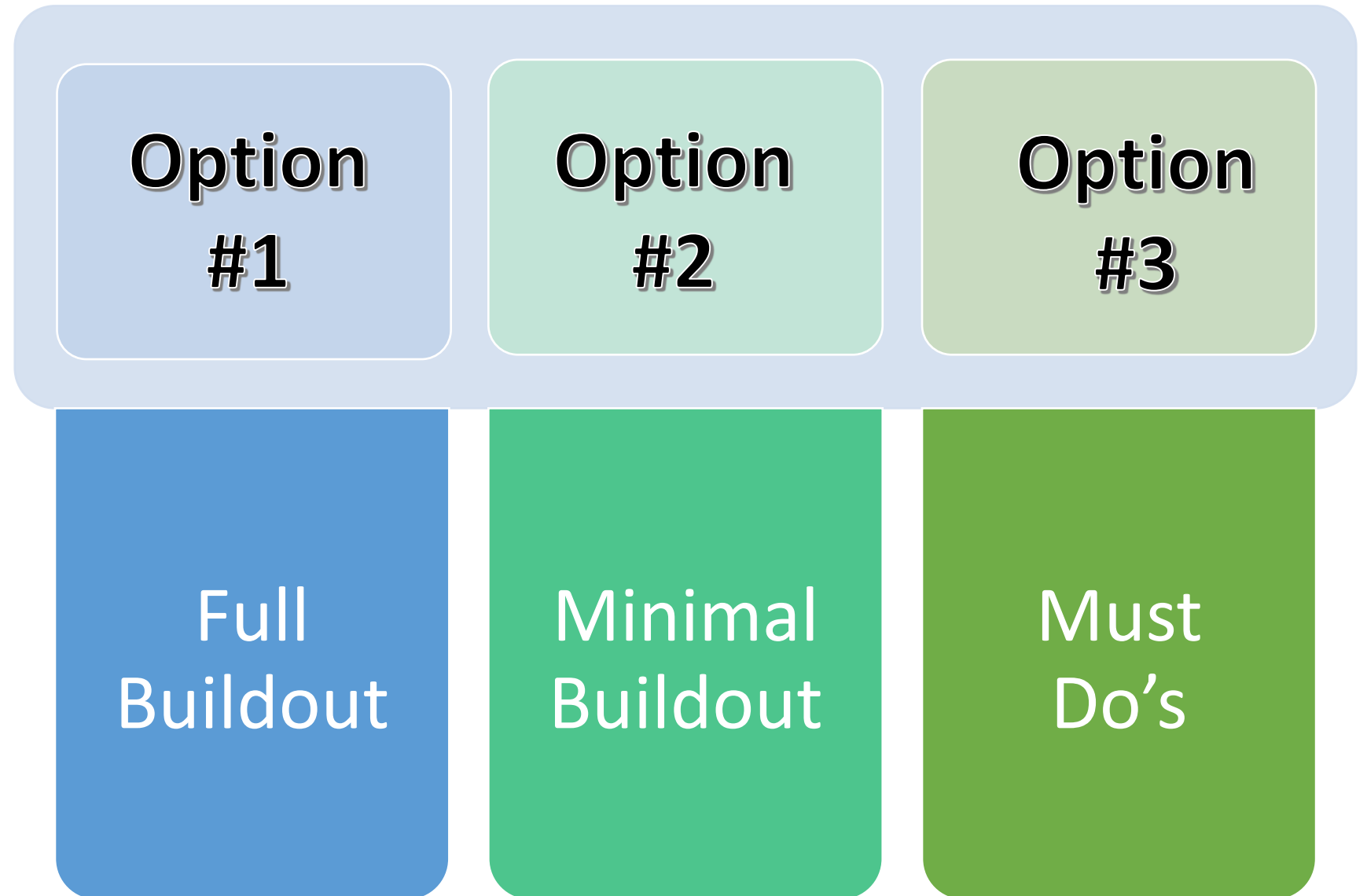
## Topics of Interest

Business Registration  
Requirements

9.12.23 Wilson Center Q&A

# 3. Capital Expenditure Options

- All options share same assumptions
  - City moves forward with purchase agreement
  - Assumes acquisition of additional space for community room/concession | kitchen storage
  - Assume 2.5% contingency of costs



# 3. Capital Expenditure Options - Details

## Option #1 Full Buildout

- Provides initial full build-out of community center space (gym/auditorium/comm. Room)
- Includes rehabilitation of bathrooms and improvements to entryway/door/masonry major repairs/refinishing of gym floor
- Reduces future limits to programming and access due to further buildout
- Highest cost

## Option #2 Min-Buildout

- Provides for HVAC for Gym/Auditorium
- Postpones construction of community room/concession|kitchen
- Postpones rehabilitation of bathrooms
- Postpones improvements related to - entryway/door/masonry major repairs/refinishing of gym floor
- Reduces quality in finishes and esthetics
- Only required code improvement to electrical and lighting fixtures
- Increases opportunity for grants for postponed improvements
- Enables recreational programming to be reinstated by Winter of 24/25
- Medium cost

## Option #3 Must Do's

- Provides for purchase of Wilson Center and buildout of commons area only
- Postpones build-out of Unit #1 until funding appropriated
- Maximizes opportunity for grant funding
- Pushes back opening/programming of Wilson Center indefinitely
- Continues purchase agreement and permits development of apartments
- Lowest cost



# 3. Capital Expenditure Options – Detailed Estimates

Wilson Center Expenditure Cost Options			Option #1 Full Buildout	Option #2 Minimal Buildout	Option #3 Must Do's
#	Item	Source	Cost		
1	Preliminary Eng. - 50% of Documents Preparation	Actual	\$ 107,000	\$ 107,000	\$ 107,000
2	Purchase Price Paid to Date	Actual	\$ 200,000	\$ 200,000	\$ 200,000
3	Purchase Price (acquisition and partial remediation)	Purchase Agreement	\$ 350,000	\$ 350,000	\$ 350,000
4	Additional Space Purchase Price	Amendment	\$ 130,000	\$ 130,000	\$ 130,000
5	Build-out of additoinal space	Consultant Estiamted	\$ 350,000	\$ -	\$ -
6	Final Construction Drawings and Specifications	Consultant Estimated	\$ 110,000	\$ 71,699	\$ -
7	Bidding Services	Consultant Estimated	\$ 10,000	\$ 6,000	\$ 6,000
8	Contribution Towards common space design	In Agreement	\$ 25,000	\$ 25,000	\$ 25,000
9	50% of Common Space Const. Costs & Landscaping	Preliminary Cost Estimated	\$ 214,000	\$ 160,500	\$ 160,500
10	Construction Engineering and Inspection	Consultant Estiamted	\$ 113,000	\$ 73,654	\$ 10,000
11	Const. of Improvements to Gym and Auditorium	Professional Estimate	\$ 1,691,355	\$ 1,102,435	\$ -
12	<b>Total Project Costs</b>		\$ 3,300,355	\$ 2,226,288	\$ 988,500
13	Contingency (2.5%)	contingency (2.5%)	\$ 82,509	\$ 55,657	\$ 24,713
14	<b>Grand Total</b>	<b>Grand Total</b>	\$ 3,382,864	\$ 2,281,945	\$ 1,013,213

# 4. Financial Impact Information

(all options consider 15-year bonds and 5.5% interest rate)

Total Cost:  
\$3.4 Million

Est. Annual  
Bond Payment:  
\$343,000

Option #1- Full Buildout

Total Cost:  
\$2.3 Million

Est. Annual  
Bond Payment:  
\$231,000

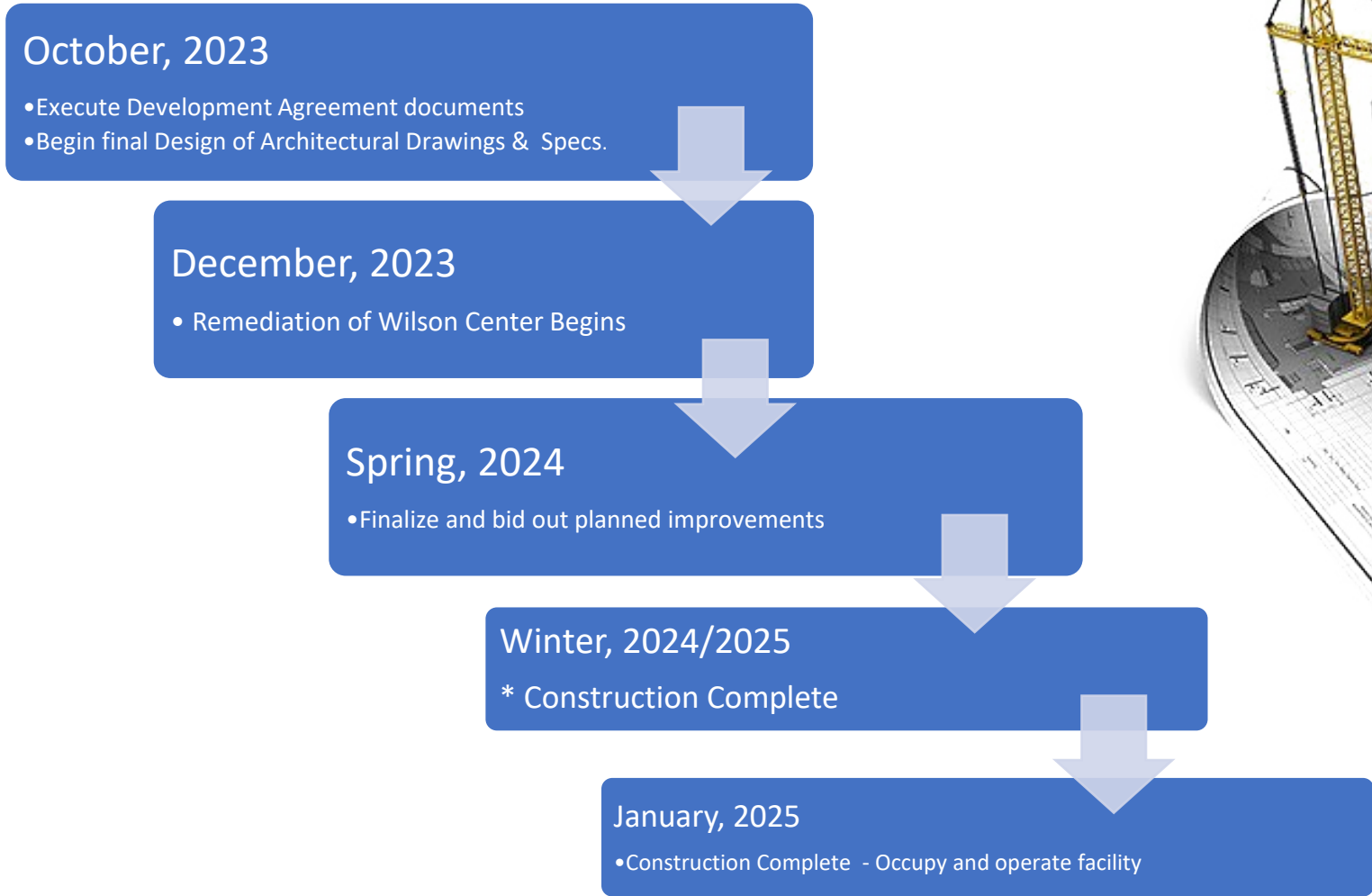
Option #2 – Minimal Buildout

Total Cost:  
\$1.0 Million

Est. Annual  
Bond Payment:  
\$101,000

Option #3 – Must Do's

# 5. Review Timeline Options







Thank you for your attention and being engaged in the happenings of our Community!

