



# Board of Commissioners Meeting RE: Facilities Planning

Thursday, November 16, 2023

7:30 p.m.

[www.cheltenhampa.gov/facilities](http://www.cheltenhampa.gov/facilities)

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# Overview of Brief Presentation



Summary of Four Options Proposed and Cost Estimates



Impact of Costs on Township Taxes (Worst Case Scenario)



Pros and Cons of Consolidation vs. Improving Status Quo

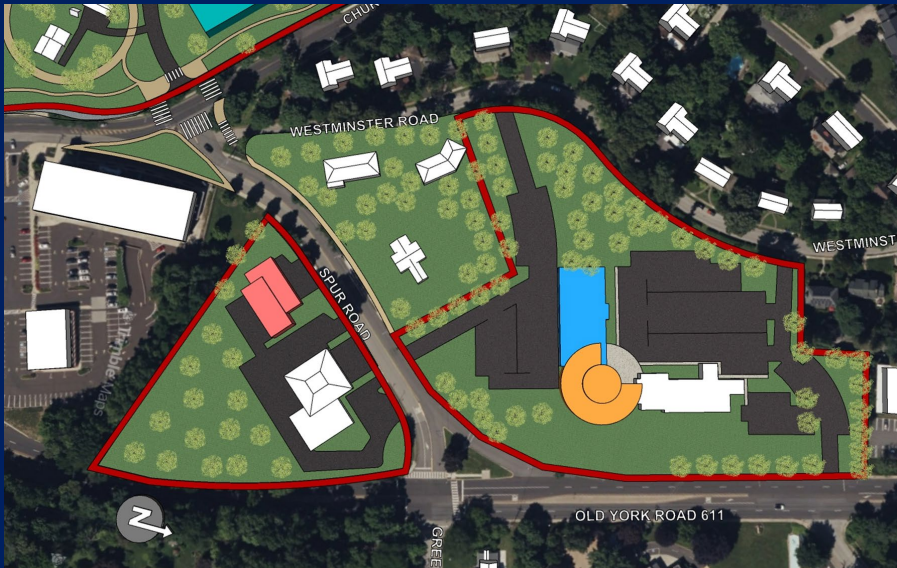
# Summary of Options Proposed & Cost Estimates

# Summary of Option A

## WALL PARK & BREYER SITE



**COMMUNITY CAMPUS – WALL PARK**



**MUNICIPAL CAMPUS – BREYER SITE**

### Community Campus – Wall Park

### Estimated Cost

New Library	\$9,500,000 - \$11,500,000
New Community Center & Gymnasium	\$11,000,000 - \$13,000,000
New Indoor Pool Complex	\$4,000,000 - \$6,000,000
New Outdoor Pools and Amenities	\$6,000,000 - \$8,000,000
New Outdoor Courts, Play Structures, Skate Park & Pavilion	\$1,800,000 - \$3,000,000
Site Work	\$4,200,000 - \$6,200,000
Soft Costs, Contingencies, Escalation Factors	\$10,100,000 - \$12,100,000

### Municipal Campus – Breyer Estate

New Township Administration Building	\$7,500,000 - \$8,500,000
New Police Facility	\$6,100,000 - \$7,100,000
New or Renovated Emergency Medical Services Facility	\$2,000,000 - \$5,000,000
Demo Existing Buildings	\$200,000 - \$400,000
Site Work	\$2,000,000 - \$4,000,000
Soft Costs, Contingencies, Escalation Factors	\$3,800,000 - \$5,800,000

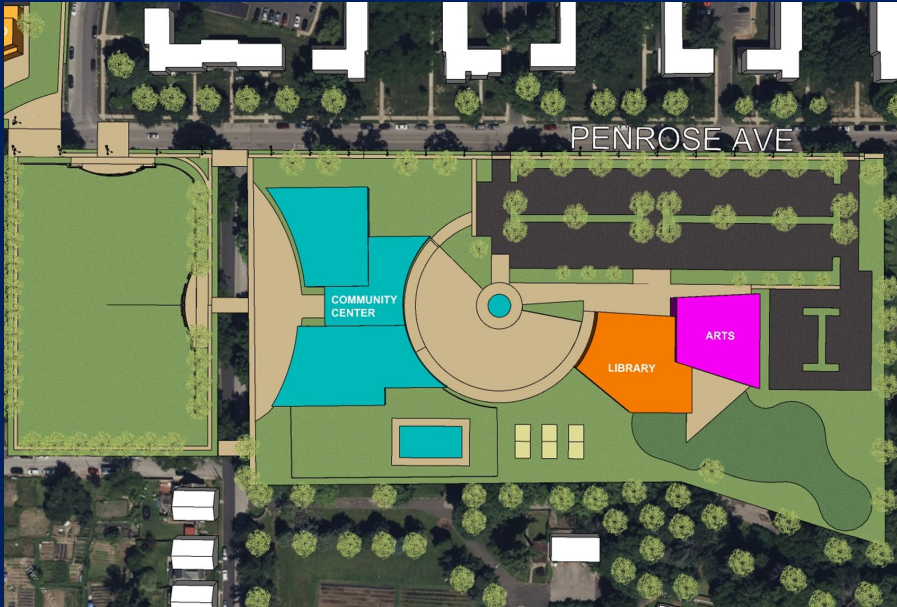
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**Total Cost**      **\$66,200,000 - \$90,600,000**

Plus cost/location of replacement soccer field TBD

# Summary of Option B

## TYLER SITE & JOHN RUSSELL PARK



COMMUNITY CAMPUS – TYLER



MUNICIPAL CAMPUS – JOHN RUSSELL PARK

### Community Campus – Tyler Site

	<u>Estimated Cost</u>
New Library	\$9,500,000 - \$11,500,000
New Community Center & Gymnasium	\$11,000,000 - \$13,000,000
New Indoor Pool Complex	\$4,000,000 - \$6,000,000
New Outdoor Pools and Amenities	\$6,000,000 - \$8,000,000
New Outdoor Courts and Outdoor Spaces	\$1,000,000 - \$2,000,000
Demo Existing Buildings	\$300,000 - \$500,000
Site Work	\$5,300,000 - \$7,300,000
Soft Costs, Contingencies, Escalation Factors	\$11,800,000 - \$13,800,000

### Municipal Campus – John Russell Park

New Township Administration Building	\$7,500,000 - \$8,500,000
New Police Facility	\$6,100,000 - \$7,100,000
New Emergency Services Facility (Fire & EMS)	\$6,200,000 - \$7,200,000
Demo Existing Buildings	\$50,000 - \$100,000
Site Work	\$1,900,000 - \$3,900,000
Soft Costs, Contingencies, Escalation Factors	\$5,400,000 - \$7,400,000

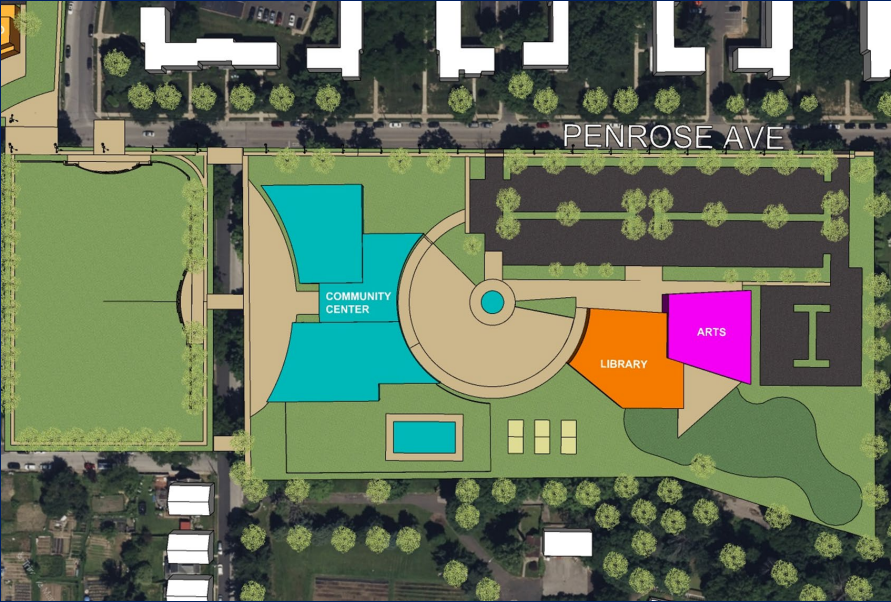
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**Total Cost**      **\$75,050,000 - \$96,300,000**

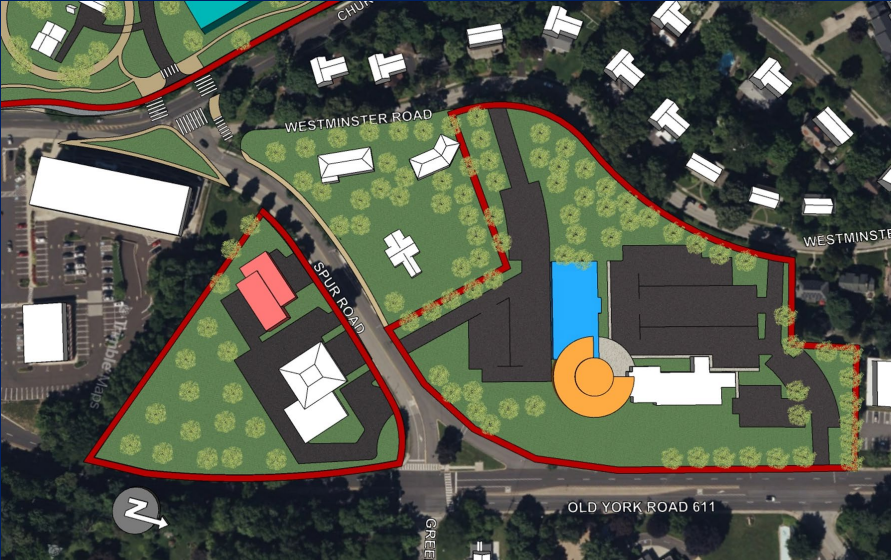
Plus Property Acquisition      Cost TBD

# Summary of Option C

## TYLER SITE & BREYER SITE



COMMUNITY CAMPUS – TYLER



MUNICIPAL CAMPUS – BREYER SITE

**Community Campus – Tyler Site**

- New Library
- New Community Center & Gymnasium
- New Indoor Pool Complex
- New Outdoor Pools and Amenities
- New Outdoor Courts and Outdoor Spaces
- Demo Existing Buildings
- Site Work
- Soft Costs, Contingencies, Escalation Factors

**Estimated Cost**

- \$9,500,000 - \$11,500,000
- \$11,000,000 - \$13,000,000
- \$4,000,000 - \$6,000,000
- \$6,000,000 - \$8,000,000
- \$1,000,000 - \$2,000,000
- \$300,000 - \$500,000
- \$5,300,000 - \$7,300,000
- \$11,800,000 - \$13,800,000

**Municipal Campus – Breyer Site**

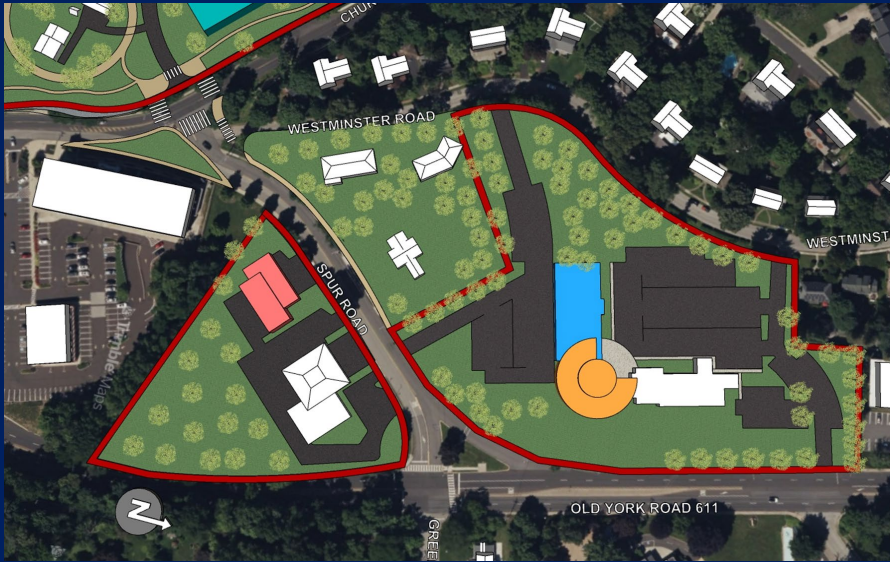
- New Township Administration Building
- New Police Facility
- New or Renovated Emergency Medical Services Facility
- Demo Existing Buildings
- Site Work
- Soft Costs, Contingencies, Escalation Factors

- \$7,500,000 - \$8,500,000
- \$6,100,000 - \$7,100,000
- \$2,000,000 - \$5,000,000
- \$200,000 - \$400,000
- \$2,000,000 - \$4,000,000
- \$3,800,000 - \$5,800,000

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**Total Cost \$70,500,000 - \$92,900,000**

Plus Property Acquisition Cost TBD



## MUNICIPAL CAMPUS – BREYER SITE

# Summary of Option D

## BREYER SITE & EXISTING COMMUNITY CENTERS

### Renovations

Rowland  
 La Mott  
 Glenside Library  
 Elkins Park Library  
 New Glenside Pool Facility  
 New Conklin Pool Facility  
 Soft Costs, Contingencies, Escalation Factors

### Estimated Cost

\$6,200,000 - \$7,200,000  
 \$4,900,000 - \$5,900,000  
 \$2,400,000 - \$3,400,000  
 \$3,000,000 - \$4,000,000  
 \$6,000,000 - \$8,000,000  
 \$6,000,000 - \$8,000,000  
 included in individual above numbers

### Municipal Campus – Breyer Estate

New Township Administration Building  
 New Police Facility  
 New or Renovated Emergency Medical Services Facility  
 Demo Existing Buildings  
 Site Work  
 Soft Costs, Contingencies, Escalation Factors

\$7,500,000 - \$8,500,000  
 \$6,100,000 - \$7,100,000  
 \$2,000,000 - \$5,000,000  
 \$200,000 - \$400,000  
 \$2,000,000 - \$4,000,000  
 \$3,800,000 - \$5,800,000

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**Total Cost      \$50,100,000 - \$67,300,000**

**Note:** Option D does not address the added programmatic needs for the Libraries, Pools or Community Centers

# Summary of Options A-D

Options	Option Costs	Public Works	Community Satellites	Total Estimated Costs
<b>Option A – Breyer/Wall Park</b>	\$66.2M - \$90.6M	\$15M - \$22M*	\$18.2M - \$21.2M	\$99.4M - \$133.8M
<b>Option B – Tyler Campus</b>	\$75M - \$96M*	\$15M - \$22M*	\$18.2M - \$21.2M	\$108.2M - \$133.8M
<b>Option C – Breyer/Tyler</b>	\$70.5M - \$93M*	\$15M - \$22M*	\$18.2M - \$21.2M	\$103.7M - \$136.2M
<b>Option D – Breyer/Multiple Facilities</b>	\$50M - \$67M	\$15M - \$22M*	--	\$65M - \$89M

\* Cost of property acquisition not included in cost.

**Note:** Shovel Shop and Cheltenham Center for the Arts would be divested. Glenside Hall would be demolished.

**Note:** Option D does not address the added programmatic needs for the Libraries, Pools or Community Centers and would necessitate a reduction in the ability to provide services due to loss of space in the Community Centers.



# Impact of Costs on Township Taxes (Worst Case Scenario)

# Estimated Facilities Capital Investment

## Option D – Low End

***\$65M-\$90M***

- New Municipal Campus @ Breyer
- Renovate existing Community Centers (smaller square footage) and standalone Libraries
- Rebuild Pools
- New Public Works Facility

## Option A/B/C – High End

***\$98M-\$135M***

- New Municipal Campus @ Breyer
- New Community Campus, including Library, Community Center and Pools
- New Public Works Facility
- Select Improvements at Rowland Neighborhood Center, La Mott Neighborhood Center, and Glenside Neighborhood Center

# Estimated Facilities Divestment

## Option D – Low End

- Divest Shovel Shop and Cheltenham Center for the Arts
- Divest Public Works Facility
- Demolish Glenside Hall

## Option A/B/C – High End

- Divest Shovel Shop and Cheltenham Center for the Arts
- Divest Public Works Facility and Elkins Park Library
- Demolish Glenside Hall

*\* Depending on the option selected, additional properties may be divested or acquired.*

*Cost of divestment TBD.*

# Cost of Borrowing

2025: \$15.0M
2026: \$18.3M
2027: \$15.0M
2028: \$13.5M
<u>2029: \$10.0M</u>
\$71.8M*

\* Estimates from PFM for planning purposes only.

- 30-year amortization
- Each additional borrowing will add approximately \$1M debt payments per year.
- This can most likely complete Option D and the Community and Administrative Campuses of Option A/B/C and *does not consider revenue from sale of property or grant funding (not guaranteed).*
- **This would require debt payments of over \$5M/year for 19 out of 30 years.**
- Debt would be repaid by 2059.
- Limit borrowing for other needs.

# Cost of Borrowing

2025-29: \$71.8M – Services Campus and Community Facilities

2030: \$7.5M – Public Works

2031: \$7.5M – Public Works

2032: \$10.0M – Neighborhood Centers

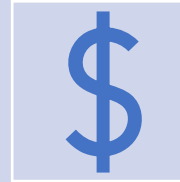
2033: \$8.2M – Neighborhood Centers

\$105M

- *Public Works would require an additional \$15M, adding not quite \$1M/year in debt payments bringing the annual debt payment to over \$6M for 6 years moving debt repayment out to 2062.*
- *Neighborhood Centers would require an additional \$18.2M, adding \$1.1M/year in debt payments bringing the maximum annual debt payments to over \$7M/year for 14 years, moving the debt repayment out to 2064.*
- *All costs are 2023 dollars and will escalate each year. The longer improvements are delayed, the higher the costs of these projects.*

# Funding Capital Investments with Tax Increases

Year	Millage	Real Estate Tax Revenue	Additional Annual Real Estate Tax Revenue	Cumulative Additional Real Estate Tax Revenue
2023	9.5695	\$ 18,000,000	--	--
1 2024	9.6652	\$ 18,281,000	\$ 181,000	\$ 181,000
2 2025	10.1485	\$ 19,195,050	\$ 914,050	\$ 1,095,050
3 2026	10.6559	\$ 20,154,803	\$ 959,753	\$ 2,054,803
4 2027	11.1887	\$ 21,162,543	\$ 1,007,740	\$ 3,062,543
5 2028	11.7481	\$ 22,220,670	\$ 1,058,127	\$ 4,120,670
6 2029	12.3355	\$ 23,331,703	\$ 1,111,033	\$ 5,231,703
7 2030	12.9523	\$ 24,498,288	\$ 1,166,585	\$ 6,398,288
8 2031	13.5999	\$ 25,723,203	\$ 1,224,914	\$ 7,623,203
9 2032	14.2799	\$ 27,009,363	\$ 1,286,160	\$ 8,909,363
10 2033	14.9939	\$ 28,359,831	\$ 1,350,468	\$ 10,259,831



Will increase Township Tax Revenue by \$10.26M over the 10-year period between 2024 and 2033.



Five years of 5%/year tax increases will pay for most of Option D or the Admin & Community campus of Option A-C.



Seven years of 5%/year tax increases will pay for the low side of Options A-C, including PW and Nbrhd Ctrs.  
 Nine years of 5%/year tax increases will allow for funding of other capital projects such as trails.

\* 5% annual tax increase chosen as a rough back of the envelope calculation to help establish a picture how a standard, planned tax increase would affect budget and taxpayers and ability to finance facilities and other capital investments.



## Impact of 5% annual tax increase on average Cheltenham Township residential property over 9 years

- 3 beds, 3 bath, 2,200 sq.ft. SFD on a 10,000 sq.ft. lot
- Average price = \$400,000
- Average assessed value = \$145,000
- Current Township Tax (9.5695 mills) = \$1,387.58
- Average annual Township Tax Increase over 10 years = \$79 with 1% increase in 2024 and 5% tax increase 2025-2033.
- 2033 Township Tax (14.9939 mills) = \$2,174.11 tax or \$787 total increase in 10 years.
  - 2029 increase: 12.3355 mills = \$1,789 tax, or \$401 total increase over six years.
  - 2031 increase: 13.5999 mills = \$1,972 tax, or \$683 total increase over nine years.

# Pros and Cons of Consolidation vs. Status Quo



# Why Consider Consolidating Facilities?

- The **2020 Financial Management Plan (PFM Report)** noted that Cheltenham has more facilities than it can afford, all with significant capital investment required. The PFM Report recommended consolidation and divestment of facilities for long-term financial health.
- The Township's **Library Strategic Plan** proposed consolidating four libraries into one main library with two satellite libraries at each end of the Township reduce redundancy, increase flexible study and meeting spaces, and enhance its ability to serve the whole community .
- **Facilities Report** recommends consolidating facilities for cost efficiencies in facilities improvements, operating costs, ability to implement with minimal impact on Township operations while under construction and improved operations.
- Will enable the Township to more effectively meet the goals of its **2013 Sustainability Plan** and **Ready for 100 Initiative** to improve energy efficiency in Township facilities and operate more efficiently.
- From a **purely financial** perspective, consolidating community facilities and divesting all neighborhood-level facilities is the most cost-effective solution to the Township's facilities issues.
- Increased **opportunities for partnerships** with community and other groups to enhance services to residents.
- **Existing neighborhood facilities** are too small to serve the Township as a whole and have very limited ability for meaningful expansion to provide recreation services comparable to similar municipalities.
- Township will be able to **provide superior services** to the community as a whole and offer opportunities for **greater community engagement**, rather than being separated by neighborhood.
- Consolidation allows for **grouping of uses**, allowing family members to participate in **a variety of options in one trip**. For example, parents/grandparents can be swimming laps, walking on an indoor track or reading at the library while one child is playing basketball, one is being tutored, and one is participating in dance class.
- Pools are a significant capital investment for 90 days of use each year. An **indoor/outdoor pool complex** can be constructed and operated more cost-effectively than two separate outdoor pools, with one pool operating year-round to provide enhanced services such as greater access to lap swim, senior programming, swim lessons, swim meets, etc., while reducing the staff time needed to hire only seasonal staff for the summer season.
- This is a **once-in-a-century opportunity** to set Cheltenham up for success for the next 50+ years. This is a long-term investment in the community and a win in providing services and managing revenues and expenses.



Spacious, clean,  
efficient, modern  
community facilities  
to meet code and  
recreational  
programming needs  
for a diverse  
community





Reduced  
redundancy will  
enable  
comprehensive  
collections,  
efficient staffing,  
flexible meeting  
and study spaces,  
extended  
programming and  
technological  
capabilities



# Pros and Cons of Improving Status Quo

## Pros

- Less expensive up-front cost.
- Neighborhood-level community facilities can serve the immediate community.
- Enables a portion of the community to walk to a community facility.
- Contributes to a neighborhood community feel.

## Cons

- Will require a larger maintenance and operating budget than consolidated facilities – as the Township will have more roofs, windows, HVAC systems, etc. to maintain.
- Reduces the opportunities for implementing sustainable initiatives.
- Will offer less opportunities for programming and revenue generation than a larger consolidated facility and will require larger staffing costs to operate that will not be “paid back” with program or service revenue.
- A large proportion of the community is either not served or is underserved.
- Isolates the Township Community by neighborhoods.
- Current facilities have limited opportunities to expand physically.
- In-place renovations are a short-term plan. The Township will not be able to grow its program offerings to meet the needs of future generations of residents and it will be more costly in the future to make these improvements.

# Additional Considerations

**Options A, B and C** allow the Township to expand services to the community to provide a broader range of services that can serve its diverse population now and into the future. They provide more opportunities for fiscal and environmentally sustainable initiatives to be implemented, meaning less impact on the Township's operating budget (and future tax adjustments) in the future due to savings in staffing, utilities, and physical plant maintenance and repairs.

**Option A** will likely have the greatest economic impact as its location in a commercial district will provide greater opportunities for users of these facilities to patronize the businesses in this district before or after using them, leading to increased revenue for the Township and less need for future tax adjustments. Additionally, this option has the best access to public transportation and potential for future trail connections. This scenario will, however, require additional costs to replace lost soccer field.

**Option D**, conversely, will mean a reduction of service to the community due to the demolition of the old section of Rowland Community Center and the elimination of the basement level of La Mott Community Center from public service due to code and cost constraints. Significant deficiencies in the buildings, such as the size of the gymnasiums, will not be addressed without significant additional costs. Operating costs could be higher than the previous scenarios due to additional staffing needs, utility costs and physical plant maintenance and repairs. Without the potential for the greater economic impact of Option A, the Township will be more likely to be faced with future disinvestment in programming and maintenance and/or tax adjustments, putting the Township in a similar situation as it is now in the future.



**Thank you!**  
**Questions and Comments.**

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