



BOROUGH OF FAIR HAVEN
LAND PURCHASE AND FACILITY UPGRADE ANALYSIS
02-24-2020

The Borough's Governing Body has spent the past four years considering all available options for improving multiple Borough facilities, in the most efficient and cost effective manner possible. Following and attached are a synopsis of general and financial information related to tonight's introduction of Ordinance 01-2020, which authorizes the purchase of 623 River Road, a parcel that is adjacent to the Fair Haven Fire Department's property.

The Borough's Governing Body is contemplating purchasing a 1.44 acre parcel in the downtown commercial district to house the Police Department and Borough Administrative Offices. The total facilities plan cost analysis presented this evening assumes the purchase of this parcel of land. This cost analysis also includes plans to build a new Department of Public Works complex on Third and Allen Street, the building of a new Police Department/Borough Hall at 623 River Road and the eventual renovation of the current Borough Hall/Library into a Library/Community Center. The cost estimates are inclusive of all related costs, as known at this time, including: land purchase, building construction, site work, site remediation for DPW, professional fees, bonding, moving, furniture, and other miscellaneous costs.

The Borough's capital expenditures are generally funded, over time, by issuing debt in the form of bonds. For this contemplated land purchase and the proposed construction/renovation of three public buildings, the term of the bonds will be thirty (30) years. Paying for major capital purchases over time ensures that the total cost of the assets will be equitably distributed amongst the taxpayers who will be utilizing those assets throughout the same period of time.

Regarding the financing of the contemplated facilities upgrades, the Borough's Governing Body has consistently maintained a goal of budget neutral debt service. Starting in 2016, the Borough's Finance Committee has consistently worked to come up with a responsible debt management plan that would take advantage of the Borough's 2019 debt retirement. The attached analysis of projected costs and accompanying proposed funding plan clearly shows that the purchase of 623 River Road, as well as all contemplated new construction and building improvements, can be funded with budget neutrality.

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Borough Administrator