

# STAFF REPORT



To: Bedford Town Council  
From: Jeanne Walker, Assistant Town Manager  
Rick Sawyer, Town Manager  
Date: October 25, 2023  
Re: **Review of preliminary cost estimate for the new Police Station and Fire Substation as well as the Safety Complex and Town Office Building renovations**

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## BACKGROUND

The Town of Bedford has been progressing a plan for a new Police Station and Fire Substation for many years. In 2022, a construction management and architectural services contract was issued to Fulcrum Associates to conduct a space needs analysis and conceptual design of the facility. The conceptual site plan, previously presented to the Town Council, has been developed for the property at 300 South River Road.

The conceptual design of the facility consists of a one-story 44,294 square foot building to house the new police station, a fire substation, common spaces for both departments, including the emergency operations center, and public space. Also included in the project are the planned improvements to the existing Safety Complex at 55 Constitution Drive and the Town Offices at 24 North Amherst Road.

The Police Department is proposed to be 24,512 square feet and includes property and evidence handling and storage, booking and intake areas, patrol, operations and training spaces, records storage areas, dispatch center, and investigations, patrol, administration and support staff areas.

The Fire Substation is proposed to be 10,213 square feet and includes the apparatus bay sized to house four vehicles, turnout gear storage, kitchen and locker facilities, dayroom and ready room.

Shared spaces include an Emergency Operations Center (5,443 square feet), mechanical and electrical rooms, and an exercise room. Public areas consist of a community meeting room, the lobby, and briefing rooms.

The site will be developed with an access drive from the end of the Cedarwood Drive cul-de-sac to South River Road. The site allows for access for emergency vehicles from Cedarwood Drive/South River Road intersection, secure parking for employee vehicles, on-site auto impound, and a three vehicle drive through sally port.

The proposed facility is sized to meet Bedford's needs for at least the next 40 years.

## DISCUSSION

The estimate was developed with an anticipated early spring 2025 construction start and an anticipated 18-month construction contract duration. The estimate (attached as Exhibit A) based on the conceptual plans of the new facility prices the project at \$34,002,394. This includes \$750,000 for

the installation of solar panels on sections of the roof which are expected to offset building electricity usage.

The mechanical systems cost roughly 14% of the overall cost and the electrical systems cost roughly 12%. This includes fire protection, HVAC systems, and relocation of dispatch systems. Site work is approximately 8% of the cost and concrete, masonry, metals, thermal and moisture protection, doors and windows and finishes are estimated at roughly 23% of the cost.

The remainder of the facility includes 18% construction costs including general conditions, final design services, insurances and fees and approximately 15% contingency and escalation costs.

The facility design is designated as International Building Code (IBC) Risk Category 3 building – structures that represent a substantial hazard to human life in the event of failure.

The full cost estimate includes the improvements at the current Safety Complex, which includes relocating the Planning Department to the Complex and reconfiguration the Fire and Building Department spaces at \$1.5 million as well as improvements for the Town Offices estimated at \$1.0 million. With this work included the total project price is \$36,502,394.

**Summary:**

South River Road Police and Fire Complex	\$34,002,394
Safety Complex Renovation	\$1,500,000
Town Office Building Renovation	<u>\$1,000,000</u>
<b>Total</b>	<b>\$36,502,394</b>

Costs may be reduced although minimally as final design and engineering is completed as some of the contingencies can be refined at that point.

**COST AND FUNDING**

A warrant article will be developed to be placed on the March 2024 ballot to authorize the issuance of bonds for the final design and construction of the entire project (draft attached as Exhibit D). It is likely that the bonding for the two renovation projects would be sold separately as those funds will not be needed for several years. The team will seek to offset the costs by applying for any grants that are available.

A preliminary 20 year bond schedule for the full amount is attached as Exhibit B, which would be sold in 2024 with the first debt service payment needing to be made in 2025. The schedule anticipates a 4% rate which generates approximately \$15,325,944 in interest over the 20 years. The approximately \$3,280,944 owed in 2025 is estimated to have a 52 cent tax rate impact at today's values. With this schedule there would be no tax rate impact in 2024.

As noted separating the borrowing would reduce the tax rate impacts and hopefully the bond rates will go down over time and the initial borrowing could be refinanced. Additionally, any existing capital reserves and grants will be used to reduce the amount borrowed. Our current debt service

schedule shows a reduction of payments of approximately \$556k in 2025 which will help offset the total debt service owed. In 2026 current debt service is reduced by over \$1.14 million. All current road bond debt is paid off in 2030. After the one year spike in 2025 debt service in 2026 would be similar to what it was at our peak in 2021. Please see Exhibit C – Long Term Debt and Facilities Bond Chart.

#### **RECOMMENDATION**

No action is necessary this time. The Council will need to review the warrant article and bond language, and set a public hearing on the bond at a future meeting.

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#### **EXHIBITS ...**

- A. South River Road Police and Fire Complex Estimate Summary
- B. Draft 20 year bond schedule
- C. Draft Long Term Debt and 2024 Facilities Bond Chart
- D. Draft Warrant Article language

**Client:** Town of Bedford  
**Project:** Bedford Safety Complex  
**Location:** 300 South River Rd, Bedford, NH 03110  
**Estimate Date:** 16-Oct-23  
**Plan Date:** 22-Sep-23  
**Estimate Type:** IGMP  
**Area:** 44,294 sf

Construction Duration 78 Weeks

CSI	Trade	Cost/sf	% Total	Item Cost	Total Cost
<b>Sitework &amp; Demolition</b>		<b>\$54.55</b>	<b>7.67%</b>		<b>\$2,416,218</b>
02100	Sitework	\$54.55	7.67%	\$2,416,218	
<b>Concrete</b>		<b>\$17.58</b>	<b>2.47%</b>		<b>\$778,656</b>
03050	Reinforcing Material	\$1.27	0.18%	\$56,194	
03060	Concrete Material	\$4.78	0.67%	\$211,511	
03100	Concrete Foundation Subcontract	\$7.38	1.04%	\$326,773	
03345	Concrete Flatwork Subcontract	\$3.76	0.53%	\$166,691	
03500	Site Concrete	\$0.39	0.06%	\$17,487	
<b>Masonry</b>		<b>\$32.13</b>	<b>4.52%</b>		<b>\$1,423,172</b>
04200	CMU Masonry	\$32.13	4.52%	\$1,423,172	
<b>Metals</b>		<b>\$39.32</b>	<b>5.53%</b>		<b>\$1,741,693</b>
05100	Structural Steel	\$33.99	4.78%	\$1,505,532	
05500	Miscellaneous Metals	\$5.33	0.75%	\$236,162	
<b>Carpentry</b>		<b>\$3.95</b>	<b>0.55%</b>		<b>\$174,800</b>
06100	Rough Carpentry	\$3.95	0.55%	\$174,800	
<b>Thermal &amp; Moisture Protection</b>		<b>\$39.80</b>	<b>5.60%</b>		<b>\$1,762,995</b>
07100	Waterproofing	\$4.45	0.63%	\$197,043	
07200	Thermal & Acoustic Insulation	\$8.83	1.24%	\$391,107	
07450	Metal Panel Roofing & Siding	\$5.38	0.76%	\$238,155	
07500	Membrane Roofing Systems	\$11.16	1.57%	\$494,374	
07550	Asphalt Shingle Roofing	\$6.49	0.91%	\$287,287	
07840	Firestop Systems	\$2.00	0.28%	\$88,588	
07900	Joint Sealants	\$1.50	0.21%	\$66,441	
<b>Doors &amp; Windows</b>		<b>\$20.36</b>	<b>2.86%</b>		<b>\$901,930</b>
08100	Doors & Hardware	\$8.80	1.24%	\$390,000	
08360	Overhead and Specialty Doors	\$5.92	0.83%	\$262,000	
08400	Entrances, Storefronts & Glazing	\$5.64	0.79%	\$249,930	
<b>Finishes</b>		<b>\$51.37</b>	<b>7.22%</b>		<b>\$2,275,162</b>
09260	Gypsum Wallboard Systems	\$35.00	4.92%	\$1,550,333	
09510	Acoustic Ceilings	\$4.33	0.61%	\$191,913	
09600	Flooring	\$7.82	1.10%	\$346,171	
09900	Painting	\$4.22	0.59%	\$186,746	
<b>Specialties</b>		<b>\$7.00</b>	<b>0.98%</b>		<b>\$309,848</b>
10001	Canopies	\$1.79	0.25%	\$79,100	
10150	Toilet Room Partitions	\$0.24	0.03%	\$10,680	
10400	Signage	\$0.78	0.11%	\$34,400	
10500	Lockers	\$2.56	0.36%	\$113,500	
10520	Fire Extinguishers	\$0.14	0.02%	\$6,000	
10670	Storage & Closet Shelving	\$0.77	0.11%	\$34,053	
10800	Toilet Room Accessories	\$0.73	0.10%	\$32,115	
<b>Equipment</b>		<b>\$0.85</b>	<b>0.12%</b>		<b>\$37,745</b>
11310	Appliances	\$0.85	0.12%	\$37,745	
<b>Furnishings</b>		<b>\$5.42</b>	<b>0.76%</b>		<b>\$239,915</b>
12300	Manufactured Casework & Cabinets	\$4.25	0.60%	\$188,420	
12350	Stone & Composite Counters	\$0.60	0.08%	\$26,460	
12500	Window Treatments	\$0.57	0.08%	\$25,035	
<b>Special Construction</b>		<b>\$16.37</b>	<b>2.30%</b>		<b>\$725,000</b>
13040	Indoor Gun Range	\$16.37	2.30%	\$725,000	
<b>Conveying Systems</b>		<b>\$0.00</b>	<b>0.00%</b>		<b>\$0</b>
<b>Mechanical Systems</b>		<b>\$99.88</b>	<b>14.04%</b>		<b>\$4,423,898</b>

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**Area:** 44,294 sf

Construction Duration 78 Weeks

CSI	Trade	Cost/sf	% Total	Item Cost	Total Cost
15300	Fire Protection Systems	\$4.50	0.63%	\$199,323	
15400	Plumbing & Gasfitting	\$40.00	5.62%	\$1,771,760	
15500	HVAC Systems	\$55.38	7.79%	\$2,452,815	
<b>Electrical Systems</b>		<b>\$84.43</b>	<b>11.87%</b>		<b>\$3,739,744</b>
16050	Basic Electrical Systems	\$84.43	11.87%	\$3,739,744	
<b>Total Direct Construction Cost</b>		<b>\$472.99</b>	<b>66.51%</b>		<b>\$20,950,776</b>

### Project Cost Summary

	Cost/sf		
Divisions 2-16 Direct Construction Cost	\$472.99	66.51%	\$20,950,776
Design Services	\$36.12	5.08%	\$1,600,000
Preconstruction Services	\$0.00	0.00%	\$0
Project Requirements	\$5.70	0.80%	\$252,577
General Conditions	\$42.15	5.93%	\$1,867,093
Winter Weather Allowance	\$5.64	0.79%	\$250,000
Building Permit	\$0.00	0.00%	\$0
Sales Tax on Materials	0.00%	\$0.00	0.00%
GC Surety Bond	1.20%	\$8.36	1.17%
Subcontractor Surety Bond (Not Included)	0.00%	\$0.00	0.00%
Design Contingency	8.00%	\$45.01	6.33%
Construction Contingency	3.00%	\$16.88	2.37%
Escalation	7.00%	\$40.91	5.75%
General Liability Insurance	1.25%	\$7.35	1.03%
Builders Risk Insurance	1.00%	\$6.54	0.92%
Premium Time Increase	0.00%	\$0.00	0.00%
CM Fee	3.50%	\$23.55	3.31%
<b>Total Project Cost</b>	<b>\$711.21</b>	<b>100.00%</b>	<b>\$31,502,394</b>

	Unit	Cost/Unit	Total Cost
Bedford FD Renovation	1 ls	\$1,500,000	\$1,500,000
Town Office Renovation	1 ls	\$1,000,000	\$1,000,000
FF&E	1 ls	\$2,000,000	\$2,000,000
Cedarwood Dr ROW Signalization	1 ls	\$500,000	\$500,000
<b>Total Cost</b>			<b>\$36,502,394</b>

## BOND SUMMARY STATISTICS

### Town of Bedford, NH General Obligation Bonds Estimated Rate - Subject to Change Dated July 16, 2024

Dated Date	07/16/2024
Delivery Date	07/16/2024
Last Maturity	07/15/2044
Arbitrage Yield	4.000013%
True Interest Cost (TIC)	4.000013%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.000013%
Average Coupon	4.000000%
Average Life (years)	10.497
Duration of Issue (years)	8.232
Par Amount	36,500,000.00
Bond Proceeds	36,500,000.00
Total Interest	15,325,944.44
Net Interest	15,325,944.44
Total Debt Service	51,825,944.44
Maximum Annual Debt Service	3,280,944.44
Average Annual Debt Service	2,591,657.17
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
_____	
Total Underwriter's Discount	
Bid Price	100.000000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Serial Bond	36,500,000.00	100.000	4.000%	10.497
	36,500,000.00			10.497

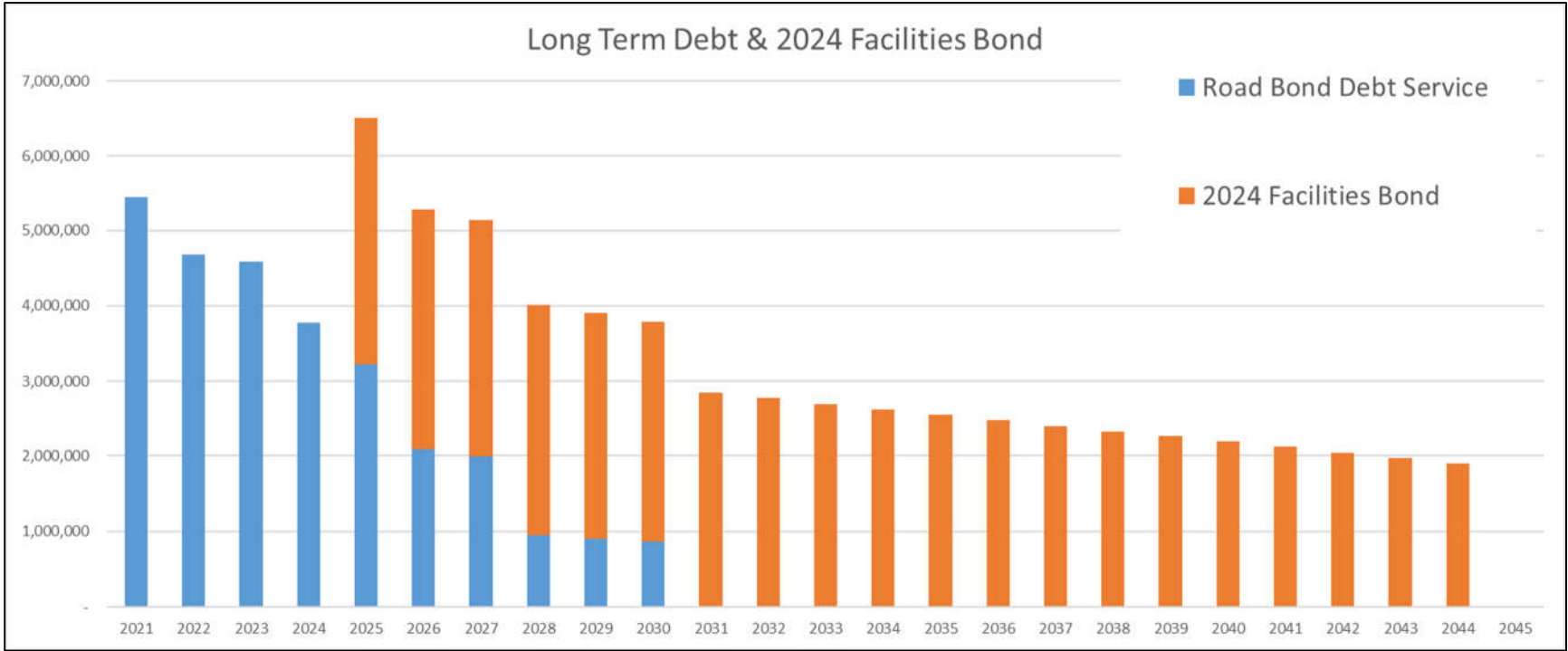
	TIC	All-In TIC	Arbitrage Yield
Par Value	36,500,000.00	36,500,000.00	36,500,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
	_____	_____	_____
Target Value	36,500,000.00	36,500,000.00	36,500,000.00
Target Date	07/16/2024	07/16/2024	07/16/2024
Yield	4.000013%	4.000013%	4.000013%

**BOND DEBT SERVICE**

**Town of Bedford, NH  
 General Obligation Bonds  
 Estimated Rate - Subject to Change  
 Dated July 16, 2024**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
12/31/2025	1,825,000	4.000%	1,455,944.44	3,280,944.44
12/31/2026	1,825,000	4.000%	1,387,000.00	3,212,000.00
12/31/2027	1,825,000	4.000%	1,314,000.00	3,139,000.00
12/31/2028	1,825,000	4.000%	1,241,000.00	3,066,000.00
12/31/2029	1,825,000	4.000%	1,168,000.00	2,993,000.00
12/31/2030	1,825,000	4.000%	1,095,000.00	2,920,000.00
12/31/2031	1,825,000	4.000%	1,022,000.00	2,847,000.00
12/31/2032	1,825,000	4.000%	949,000.00	2,774,000.00
12/31/2033	1,825,000	4.000%	876,000.00	2,701,000.00
12/31/2034	1,825,000	4.000%	803,000.00	2,628,000.00
12/31/2035	1,825,000	4.000%	730,000.00	2,555,000.00
12/31/2036	1,825,000	4.000%	657,000.00	2,482,000.00
12/31/2037	1,825,000	4.000%	584,000.00	2,409,000.00
12/31/2038	1,825,000	4.000%	511,000.00	2,336,000.00
12/31/2039	1,825,000	4.000%	438,000.00	2,263,000.00
12/31/2040	1,825,000	4.000%	365,000.00	2,190,000.00
12/31/2041	1,825,000	4.000%	292,000.00	2,117,000.00
12/31/2042	1,825,000	4.000%	219,000.00	2,044,000.00
12/31/2043	1,825,000	4.000%	146,000.00	1,971,000.00
12/31/2044	1,825,000	4.000%	73,000.00	1,898,000.00
	36,500,000		15,325,944.44	51,825,944.44

Long Term Debt & 2024 Facilities Bond





**Article #??. ISSUANCE OF LONG TERM DEBT FOR CONSTRUCTION OF SOUTH RIVER ROAD POLICE AND FIRE COMPLEX AND RENOVATIONS AT THE SAFETY COMPLEX AND TOWN OFFICE BUILDING**

Shall the Town vote to raise and appropriate the sum of thirty six million five hundred thousand dollars (\$36,500,000) for the purpose of constructing a police station and fire substation with associated building and site improvements at 300 South River Road and to complete renovations at the Safety Complex and Town Office Building, and to authorize the issuance of not more than thirty six million five hundred thousand dollars (\$36,500,000) of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33); to authorize the Town Council to issue, negotiate, sell and deliver such bonds or notes and to determine the rate of interest thereon and the maturity and other terms thereof; to authorize the Town Council to apply for, obtain and accept federal, state or other aid, if any, which may be available for this project; and further, to authorize the Town Council to take any other action or to pass any other vote relative thereto? Bond payments would begin approximately one year after issuance. (3/5 ballot vote required for approval.)

**Explanation:** *If approved, this funding will be used to construct an approximately 44,000 square foot police station and fire substation at 300 South River Road and to renovate the existing Safety Complex and Town Office Building, including but not limited to, engineering, design, construction, and fit up. The Town is requesting the authority to bond up to \$36,500,000. In the event that completion of this project is less than the requested amount, it is the Town's intent to issue only what is necessary. Any remaining funds from this authorization will be brought back to the voters to rescind ensuring that they cannot be used for any other purpose*

*The existing Safety Complex was built in 1994 when the Town's population was 12,500 which has now grown by 90% to 23,704. Police and Fire staffing has grown from 49 to 95 in the same time frame to address the nearly 400% increase in calls for service. Continued operation from Safety Complex compromises the mission of the Fire and Police Departments as well as the safety and security of the public, our employees, and critical infrastructure and public safety assets. Moving the Police Department from the current Safety Complex allows for expansion of the Fire Department, allows for co-location of the Planning Department, Building Division and Public Works. It also creates more usable space in the Town Office Building.*

**THE TOWN COUNCIL RECOMMENDS PASSAGE OF THIS ARTICLE.**