



OFFICE OF THE CITY MANAGER
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*In CC packets
4/24/09 done
by
M. Macintosh*

Bernard F. Lynch
City Manager

MEMORANDUM

TO: Mayor Edward "Bud" Caulfield
And
Members of the Lowell City Council

FROM: Bernard F. Lynch, City Manager

DATE: April 24, 2009

**RE: MOTION RESPONSE OF 2/24/09 BY COUNCILOR R. MERCIER
"REQUEST THE CITY MANAGER CONSIDER RELOCATING A
POLICE FACILITY TO THE EARLY GARAGE"**

In response to the above mentioned motion, I would recommend the City move forward on a proposal to relocate the LPD Police Training Unit from its current location at Cross Point Towers to the Early Garage as suggested by Councilor Rita Mercier. This recommendation comes after analysis by city staff, including the Lowell Police Department, the Department of Planning and Development and the Finance Department of the financial and economic development feasibility of locating the training facility at the Early Garage for the next five years.

Financial

As shown on the attached cost comparison there are initial start-up costs associated with the move, particularly the cost to fit-up the new location. However, the move from Cross Point to the Early Garage saves the police department a significant amount of money on rent, which over the next five years realizes savings. These savings would allow revenue from the training fees to sustain the salaries of the Training Unit staff. Given the current fiscal crisis this would be very beneficial for the police department.

Economic Development

In addition to the savings in rent, there is benefit to the JAM area over the next five years while the current economic storm is weathered. In a slow economic climate, the training unit brings a presence into the Garage and the JAM area. The Training Unit provides in-service training to 29 area police departments; which could have the effect of increasing the number of people in the area and generating additional business for the area vendors. The location of the facility in the garage eliminates any concern with vacancy clauses in the existing tenant leases which could possibly allow them to break their leases. Members of the JAM Plan were consulted and found to be in support of this move. The move provides increased police visibility to an area of the city which has been the focus of revitalization.

If I can provide you with further information in this regard, please contact me.

Cash Basis Cost Comparison						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Crosspoint	92,386	92,386	115,482	115,482	115,482	531,217
Early:						
Credit to Enterprise (a)	37,629	38,674	39,720	40,765	41,810	198,598
Utilities	15,470	15,934	16,412	16,904	17,411	82,131
Cleaning	4,181	4,306	4,436	4,569	4,706	22,197
Net Construction	121,750	-	-	-	-	121,750
Other One-time	20,500	-	-	-	-	20,500
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Early Costs	199,530	58,914	60,567	62,238	63,927	445,176
Advantage/(Disadvantage)	(107,144)	33,471	54,915	53,244	51,555	86,041

Cost Comparison if Construction is Financed						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Crosspoint	92,386	92,386	115,482	115,482	115,482	531,217
Early:						
Credit to Enterprise (a)	37,629	38,674	39,720	40,765	41,810	198,598
Utilities	15,470	15,934	16,412	16,904	17,411	82,131
Cleaning	4,181	4,306	4,436	4,569	4,706	22,197
Net Construction	-	-	-	-	-	-
Other One-time	20,500	-	-	-	-	20,500
Principal	24,350	24,350	24,350	24,350	24,350	121,750
Interest	6,088	4,870	3,653	2,435	1,218	18,263
Total Early Costs	108,217	88,134	88,569	89,023	89,495	463,438
Advantage/(Disadvantage)	(15,832)	4,251	26,913	26,459	25,987	67,779

(a) The General Fund charges overhead to the Parking Enterprise Fund. The City will reduce its overhead charge in lieu of rent.