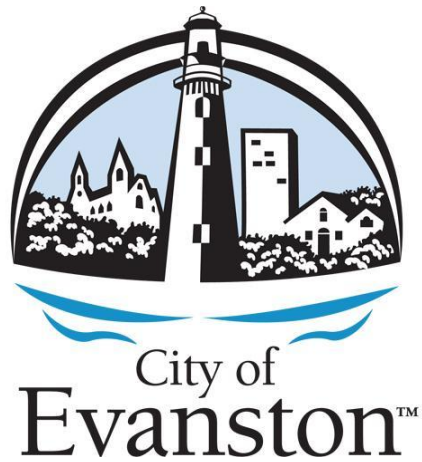


CITY OF EVANSTON

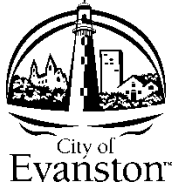
# FY 2022 Budget

Responses to 2022 Budget Questions  
Through October 22, 2021



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# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Kate Lewis-Lakin, Budget Manager

Subject: Held Vacant Positions

Date: October 19, 2021

**Question:** Provide a summary of what happened to the positions held vacant in the 2021 budget that are being added back to the 2022 Proposed Budget.

**Response:**

The following information is regarding positions built into the 2022 Proposed Budget and shown in the budget document. Additional position requests from departments that are put forward for City Council consideration are shown in the Transmittal Letter.

In the 2021 Adopted Budget, 29.5 FTE positions were held vacant for one year due to COVID-19 related fiscal constraints. With the recovery of tax revenues and receipt of American Rescue Plan (ARPA) funds, these positions are recommended to be filled in 2022. These are included in the 2022 Proposed Budget. A few positions held vacant are not being filled with the same title as they were held - these are noted below the chart.

Department	Position Description	Held Vacant 2021 FTE	2022 Proposed Budget FTE
Administrative Services	Facilities Maint. Worker III	1	1
Administrative Services	Parking Operations Coordinator	1	1
Administrative Services	Digital Services Specialist	1	0
Administrative Services	Facilities Maintenance Worker I - PT	0.5	0
Administrative Services	Parking Enforcement Officer - PT	1	0.5

City Manager's Office	Administrative Lead	1	1
City Manager's Office	Equity and Empowerment Coordinator	1	1
City Manager's Office	Senior Accountant	1	1
City Manager's Office	Customer Service Representative	1	1
Community Development	Plan Reviewer	1	0
Community Development	Structural Inspector/Plan reviewer	1	1
Fire Department	Administrative Lead	1	1
Fire Department	Firefighter/Paramedic	2	1
Health & Human Services	Management Analyst	1	1
Law Department	Assistant City Attorney	1	1
Parks & Recreation	Data Control Clerk	1	0
Parks & Recreation	Facilities Coordinator - Gibbs Morrison	1	0
Police Department	Police Commander	1	1
Police Department	Police Commander	1	1
Police Department	Police Officer	1	1
Police Department	Records Input Operator	1	1
Police Department	Service Desk Officer II	3	3
Police Department	Service Desk Officer I	1	1
Public Works Agency	Management Analyst	1	1
Public Works Agency	Forestry Worker I	1	1
Public Works Agency	Supervisor: Streets	1	1

Public Works Agency	Public Works Maintenance Worker II	1	1
<b>Total</b>		<b>29.5</b>	<b>23.5</b>

**Changes to held vacant positions:**

1. Digital Services Specialist - not built into Proposed Budget, included in additional requests from departments shown in Transmittal Letter
2. Facilities Maintenance Worker I - PT and Parking Enforcement Officer - PT - 0.5 FTE from two positions combined into new position of Fleet Asset Administrator (1 FTE)
3. Plan Reviewer - filled as Permit Services Specialist
4. Firefighter/Paramedic - 1 FTE reclassified to Fire Captain
5. Data Control Clerk and Facilities Coordinator - Gibbs Morrison - two positions not included in 2022 Proposed Budget, were replaced by additional positions at Robert Crown Community Center in 2021. Position for Administrative Clerk included in additional requests from departments shown in Transmittal Letter



# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Hitesh Desai, Chief Financial Office

Subject: 2022 Proposed Budget Memos

Date: October 12, 2021

**Question:** Analysis of 2021 bonds on 2022 Proposed budget, especially refunding of 2012 series.

**Response:**

The City issued General Obligation Corporate Purpose Bonds Series 2021, which included both a new money portion for capital projects and a refunding portion for Series 2021A. Following are summary numbers related to Series 2021 GO Bonds:

	<b>New Money Portion</b>	<b>Refunding Portion</b>	<b>Total</b>
Par amount of bonds	\$8,370,000	\$6,050,000	\$14,420,000
Reoffering Premium	\$549,852	\$788,365	\$1,338,217
<b>Total Sources</b>	<b>\$8,919,852</b>	<b>\$6,941,431</b>	<b>\$15,861,283</b>
Deposits to project funds	\$8,804,000		\$8,804,000
Deposit to Current Refunding fund		\$6,858,065	\$6,858,065
Costs of Issuance	\$115,852	\$83,366	\$199,218
<b>Total Uses</b>	<b>\$8,919,852</b>	<b>\$6,941,431</b>	<b>\$15,861,283</b>

The par amount is the principal amount that will be required to be repaid on the bonds. A premium municipal bond is a security sold at a price in excess of its par value. That means that a premium municipal bond will sell for more than 100 percent of its par

value. When the City sells a bond at a premium, it will receive more up front cash from the sale than it has to pay back in principal over time. The reoffering premium can be understood as cash received in the sale that is not required to be paid back.

Bond refunding is done when the current interest rate environment is lower than the existing interest rate on a bond. Refunding is only available at certain points in the life of a bond, based on the structure of the bond when it was sold and the time frame in which it is callable.

The refunding of Series 2012A Bonds in the 2021 series generated a net present value saving of \$654,261. This equates to 9.7% of the 2021A principal that was refunded (\$6,755,000), or 10.8% of the new 2021 refunding principal (\$6,050,000). The savings generated from this refunding is being used to lower the debt service for the year 2022.

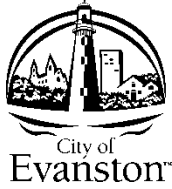
The 2022 debt service for the 2021 bonds is shown below. This is built into the 2022 Proposed Budget for the Debt Service Fund and Water Fund, respectively. The Debt service fund portion is funded through the debt service tax levy. The Water Fund portion is supported through operating revenue and does not impact property taxes.

Debt Service Fund (new money portion) = \$532,670

Debt Service Fund (refunding portion) = \$183,993

Water Fund (new money) = \$127,860

**Total debt service 2022 = \$844,523**



# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Kate Lewis-Lakin, Budget Manager  
Lawrence C. Hemingway, Director of Parks & Recreation

Subject: Crown Operating Budget Projections

Date: October 18, 2021

**Question:**

- 1) Expected annual gross revenues when the new Crown Center was proposed in 2018 and expected expenses related to running of the new Crown Center
- 2) Proposed costs and expected gross revenues from the Center for 2022

**Response:**

When the Crown Center project was proposed and approved in 2018, it was expected that the Center would generate approximately \$2.45 million in revenue, and require \$2.92 million in operating expenses. This would generate an annual operating deficit of approximately \$500,000. This was expected to be an improvement on the operations of the previous Robert Crown Center, which operated with an annual deficit of \$743,000. These numbers are shown in the attachment.

The 2020 Budget, which was created with the assumption that the new center would be operating at full capacity beginning on January 1, 2020, and would operate at that capacity for the full year. The 2020 Adopted Budget included \$2.57 million in revenue from the Crown Center, and \$3.1 million in operating expenses, generating an annual deficit of \$544,213.

Unfortunately, due to the COVID-19 pandemic, the Crown Center did not operate near its expected capacity in 2020. Only \$1.2 million was generated in revenue in 2020. Operating expenses remained closer to budget at \$2.7 million, as expenses required to upkeep and maintain the building were required to continue even as programming revenue was significantly decreased. The center operated at a deficit of \$1.5 million in 2020.

The 2021 Adopted Budget includes \$1.94 million in revenue for the new Crown Center, and \$3.3 million in operating expenses. This would be continuing an operating deficit of \$1.4 million per year. The 2022 Proposed Budget includes increases in expenses due to



staffing and contract costs, and similar revenue to the 2021 budget. The operating deficit for the center in the 2022 proposed budget is \$1.5 million, with \$1.9 million in revenue and \$3.4 million in expenses.

In addition, the facility is finally operating at full capacity since the start of the pandemic. For the first time we are registering participants with no capacity limits in place. We haven't been able to do so until May of 2021 when the state of Illinois moved to Phase 5 in its recovery plan. Until that moment, all programs were operating at best at 50% capacity which includes this past summer activity. The registration process and the staffing allocations took place prior to moving into phase 5. With the increased capacity limits, we anticipate increased revenues being generated during the next budget cycle which will give the department a realistic expectation on annual revenues for years to come.

Overall, Parks and Recreation supports about 50% of its operations through program revenue. The 2022 Proposed Budget includes \$11.8 million in expenses for the department, which generates \$6.2 million in revenue. Even at the current lower revenue in 2021, the Crown Center supports approximately 56% of its operations through program revenue.

**Attachments:**

- 1) Slide from February 19, 2018 Crown Project Presentation
- 2) Budget Report - 2020 Budget and Actual, 2021 Adopted Budget, 2022 Proposed Budget

# OPERATING REVENUES/EXPENSES

	Current Crown	New Crown	
Revenue	2017	2020	2021
Ice Rink and Camp Program Revenues	1,050,000	2,056,262	2,056,262
Community Center Program Revenues	380,000	395,253	395,253
<b>Total Revenue</b>	<b>1,430,000</b>	<b>2,451,515</b>	<b>2,451,515</b>
<b>Expenditures</b>			
Ice Rink Program Expenses	1,261,671	1,720,590	1,755,002
Community Center Program Expenses	912,153	1,009,226	1,029,410
Transfer to Crown Maintenance Fund	-	200,000	200,000
<b>Total Expenditures</b>	<b>2,173,824</b>	<b>2,929,816</b>	<b>2,984,413</b>
<b>Net Operating Deficit</b>	<b>(743,824)</b>	<b>(478,301)</b>	<b>(532,897)</b>

# City of Evanston, IL

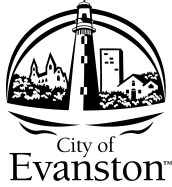
2022 Proposed  
Budget

Account Number	Account Description	2020 Adopted Budget	2020 Actual Amount	2021 Adopted Budget	2022 Proposed Budget
<b>Fund: 100 - GENERAL FUND</b>					
<b>REVENUES</b>					
<b>Department: 30 - PARKS AND RECREATION</b>					
<b>Business Unit: 3030 - CROWN COMMUNITY CENTER</b>					
53200	BEV SNACK VENDING MACHINE	10,000	3,550	10,000	10,000
53565	RECREATION PROGRAM FEES	2,530,000	1,172,932	1,897,500	1,897,500
53566	RECREATION - DEFERRED REVENUE	-	25,468	-	-
55251	GRANTS AND AID	30,000	23,493	30,000	30,000
56045	MISCELLANEOUS REVENUE	3,500	-	3,500	3,500
<b>Business Unit Total: 3030 - CROWN COMMUNITY CENTER</b>		<b>2,573,500</b>	<b>1,225,443</b>	<b>1,941,000</b>	<b>1,941,000</b>
<b>Department Total: 30 - PARKS AND RECREATION</b>		<b>2,573,500</b>	<b>1,225,443</b>	<b>1,941,000</b>	<b>1,941,000</b>
<b>REVENUES Total</b>		<b>2,573,500</b>	<b>1,225,443</b>	<b>1,941,000</b>	<b>1,941,000</b>
<b>EXPENSES</b>					
<b>Department: 30 - PARKS AND RECREATION</b>					
<b>Business Unit: 3030 - CROWN COMMUNITY CENTER</b>					
61010	REGULAR PAY	1,101,748	1,181,270	1,149,239	1,195,970
61011	RECREATION INSTRUCTORS REG PAY	215,000	84,776	215,000	215,000
61013	PROGRAM ASSISTANTS	145,000	88,719	145,000	145,000
61050	PERMANENT PART-TIME	148,233	122,508	159,121	136,645
61060	SEASONAL EMPLOYEES	253,000	109,668	277,785	295,000
61110	OVERTIME PAY	27,000	8,059	27,000	27,000
61415	TERMINATION PAYOUTS	-	8,087	-	-
61430	VACATION PAYOUTS (PREVIOUSLY OTHER PAYOUTS)	-	127	-	-
61510	HEALTH INSURANCE	223,435	184,340	211,595	276,903
61513	VISION INSURANCE	-	-	-	152
61615	LIFE INSURANCE	480	717	731	601
61625	AUTO ALLOWANCE	900	600	900	-
61626	CELL PHONE ALLOWANCE	504	504	504	360
61630	SHOE ALLOWANCE	1,080	1,440	1,080	1,415
61710	IMRF	109,249	105,932	108,104	64,500
61725	SOCIAL SECURITY	77,655	97,011	83,105	82,733
61730	MEDICARE	18,162	22,688	19,436	19,349
62205	ADVERTISING	2,025	1,087	2,025	2,025
62210	PRINTING	1,520	2,056	1,520	1,520
62245	OTHER EQMT MAINTENANCE	23,100	7,433	23,100	23,100
62251	CROWN CENTER SYSTEMS REPAIR	21,000	27,784	21,000	82,000
62275	POSTAGE CHARGEBACKS	-	32	-	-
62305	RENTAL OF AUTO-FLEET MAINTENANCE	16,098	16,098	-	-
62309	RENTAL OF AUTO REPLACEMENT	12,437	12,437	-	-
62360	MEMBERSHIP DUES	11,025	6,438	11,025	11,025
62375	RENTALS	630	-	630	630
62380	COPY MACHINE CHARGES	3,448	8,192	-	-
62490	OTHER PROGRAM COSTS	27,090	3,360	27,090	27,090
62495	LICENSED PEST CONTROL SERVICES	-	1,375	-	-
62505	INSTRUCTOR SERVICES	38,094	31,978	38,094	58,000
62507	FIELD TRIPS	36,000	996	36,000	36,000
62508	SPORTS OFFICIALS	9,870	5,306	9,870	9,870
62509	SERVICE AGREEMENTS/ CONTRACTS	-	5,181	-	15,700
64005	ELECTRICITY	164,745	119,665	300,000	300,000
64015	NATURAL GAS	39,060	10,258	39,000	39,000
64540	TELECOMMUNICATIONS - WIRELESS	-	972	-	-
65020	CLOTHING	4,830	-	4,830	4,830
65025	FOOD	70,000	20,761	70,000	50,000
65040	JANITORIAL SUPPLIES	15,000	16,289	15,000	22,000
65050	BLDG MAINTENANCE MATERIAL	21,200	5,473	21,200	21,200
65070	OFFICE/OTHER EQT MTN MATL	-	314	-	-
65075	MEDICAL & LAB SUPPLIES	945	562	945	945

# City of Evanston, IL

Account Number	Account Description	2020 Adopted Budget	2020 Actual Amount	2021 Adopted Budget	2022 Proposed Budget
65095	OFFICE SUPPLIES	3,150	3,553	3,150	3,150
65110	RECREATION SUPPLIES	65,000	19,790	65,000	65,000
65510	BUILDINGS	35,000	3,408	35,000	-
66158	TRANSFER TO CROWN MAINTENANCE FUND	175,000	175,000	175,000	175,000
<b>Business Unit Total: 3030 - CROWN COMMUNITY CENTER</b>		<b>3,117,713</b>	<b>2,522,243</b>	<b>3,298,078</b>	<b>3,408,713</b>
<b>Business Unit:</b>	<b>3095 - CROWN ICE RINK (see note)</b>				
61010	REGULAR PAY	-	1,215	-	-
61011	RECREATION INSTRUCTORS REG PAY	-	452	-	-
61013	PROGRAM ASSISTANTS	-	292	-	-
61050	PERMANENT PART-TIME	-	751	-	-
61060	SEASONAL EMPLOYEES	-	1,373	-	-
61510	HEALTH INSURANCE	-	639	-	-
61710	IMRF	-	364	-	-
61725	SOCIAL SECURITY	-	543	-	-
61730	MEDICARE	-	127	-	-
62275	POSTAGE CHARGEBACKS	-	5	-	-
62490	OTHER PROGRAM COSTS	-	246	-	-
64005	ELECTRICITY	-	172,617	-	-
64015	NATURAL GAS	-	13,671	-	-
<b>Business Unit Total: 3095 - CROWN ICE RINK</b>		<b>-</b>	<b>192,296</b>	<b>-</b>	<b>-</b>
<b>Department Total: 30 - PARKS AND RECREATION</b>		<b>3,117,713</b>	<b>2,714,539</b>	<b>3,298,078</b>	<b>3,408,713</b>
<b>EXPENSES Total</b>		<b>3,117,713</b>	<b>2,714,539</b>	<b>3,298,078</b>	<b>3,408,713</b>
<b>Fund REVENUE</b>	<b>Total: 100 - GENERAL FUND</b>	<b>2,573,500</b>	<b>1,225,443</b>	<b>1,941,000</b>	<b>1,941,000</b>
<b>Fund EXPENSE</b>	<b>Total: 100 - GENERAL FUND</b>	<b>3,117,713</b>	<b>2,714,539</b>	<b>3,298,078</b>	<b>3,408,713</b>
<b>Fund Total: 100 - GENERAL FUND</b>		<b>(544,213)</b>	<b>(1,489,096)</b>	<b>(1,357,078)</b>	<b>(1,467,713)</b>

\*\*Note: All expenses and revenue were consolidated in 3030 Crown Ice Rink in the 2020 budget. Some were still mistakenly booked to 3095 in 2020 actuals



# Memorandum

To: Honorable Mayor and Members of the City Council

From: Lara Biggs - City Engineer  
Stefanie Levine - Senior Project Manager

Subject: Budget Memo - Robert Crown Settlement Issues and Warranties

Date: October 22, 2021

**Question:** Provide details on Crown warranties and settlement issues.

**Response:** All City of Evanston construction projects have a standard 12-month warranty. In addition to this standard warranty, the Robert Crown project has 118 individual warranties from various subcontractors and material suppliers. The vast majority of the individual warranties are also for a standard 12-month period. Products with longer warranties include items such as exterior wall panels, roofing materials, interior doors and door hardware, ceiling systems, various electrical components, and the synthetic sports field surface.

The Robert Crown building reached substantial completion on March 2, 2020 and the Robert Crown site reached substantial completion on August 28, 2020. As a result, the warranties for the general construction and majority of the building and site systems expired on March 2, 2021 and August 28, 2021 respectively.

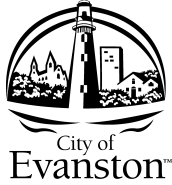
Contrary to previous discussions, there are no known settlement issues at the Crown building. Reference was made to concrete cracking and glass failures, both of which are discussed in detail below.

Concrete cracks have been observed in two locations in the building due to the normal shrinkage that occurs as concrete goes through the curing process, as verified by the City's consultant. The first location is the polished concrete floor in the main lobby. The lobby floor is a structural slab constructed of 12" thick reinforced concrete above a system of structural caissons. Structural slabs of this type are typically poured without control joints as they are considered ineffective in controlling shrinkage cracks due to the slab thickness. The shrinkage cracking that has occurred at this location is considered standard for this type of floor and is generally expected.

The second cracking location is in the topping slabs of the ice rink bleachers. At this location, the general contractor did not install control joints in the topping slab which may have helped control the locations where shrinkage cracks would inevitably develop. The cracks that have formed at this location are unsightly but they are not structural. Due to staff concerns regarding the irregular and unsightly appearance of these cracks, Bulley and Andrews is working with their concrete restoration team to recommend a solution.

The second issue is related to glass failures. Of the approximately 350 panes of exterior glazing installed at the building, two tempered units have experienced failures after the general construction warranty period expired. Both locations have been reviewed by the consultant and contractor and neither is attributable to settlement. The exact cause of the two failures is unknown, however occasional and “spontaneous” failure of tempered glass is not unusual and is generally a result of one of the following reasons:

1. Poor edge quality, defined as small nicks or chips in panel edges as they are being cut, packaged, shipped or installed. These imperfections can create stress concentrations as the glass expands and contracts during in-service conditions such as temperature changes and wind load. These small imperfections are often not readily apparent during the installation process. Eventually, these stresses can cause the glass to break in what appears to be a spontaneous manner while the cause of the failure may have been present for months or even years.
2. Frame-related breakage, defined as expansion/contraction of framing members which insufficiently cushion the glass to metal contact. Under these conditions, glazing units can develop edge and surface damage over time as the units come in contact with the framing system as a result of temperature or wind-related movement. Eventually, these stresses can lead to failures that appear spontaneous in nature.
3. Thermal stress, defined as stress caused by temperature differences between the center and edge of a glazing unit. Heat expansion of the center of a glass unit results in tensile stress at the edge of the glass. If this thermal stress exceeds the edge strength of the glass, breakage occurs.
4. Nickel-sulfide inclusions, defined as the existence of nickel-sulfide particles in the glazing unit. Although less common, small nickel-sulfide particles can form randomly in the production of float glass. Despite rigorous quality controls and procedures aimed at reducing the likelihood of this imperfection, there is no technology to completely eliminate their formation. The breakage problems these imperfections cause are specific to tempered glass as the expansion of these particles is arrested during the tempering process. When tempered glass is later exposed to solar heat gain, the nickel-sulfide particles have the ability to expand. If the expansion is significant the stress may be enough to shatter the glass.



# Memorandum

To: Honorable Mayor and Members of the City Council

From: Michael Rivera - Parking Division Manager  
Lara Biggs - City Engineer

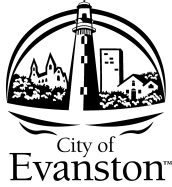
Subject: Budget Memo - Parking Meter Replacement Funding

Date: October 22, 2021

**Question:** Why are CIP funds rather than Parking Funds being used to replace parking meters with pay stations?

**Response:**

The estimated cost of replacing parking meters with pay stations is \$250,000. Although this is shown in the proposed 2022 Capital Improvement Program, it is being funded by the Parking Fund. The cost is large enough that it is more appropriately shown as a capital project.



# Memorandum

To: Honorable Mayor and Members of the City Council

From: Lara Biggs, City Engineer

Subject: Animal Shelter Project Costs

Date: October 22, 2021

**Question:** Provide the cost of the animal shelter project in 2022.

**Response:**

When the City Council reviewed and selected design options for the animal shelter on 9/27/21, the scope of work for the project was set, which allowed the City and the consultant, Holabird & Root, enter into negotiations for consulting services for design and construction. This negotiation could not happen prior to this decision, because the detailed scope of work and the associated costs varied significantly between the options.

Staff is currently finalizing this negotiation of the design and construction consulting services. This cost is estimated to be approximately \$630,000, although this cost is not yet finalized. Of this, \$500,000 is estimated to be planning and design services, which will be mostly spent during the remainder of 2021 and 2022.

This contract is anticipated to go to City Council for approval on November 8, 2021. The funding for design and construction services will come from the 2021 General Obligation Bonds, of which \$700,000 was set aside for the animal shelter project. No new funding is needed until construction, currently estimated to begin in early 2023.





# Memorandum

To: Honorable Mayor and Members of the City Council

From: Lara Biggs - City Engineer  
Shane Cary – Architect/Project Manager

Subject: Animal Shelter Pre-Design Cost Estimate

Date: October 4, 2021

**Question:** The pre-design cost estimates for the Evanston Animal Shelter improvements presented at the September 27, 2021 City Council are very high compared to industry standards. Please provide details of this cost estimate and information on how these numbers were determined.

**Response:** Below is a matrix of the cost estimates provided to the City Council during a presentation on September 27, 2021:

	Level 1: Health, Welfare, and Community Programs 7,500 SF	Level 2: Operational Efficiencies 8,500 SF	Level 3: Human Experience and Future Growth 12,700 SF
A: City's Code Requirements (LEED Silver certification)	\$5.5M	\$6.0M	\$8.5M
B: CARP – Net Zero Carbon Emissions	\$5.7M	<b>\$6.3M</b>	\$8.9M
C: CARP – Net Zero Energy	\$6.5M	\$7.1M	\$10.0M

During the presentation, the City Council directed staff to proceed with the design of a project meeting the requirements of Level 2, Option B. Below is a table of the full cost estimation based on a 8,500 square feet building with the goal of providing an electrified building that is solar ready, and LEED Silver certified. It should be noted that this is a Class 5 Engineer's Opinion of Probable Cost, which is preliminary because the design itself is only at a preliminary level (see below for further information).

Category	Units	Cost/Unit	Estimate
<b>HARD COSTS:</b>			
<b>Construction Cost Estimate</b>			
Demolition of Existing Building & Site			\$75,000
New Building	8,500 SF	\$325	\$2,762,500
Site Improvements	25,431 SF	\$17	\$432,327
<b>Construction Cost Estimate Subtotal</b>			<b>\$3,269,827</b>
<b>Construction Fees Estimate</b>			
General Liability Insurance	2.5% Const. Cost		\$81,746
General Conditions	6% Const. Cost		\$196,190
Overhead/Fee	5% Const. Cost		\$147,142
<b>Construction Fees Subtotal</b>			<b>\$425,078</b>
<b>STANDARD HARD COST SUBTOTAL</b>			<b>\$3,694,905</b>
<b>Estimate for Meeting CARP Goals</b>			
Eliminating Gas Emissions (Building Electrification + Solar Ready)	5% Const. Cost & Const. Fee		\$184,745
<b>Other Hard Costs</b>			
Furniture Fixtures & Equipment (FF&E), Wayfinding, Window Treatments, Decor	8,500 SF	\$30	\$255,000
Public Art Installation	1% Const. Cost		\$38,796
<b>Other Hard Costs Subtotal</b>			<b>\$293,796</b>
<b>TOTAL HARD COST SUBTOTAL</b>			<b>\$4,173,446</b>
<b>SOFT COSTS:</b>			
Design Team/Consultants			TBD

Survey Recertification		\$3,000
Utility Locating		\$1,000
Environmental Testing, Buildings & Site		15,000
Geotechnical Testing		\$10,000
Commissioning		TBD
Third Party Construction Testing		\$50,000
Temporary relocation/Moving Costs		TBD
Unidentified costs (to be distributed above)		\$1,252,034

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<b>TOTAL SOFT COSTS SUBTOTAL</b>		<b>\$1,252,034</b>
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**CONTINGENCY:**

Design Contingency	10% Hard Costs	\$417,345
Construction Contingency	10% Hard Costs	\$417,345

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<b>CONTINGENCY SUBTOTAL</b>		<b>\$834,689</b>
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<b>TOTAL PROJECT BUDGET</b>	<b>\$6,260,169</b>
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The specificity of the costs indicated in this table are deceiving. This level of cost estimation is typically performed in the pre-design phases and is relatively crude despite the apparent specificity. More detailed cost estimating efforts will be performed at later stages of the design. The design and the estimate will be revised iteratively to maintain alignment.

Single Unit- Rate Method:

Square foot cost estimates are more formally known as a single unit-rate method. What is typically included in this type of cost estimating changes based on who is performing the cost estimate. Developers, contractors, architects, and typical owners all include different items in a project cost estimate depending on what they are trying to estimate. The cost estimate shown in the table above includes several costs that are not often included in a per square foot cost estimate. In this case, the cost estimates included hard costs, soft costs, and contingency. The hard cost portion of the estimate for

Alternate 2B was performed as a single-unit rate estimate with some known factors. A comparison hard cost (excluding building electrification, public art requirements and soft costs) expressed as a single-unit rate estimate is as follows:

Standard Hard Cost Sub-total =	\$3,694,905
+ Furniture Fixtures & Equipment =	\$255,000
Sub-Total =	\$3,949,905
÷ Building Size =	8,500 SF
<u>Cost / SF =</u>	<u>\$465/SF</u>

The results were then checked against precedent projects iteratively to arrive at the final cost estimate. Below is a list of the precedent projects used with some notes on what was and was not included:

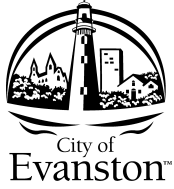
Project	Location	Year	Cost/SF	Notes
Oklahoma Humane Society Adoption Center	Oklahoma City, Oklahoma	2022	\$471	Includes building, site work, and ff&e. Excludes soft costs.
Kansas City Pet Project	Kansas City, Missouri	2021	\$478	Includes building, site work, and ff&e. Excludes soft costs.
Cook County Health	Chicago, Illinois	2020	\$478	Includes building and site work, excludes soft costs and ff&e.
Harris County Pets	Houston, Texas	2017	\$391	Includes building, site work, and ff&e. Excludes soft costs.
Baytown Animal Services and Adoption	Baytown, Texas	2020	\$352	Includes building, site work, and ff&e. Excludes soft costs.

It is important to note that construction costs have been dramatically impacted in the past year and a half by the COVID-19 pandemic. This uncertainty cannot be accounted for. It is hoped that costs will stabilize as the project progresses.

Additionally, the expectation of accuracy at this stage of the project is low because the number of unknowns is high. The Association for the Advancement of Cost Engineering is an international organization dedicated to helping management professionals guide projects to success. They provide guidance for the expectation of cost estimating accuracy based on the phase of a project and the methodology of cost estimating. Following is a table reproduced from AACE: Cost Estimate Classification System - As Applied in Engineering, Procurement, and Construction for the Building and General Construction Industries; representing the 5 classifications of cost estimating describing the use of the estimate and the expected accuracy range:

<b>Estimate Class</b>	<b>Use for the Cost Estimate</b>	<b>Methodology</b>	<b>Expected Accuracy Range</b>
Class 5	Functional area or concept screening	SF factoring, parametric models, judgement, or analogy	Low: -20% to <u>-30%</u> High: +30% to <u>+50%</u>
Class 4	Schematic or conceptual design	Parametric models, assembly driven models	L: -10% to -20% H: +20% to +30%
Class 3	Design Development	Semi-detailed unit costs with assembly level line items	L: -5% to -15% H: +10% to +20%
Class 2	Contractor bid/tender, semi-detailed	Detailed unit cost with forced detailed take-off	L: -5% to -10% H: +5% to +15%
Class 1	Check estimate or pre-bid/tender, change order	Detailed unit cost with detailed take-off	L: -3% to -5% H: +3% to +10%

We are currently in the pre-design phase of the project and have not completed the conceptual design. Therefore, our cost estimate is a Class 5 cost estimate, and the expected accuracy range is -30% to +50%.



# Memorandum

To: Honorable Mayor and Members of the City Council

From: Lara Biggs - City Engineer  
Shane Cary – Architect/Project Manager

Subject: Evanston Animal Shelter Association’s Capital Fundraising Plan

Date: October 22, 2021

**Question:** What is the plan for the Evanston Animal Shelter Association’s Capital Fundraising Campaign?

**Response:** Please find attached the Evanston Animal Shelter Association’s Capital Fundraising Plan.

# Evanston Animal Shelter Association

## Capital Campaign Plan and Timeline

October 2021

### Summary

The Evanston Animal Shelter Association Capital Campaign will take place over a 24-month period. The Campaign launched on July 1, 2021 with the initiation of the “Quiet Phase” in which a substantial lead gift and major gifts are being sought while the organization prepares itself for the later stages by developing its Case Statement and other solicitation material. The later stages will involve the addition of a community Capital Campaign Committee to continue pursuing major institutional gifts, publicize the campaign, and solicit in the community broadly.

### Campaign Plan and Timeline

The Campaign is organized into an active quarterly plan that extends through July of 2023 with attendant fundraising milestones.

Along the way, major action items will help to ensure campaign success. These are laid out against the timeline of fundraising activity.

### July – September 2021 (These actions have been completed)

Develop Case Statement

Write Basic Campaign Proposal

Consider External Campaign Committee

Contact Lead Foundation prospects

Solicit Five Foundations seeking gifts

Solicit Lead Gift potential donor

Dollars in hand

\$100,000

### **October – December 2021**

Finalize Campaign Budget

Organize Capital Campaign Committee

Conduct Board and Staff Campaign Orientation and Training

Solicit Lead Gift(s) from Individual(s) of \$250,000 to \$500,000

Seek NU/Medill Support for branding/marketing/communications

Solicit 25 Foundation gifts

Solicit 10 Corporate gifts

Secure "Board and Friends" giving

Highlight Capital Campaign in Year End Appeal

Dollars in hand \$150,000

### **January – March 2022**

Hold Initial Campaign Committee Meeting

Develop Public Campaign Brand, Theme, et al with NU/Medill

Secure Conceptual Renderings from Holabird & Root

Solicit 25 Foundation Gifts

Solicit 25 Corporate Gifts

Solicit 25 Individual, Family, and Family Foundation Gifts

Dollars in hand \$200,000

### **April – June 2022**

Secure Capital Campaign Committee Gifts

Develop Spokesperson/Ambassador Program for publicity/awareness

Complete Public Campaign Branding work with Medill



Continue Foundation, Corporate Solicitations

Finalize Requirements for Public Campaign Launch Materials

Solicit 100 Evanston Families for significant campaign pledges

Dollars in hand \$250,000

**July – September 2022**

Lead Gift Secured

Launch Public Campaign

Solicit EASA mailing list

Continue Foundation, Corporate Solicitations

Continue Evanston Lead Family Solicitation

Dollars in hand \$600,000

**October – December 2022**

Continue Active Fundraising

Continue Foundation, Corporate Solicitations

Continue Evanston Lead Family Solicitation

Solicit broadly w/ Evanston, Skokie, Rogers Park, Wilmette Zip Codes

Dollars in hand  
\$750,000

**January – March 2023**

Continue Active Fundraising

Continue Foundation, Corporate Solicitations

Continue Evanston Lead Family Solicitation

Dollars in hand \$850,000

**March – June 2023**

Launch Planned Giving Program to complement campaign

Continue Active Fundraising, seeking Campaign Topping Gift

Continue Foundation, Corporate Solicitations

Continue Evanston Lead Family Solicitation

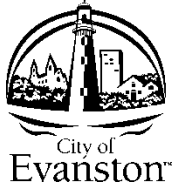
Dollars in hand \$1,000,000

**July 2023**

Campaign wrap-up and Celebration/Acknowledgement of Donors

Total Private Dollars Secured \$1,000,000

*EASA is being advised by The Paul Nebenzahl Company of Evanston.*



# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Johanna Nyden, Community Development Director  
Angel Schnur, Acting Building & Inspection Services Manager  
Melissa Parker, Management Analyst

Subject: 2022 Proposed Budget - Permit Revenue

Date: October 21, 2021

**Question:** What is the YTD Building Permit Revenue and forecast for end of 2021 versus the budgeted amount?

**Response:** As of September 30, 2021 the year-to-date permit revenues were \$3,605,443. The adopted 2021 budget was \$4,225,100 in permit revenues. Currently the Community Development Department is processing permits received in August and September of 2021, so it is anticipated that the City will meet or slightly exceed the targeted budget amount as staff works to catch-up on the summer activity and overall activity slows slightly in the fall and winter due to colder temperatures.

Historically, for budget purposes, building permit revenues were estimated based mainly upon anticipated planned developments and Northwestern University projects. In 2017, a few of those projects did not go to permit, resulting in a significant shortfall in building permit revenues. A more conservative approach has been used the last few years using \$3,250,000 as a baseline amount, \$250,000 for Northwestern University projects (regular upkeep and maintenance of the Evanston campus) and \$725,000 for planned developments and larger projects. The remainder of the estimated revenues are from contractor registrations and elevator permits.



# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Johanna Nyden, Community Development Director  
Angel Schnur, Acting Building & Inspection Services Manager  
Melissa Parker, Management Analyst

Subject: 2022 Proposed Budget - Permit Revenue from New Staff

Date: October 21, 2021

**Question:** Permit revenue that could be generated from increasing permit desk staff - backlog of unapproved permits; data on unpermitted building activity

**Response:** It is anticipated that with the addition of more permit desk staff, there would be a demonstrated increase in permit revenue. This would be the result of more attention in key areas:

1. review of unissued permits on a regular basis to remind applicants to pay for and ultimately issue permits that have been reviewed and are ready to be issued;
2. more rapid issuance of existing permits through a streamlined process; and
3. potential opportunity for permit issuance through unpermitted work that receives a stop work order.

In regards to item 1, as of October 21, 2021, there were the following permits in a unissued state:

- 74 permits under "Pending Payment" (permits have been approved and are awaiting payment by applicants;
- 572 permits in a "In Review" status (permits that are awaiting review by staff, have been reviewed by staff but are awaiting corrections from applicants, or need other additional materials to complete reviews)
- 43 permits were in approved status, but have not been issued (contractor worksheets, contract amount for work needs to be provided in order to calculate permit fee, etc.)

This is a total of 689 permits in process. If each of these permits is on average \$1,000. This represents an opportunity to collect \$689,000. It is anticipated that much of this revenue will be collected in the coming months. However, staff currently provide one email notification that permits are ready or that additional information is required. With

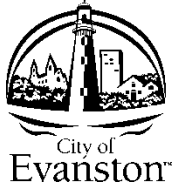
additional staff, there could be follow-up to ensure this revenue arrives in a timely and efficient manner. Some scenarios to consider with how additional staff could assist:

- Staff could follow-up with applicants to remind applicants of payments due, when the entire permit is ready to be issued.
- Staff could provide additional assistance in document preparation and assistance to make sure applicants have completed all forms.
- Staff could send reminders to applicants for permits under review (that are awaiting additional materials from applicants) and remind that additional materials are still needed. In many cases these reminders are often sent to the contractor, but protocol could be expanded to include property owners in these communications. Improvements to ability to communicate with all parties related to building permits is part of the upgrades contemplated for the permit software.
- In a handful of instances, projects start working without permit. This additional staff intervention can make sure that a permit that is awaiting issuance is issued and not left unpaid, while work (which is technically approved, but not permitted) is completed. Additionally, the City could assess a violation fee for working without a permit.

An additional opportunity for revenue to cover the costs of projects would be to increase the fee associated with submitting for permits that require review. These are permits associated with interior remodel, additions, new construction, and large scale work. Prior to COVID the City collected a small deposit for review (debited from the final permit fee, so it resulted in no new expenses), \$50 for residential and \$100 for commercial. This practice was suspended during COVID and remote work due to the challenges associated with cashiering using the current system and its interface with the permitting software (this is proposed to be addressed through new permit software). It is recommended that this deposit amount be increased to \$250 for all projects requiring review. So in the instance of the 689 projects currently under review, this would be \$172,250 in permit review already collected for these projects. Additionally, in some instances there are projects that never move forward. If 150 of the projects currently awaiting payment are for some reason abandoned or delayed, the deposits could be retained and the City could retain approximately \$37,5000 to cover some of the staff time associated with processing permits.

In regards to item 2, as mentioned at the October 18, 2021 City Council meeting, significant events, such as the hail storm in April 2020 will unfortunately continue to occur due to climate change. Even smaller ones such as the large volume of snow in February 2021 caused some roof damage. These large events caused significant damage, which resulted in the need for immediate repairs. In 2020, the City issued 1,874 roof permits, as compared to 430 roof permits in 2019 and 400 permits in 2018. In the instances of future events, while work can be completed under emergency circumstances, this often makes it challenging to follow-up on permit activities (homeowners or contractors forget to obtain permits after work is completed). Creating a process that can capture permit activity in the event of an emergency and support residents who need to obtain permits for this emergency work ensures the City not only

obtains the revenue, but is able to ultimately inspect the work to make sure it was done safely and properly.



# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Johanna Nyden, Community Development Director  
Angel Schnur, Acting Building & Inspection Services Manager  
Melissa Parker, Management Analyst

Subject: 2022 Proposed Budget - Historic Permit Desk Activity

Date: October 21, 2021

**Question:** Provide a list of the number of permits over the years and how much the work has increased at the permit desk over the years?

**Response:** To provide some history, staffing levels at the permit desk have fluctuated. Permit desk staff, formally classified as Customer Service Representatives (CSR), went from a total of three to two in 2015 after a CSR was terminated and the position was subsequently eliminated in the budget. This staffing was further reduced in 2018 to one person, when a second position was eliminated in the budget. At that time, some of the responsibilities of the permit desk staff member were assigned to other staff. For example, FOIA requests and weekly report duties were assumed completely by the Division Manager, and yard sale permits and 311s were shifted to the Department's Management Analyst. Additional staff in the Community Development Department were cross-trained to complete permit desk duties to cover the permit desk during times when the one staff member was not available to assist. An additional staff member at the permit desk was restored in 2019. However, the permit desk has struggled to keep up with workload since then. Additionally, in 2018 in order to increase new revenue, we required all contractors performing work to register with the city which has significantly increased the number of registrations to process (while creating new revenue).

In 2019, the process for accepting payments changed, this change was not compatible with the software the City uses for permits and resulted in additional steps. The new financial software, OrbiPay, does not integrate with the City's permitting software (this is a proposed correction to be made through the permit software procurement). Due to this setup, staff have to establish accounts in both the permitting software and OrbiPay for permit payments, again creating additional work for staff. Permit Desk staff then have to confirm in the OrbiPay software to confirm a payment for a permit has been

made and then enter it manually into the permitting software to issue the permit. Work is effectively being duplicated in this process.

The attached table illustrates how permit volume has fluctuated over the years (these are for issued permits only). A few things to note include:

- The 2021 represents permits issued to date (with ~60+ days to go in the year) but due to the short staffing, permit activity is a month or two behind, so this number is anticipated to grow. The City is on track to have over 4,000 permits issued by the end of the year.
- Increasingly contractors are not obtaining permits, they are making homeowners obtain permits. Homeowners are not familiar with permitting processes and require assistance from staff to complete permitting.
- Time associated with completing permits ranges depending on materials provided by the applicant, completeness of application, and other factors.
- Increasingly residents will expect both an in-person and a strong digital/virtual experience (similar to the expectations of “hybrid” meetings for City meetings). Prior to COVID, the City accepted email applications at a lower rate and frequency and held a regular in-person desk operation. The in-person operations were closed during lunch (12:00-1:00p) and at 4:00p in order to give staff time to process online applications and follow-up on phone calls that could not be attended to while customers were at the permit desk. If the in-person operation was open 6.5 hours, generally it experienced a steady stream of customers with few instances of no customers at the desk. Resuming in person operations in-person and maintaining the digital presence that has been created in the COVID environment will need to be maintained to meet community expectations, this will require staff to be split in managing both environments.

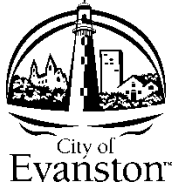
**Attachments:**

Building Permits Processed 2017-2021



## Building Permits Processed 2017-2021

<b>2021 to date all others for the year</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Accessory Structure	75	73	60	59	81
Addition	66	64	71	57	73
Air Conditioner	39	17	32	22	
New Building - Com.	1	3	5	8	6
New Building - Res.	11	8	13	16	10
CCCD	76	107	146	151	178
Deck and Porch	57	74	57	44	55
Demolition	60	66	125	59	65
Electrical	197	159	176	231	351
Exterior Remodel	62	45	29	48	42
Fence	311	389	396	323	391
Foundation		1	3	10	10
HVAC Only	73	113	125	129	169
Lawn Sprinkler	28	26	17	29	26
Low Voltage Alarm	17	24	33	30	59
Minor Repair	300	347	369	273	226
Misc. Site Work	195	166	184	229	244
Plumbing Only	347	340	322	359	347
Kitchen/Bath Remodel	102	139	156	183	188
Interior Remodel	147	70	201	239	257
Roofing	612	1874	430	400	496
Solar	37	87	71	28	2
Temporary Fence/Elec/Tent	52	401	107	121	107
Water and Sewer New & Repair	55	52	73	74	86
Window Replacement	253	257	269	275	276
<b>TOTAL</b>	<b>3173</b>	<b>4902</b>	<b>3470</b>	<b>3397</b>	<b>3745</b>
Contractor Registrations	705	951	1025	1689	211



# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Johanna Nyden, Community Development Director  
Sarah Flax, Housing & Grants Manager  
Cara Pratt, Sustainable Programs Coordinator

Subject: 2022 Proposed Budget - Comprehensive Plan

Date: October 21, 2021

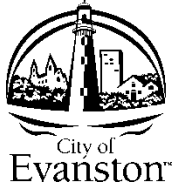
**Question:** Will the comprehensive and strategic plans (\$500,000 budgeted) include CARP and EJ implementation?

**Response:** In contemplating the development and likely scope of services for the Strategic and Comprehensive Plans, the City would seek to incorporate sustainability and environmental justice into the plan development process, the plan document and subsequent implementation of the policies developed and adopted in the plan.

The Comprehensive Plan that Minneapolis adopted several years ago provides a good overview of how important issues like sustainability and environmental justice are incorporated into policies and action steps. In the case of Evanston, bringing CARP action steps and policies into a larger plan document opens opportunities to connect sustainability and environmental justice issues with Citywide efforts like affordable housing, capital improvement planning, economic development, parks and open space planning, zoning, and other broader efforts as we move Evanston into its next two decades of activities. Revising the City's zoning code to implement the Comprehensive Plan is critical to achieving goals such as integrating both more affordable and different types of housing throughout Evanston. This would also be one of the first City-wide initiatives following the adoption of an Environmental Justice Resolution and an opportunity to design and implement an equitable community engagement process that brings new and underrepresented voices to the process to help design a plan.

Some specific elements of CARP that would be most relevant to the comprehensive planning process include: promoting walkability, bikeability, micro mobility and carbon neutral transportation; electrifying buildings and installing renewable energy; transitioning to a zero waste, circular economy; investing in urban trees and green infrastructure; and ensuring resilience to extreme heat, rain, and weather events. Specific examples of environmental justice that could be incorporated into the

Comprehensive Plan include the eradication of lead pipes in water infrastructure, improved access to healthy local food, improved air quality, and increased access to affordable housing.



# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Johanna Nyden, Community Development Director  
Angel Schnur, Acting Building & Inspection Services Manager  
Melissa Parker, Management Analyst

Subject: 2022 Proposed Budget - Progressive Rental Registration Fee

Date: October 21, 2021

**Question:** Provide information on the ability to establish a progressive rental registration fee -- higher fees for luxury units versus affordable units. Ability to apply a tax on leases for luxury units.

**Response:** Rental inspections are conducted on a three to five year rotation, alphabetically by street, based on staffing capacity by Property Maintenance Inspectors. Properties that have not been previously registered are subject to an initial inspection then fall into the three to five year rotation period. Newly constructed units are not subject to inspection as they just completed the building inspection process but will fall into the routine inspection cycle following the issuance of a Final Certificate of Occupancy (FCO). Complaint inspections are conducted when a complaint is received and does not count towards their routine inspection. Additionally, properties that receive funding from the City are subject to inspections that do not count towards their routine inspections.

Currently, the [City Code](#) requires annual rental registration fees in the amount of \$20 for a single dwelling unit (homes or condominiums), \$30 for 2-4 dwelling units, \$50 for 5-12 dwelling units, \$100 for 13-24 dwelling units, \$150 for 25-50 dwelling units, \$300 for 51 to 100 dwelling units, and \$500 for 101 dwelling units. The new registration fee is \$200, with inspections occurring upon registration of the rental unit and then every three to five years after that initial inspection. This fee is collected annually, due December 31st. Total revenue from this is \$195,555.00, total buildings registered in the City are 2,598.

If considering additional fees on units defined as "luxury," a definition of luxury would need to be established. Examples of factors that could be utilized would be size or rental rate per square foot. If unit size or square footage were to be used to define luxury units, there would be challenges to developing an equitable formula. It would have to take into account the size of the occupying household and the household

income to avoid disparate impact on lower-income and larger families. For example, a 3-bedroom unit occupied by a single person could be defined as luxury, but the same unit occupied by a household of six people might not qualify. If a rent cost per square foot were to be used, it could help take features of high-end rental, like more bathrooms, into account, but could also penalize TOD rental, which generally commands higher rents because tenants have lower transportation costs. Other unintended consequences could be suppression of new development due to additional costs and complexity for property managers. Currently the detailed information needed to develop and manage a luxury rental registration fee system is not collected in the rental registration process. Collection of the additional information and classification of units as luxury or not would need to be completed and would result in significant additional work for City staff on an annual basis, not only at initial registration. If this were to be implemented through a code change, staff in addition to the Customer Service Representative already proposed in the 2022 budget would need to be in place.

If adding additional revenue is a desired outcome, staff recommends increasing the overall rental registration fee from \$20 to \$75 per single dwelling unit (other fees would be adjusted accordingly). This would result in a projected \$25,275 additional revenue annually, accounting only for single dwelling units. Additionally adding a re-inspection fee of \$75 for properties that fail their initial compliance inspections is also recommended, consistent with the building permitting process. Currently for building permits, if a building inspector goes to a site and an inspection does not pass, a re-inspection fee of \$45 is assessed. Re-inspection fees would encourage ongoing maintenance of properties to ensure they pass routine inspections as well as cover the cost of staff time and work associated with these additional inspections. Adding additional fees can assist in covering the additional cost of the proposed Customer Service Representative in the Property Maintenance Team.



# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Johanna Nyden, Community Development Director  
Sarah Flax, Housing & Grants Manager  
Angel Schnur, Acting Building & Inspection Services Manager  
Melissa Parker, Management Analyst

Subject: 2022 Proposed Budget - Rooming Houses

Date: October 23, 2021

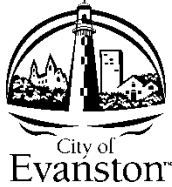
**Question:** Provide more information on the fees for rooming houses. Is there ability to improve enforcement on this?

**Response:** The [City Code](#) classifies rooming houses as properties that “any building, structure or portion thereof which is equipped to provide for compensation lodging rooms or rooming units to three (3) or more persons unrelated to the owner or operator of the building or structure. This shall include, but not be limited to, the following: apartment hotel, boarding house, dormitory, fraternity, furnished rooming house, hotel, lodging house, private club, retirement hotel, rooming house or sorority.” Currently the City has 72 rooming houses, which approximates 6,654 roomers. The fee structure for licensing these properties is \$150 for each property and \$28 per roomer. As an example, a rooming house with five roomers, would be expected to pay \$290 annually. The table below shows the current breakdown of revenue:

Property	# of Buildings	# of Roomers	Total Fees Collected in 2020
Northwestern University	56	5,476	\$126,560.00
Hotels	6	1,106	\$30,978.00
Other Rooming Houses	10	72	\$3,200.00
TOTAL	72	6,654	\$160,738.00

These properties are inspected annually. In 2020 and 2021 there were no complaints regarding rooming houses. Anecdotally, these properties do not generate significant complaints. If the City Council seeks additional revenue opportunities from this type of property, staff propose consideration of increasing the fees for the license and rooms. If a \$12 increase was made to the roomer fee (a total of \$40), \$79,848 additional revenue would be collected annually. This would cover additional costs associated with the addition of the proposed Customer Service Representative in the Division that oversees the review and inspection of these properties.

In previous discussions about Rooming Houses in 2017, there has been discussion regarding using rooming houses to more effectively manage occupancy of large dwellings if the 3-unrelated clause in the City's occupancy code is removed. Effectively, a property owner could convert a property to a Rooming House in order to allow more than eight residents, regardless of familial status, to reside there. If this were to be pursued, City code regulating Rooming Houses should be reviewed and updated to address current shared-housing models such as co-housing, and be allowed by right in all residential districts to more effectively integrate affordable housing options in all parts of the City. Currently Rooming Houses are a special use in R4-6 districts in the City's Zoning Code so subject to the special use process (Zoning Board of Appeals review and City Council Approval). Adding Rooming Houses as special uses in all residential districts enables staff to inspect every year instead of on a 3-5 year cycle or upon complaint. Inspecting the properties every year vs every 3-5 years for rental properties could cut down on the concerns residents have regarding the poor housing for the properties now considered to be over-occupied.



# Memorandum

To: Honorable Mayor Biss and Members of the City Council

From: Johanna Nyden, Community Development Director  
Angel Schnur, Acting Building & Inspection Services Manager  
Melissa Parker, Management Analyst

Subject: 2022 Proposed Budget - Vacant Properties

Date: October 21, 2021

**Question:** Provide more information on vacant properties and include a summary of fees assessed on vacant properties.

**Response:** Buildings that are not currently occupied, listed for rent, or sale or those that are not subject to rehab under permits are required to be registered and inspected. By monitoring and inspecting these vacant properties the City is able to ensure they are not a blight to the neighborhood with overgrown weeds, accumulation of rubbish/garbage and are not in such a state of disrepair that they are a hazard to the community. Additionally because these properties are required to be inspected a full list of violations is disclosed to anyone purchasing a vacant property so they are aware of the City's requirements to bring the property into compliance and be safely occupied. Vacant properties are currently registered when a bank/real estate company knows the property is vacant or when the City declares the property vacant. Registration fees are collected when the property is initially registered and/or upon the transfer of the property.

Currently there are 38 registered vacant properties. The City received two new vacant properties in 2021 and seven in 2020. With 38 registered vacant buildings, the City should have an annual revenue of \$15,200. Annually, the City receives and subsequently "determines" two to four new properties meet the City Code criteria for vacancy annually. Time spent to declare one property vacant is typically two to three hours (inspection, confirm vacancy by checking utilities, locate owner, open case and input violations, create and mail the invoice and notice of determination, follow up for registration and issue a ticket if necessary). The time spent to register a vacant property is approximately 1-1.5 hours (open case, input violations, create the invoice in the system and accept/process payment and update contact information). The time the inspectors spend monitoring a vacant property can depend on how well the property preservation company maintains the property. If it is maintained we may spend 1 full



hour a month checking the property for maintenance and security. If the property is not maintained we may spend 3-5 hours per month (inspecting, issuing notices, follow up inspection and issuing a ticket if necessary).

Operating under the assumption that the Community Development Department would add an additional Customer Service Representative (CSR), the City could enhance its ability to track vacant properties and ensure annual fees are invoiced and received. Having the CSR track the properties would permit the inspectors more time in the field to identify vacant properties. Additionally the CSR would be able to provide the necessary documentation to the inspector to issue tickets for properties not registered or inspected as required by the ordinance. Some of these tasks are currently completed by inspectors. By shifting the invoicing, registration, and other office-based tasks to a CSR, inspectors will also be able to spend more time in the field identifying and addressing property issues.

The annual registration is \$400 with a one time inspection fee of \$500. With the addition of a CSR, the City could consider increasing the vacant building fees to a tiered fee schedule (i.e. \$400 annually for 1-3 years of vacancy, \$750 for 4-10 years of vacancy and \$1000 for 11 plus years). A tiered registration fee would require additional tracking and management. Additionally the City could consider enacting a fee for instances when a complaint is received, and verified, at a vacant property with a fee of \$150 for each time a notice is issued stemming from the complaint. For example, a complaint of uncut grass at a vacant property, would require a visit from an inspector. If the grass is found to be uncut, the City could impose a fee of \$150 for the follow-up associated with the complaint.

During the 2019 Budget process, a proposal was considered to enact a fee for properties that are unoccupied, but are not considered vacant by the City Code (due to factors such as currently under construction, actively marketed for lease, etc.), codify a requirement that these properties register with the City. Included in this registry, staff proposed to establish an annual registration fee for these properties. If there is renewed interest in this registry, staff could study further and propose additional fee structures.