

PROPOSED JONESBORO POLICE DEPARTMENT ADMIN ANNEX INTERIM FACILITY



1709 E. HIGHLAND DRIVE PROPERTY

BACKGROUND AND PURPOSE



SINCE THE CLOSURE OF THE JUSTICE COMPLEX ON WASHINGTON AVENUE (JUNE 2025), MULTIPLE DIVISIONS OF THE JONESBORO POLICE DEPARTMENT HAVE BEEN WORKING IN TEMPORARY ACCOMMODATIONS. THESE INCLUDE THE E. BOONE WATSON COMMUNITY CENTER, ALLEN PARK COMMUNITY CENTER, PARKER PARK COMMUNITY CENTER AND THE OLD CITY HALL BUILDING AT 410 WASHINGTON AVE.

THIS ARRANGEMENT CREATES ISSUES WITH DEPARTMENT COMMUNICATION, PUBLIC ACCESSIBILITY TO JPD SERVICES AND PUBLIC USE OF THE ABOVE COMMUNITY CENTERS.

OVER THE LAST YEAR MULTIPLE FACILITIES HAVE BEEN REVIEWED AS POSSIBLE TEMPORARY LOCATIONS AND HAVE BEEN RULED OUT FOR VARIOUS REASONS. PURCHASE OF THIS FACILITY WOULD ALLOW THE POLICE DEPARTMENT TO AGAIN OPERATE OUT OF ONLY 2 MAIN FACILITIES AND RETURN OUR COMMUNITY CENTERS TO THE PUBLIC

THE JONESBORO CITY COUNCIL HAS DETERMINED THAT A NEW POLICE STATION WILL EVENTUALLY BE BUILT DOWNTOWN NEXT TO THE NEW 911 CENTER THAT IS CURRENTLY UNDER CONSTRUCTION. RIGHT NOW, FUNDS DO NOT EXIST TO BUILD A PERMANENT POLICE FACILITY THAT IS ESTIMATED TO COST MORE THAN \$20 MILLION DOLLARS.



BASIC FACILITY INFORMATION



ADDRESS - 1709 E. HIGHLAND DRIVE

CURRENT USE - SHELTER INSURANCE

SQUARE FOOTAGE - 14,418

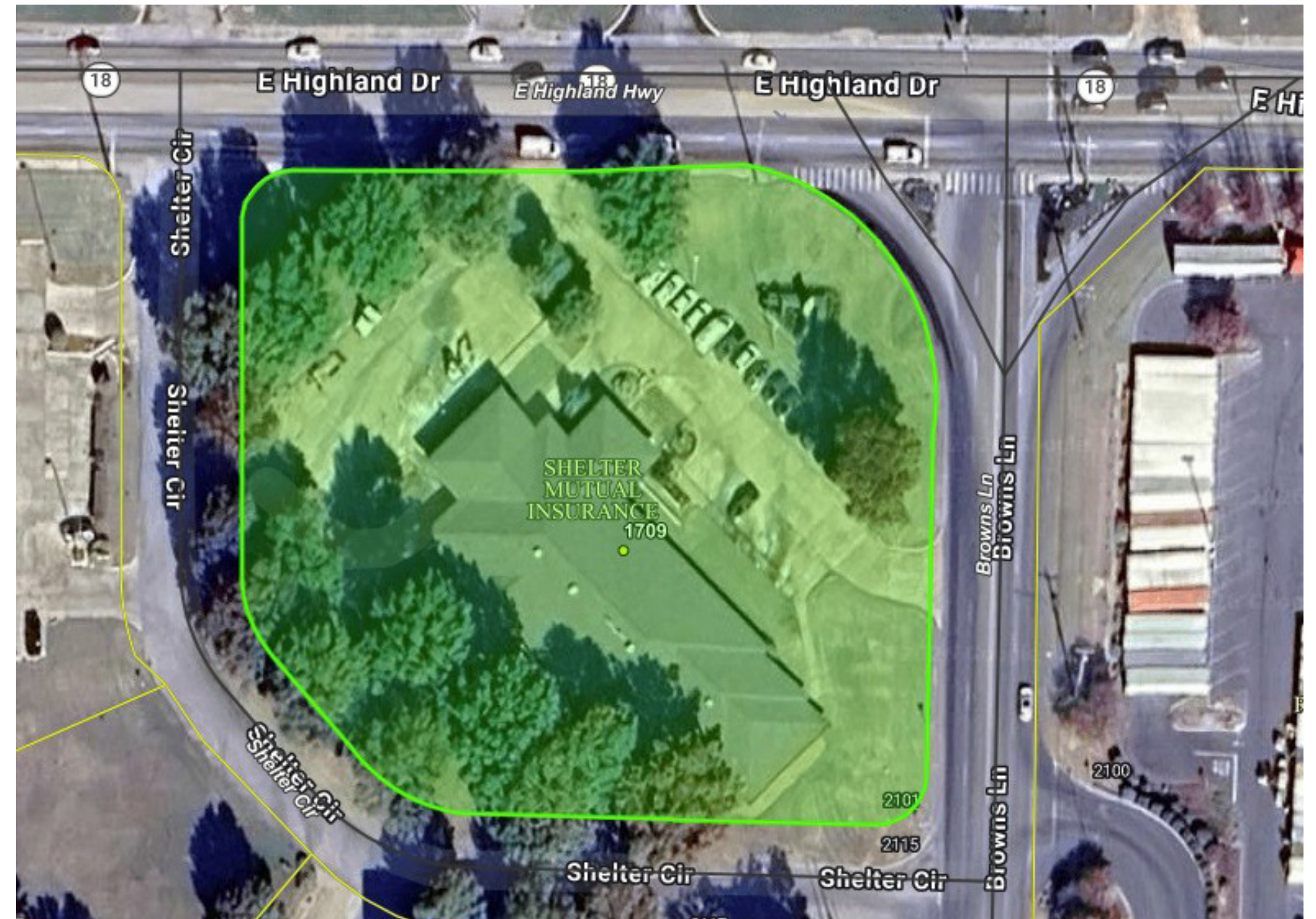
PARKING SPOTS - 51

ACRES - 2.05

UTILITIES - ELECTRIC & NATURAL GAS

MORE INFORMATION:

[HTTPS://SHORTURL.AT/KRCGX](https://shorturl.at/krcgx)



PROPOSED USAGE DETAILS



ESTIMATED TOTAL OF JPD STAFF TO
BE HOUSED IN FACILITY: 30-35



SPECIFIC UNITS AT 1709 E. HIGHLAND:

- POLICE ADMINISTRATION
- RECORDS
- CRIMINAL INVESTIGATIONS
- COMMUNITY OUTREACH
- DARE

UNITS TO BE STATIONED AT CARAWAY ROAD LOCATION (CURRENT POLICE STATION):

- EVIDENCE
- ICAC
- PATROL DIVISION
- MENTAL HEALTH AND WELLNESS COORDINATOR
- TRAINING DIVISION
- WARRANTS
- COURT SERVICES
- REAL TIME CRIME CENTER



PURCHASE & RENOVATION INFORMATION



PURCHASE

PRICE –
\$2,750,000

Cost includes existing office furniture.



RENOVATION

ANTICIPATED CITY COST OF
CONSTRUCTION/CUSTOMIZATION –
\$250,000

\$ PURCHASE FUNDING – AMENDMENT 78 SHORT-TERM LOAN (5 YEAR MAXIMUM LENGTH

TERM DETAILS

- LOAN TOTAL PRINCIPLE – \$3,000,000
(PURCHASE AND RENOVATIONS)
- TERM DETAILS – 5 YEARS @ 4.830%
- TOTAL INTEREST COST ESTIMATE – \$382,820
- INTEREST EARNED AT CURRENT 3% HOLDINGS – \$237,777

NET FINANCING COST VS. RESERVES APPROPRIATION

\$145,043



ANNUAL INSURANCE COST

(Quoted Estimate)



1709 E. HIGHLAND DRIVE

\$9,075
Annually

OLD CITY HALL BUILDING ON WASHINGTON

\$7,092.67
Annually

JUSTICE COMPLEX BUILDING

\$16,155.53
Annually



NET SAVINGS ALONE
\$14,173
Annually

***NOTE –

ANNUAL INSURANCE COST ON THE OLD CITY HALL BUILDING ON WASHINGTON IS \$7,092.67, ANNUAL INSURANCE COST ON THE JUSTICE COMPLEX BUILDING IS \$16,155.53 ---- BOTH WILL BE DEMOLISHED IF THE SHELTER BUILDING (1709 E. HIGHLAND) IS PURCHASED.



WHY FINANCE THE PURCHASE WITH A SHORT-TERM LOAN VS. APPROPRIATING RESERVES?

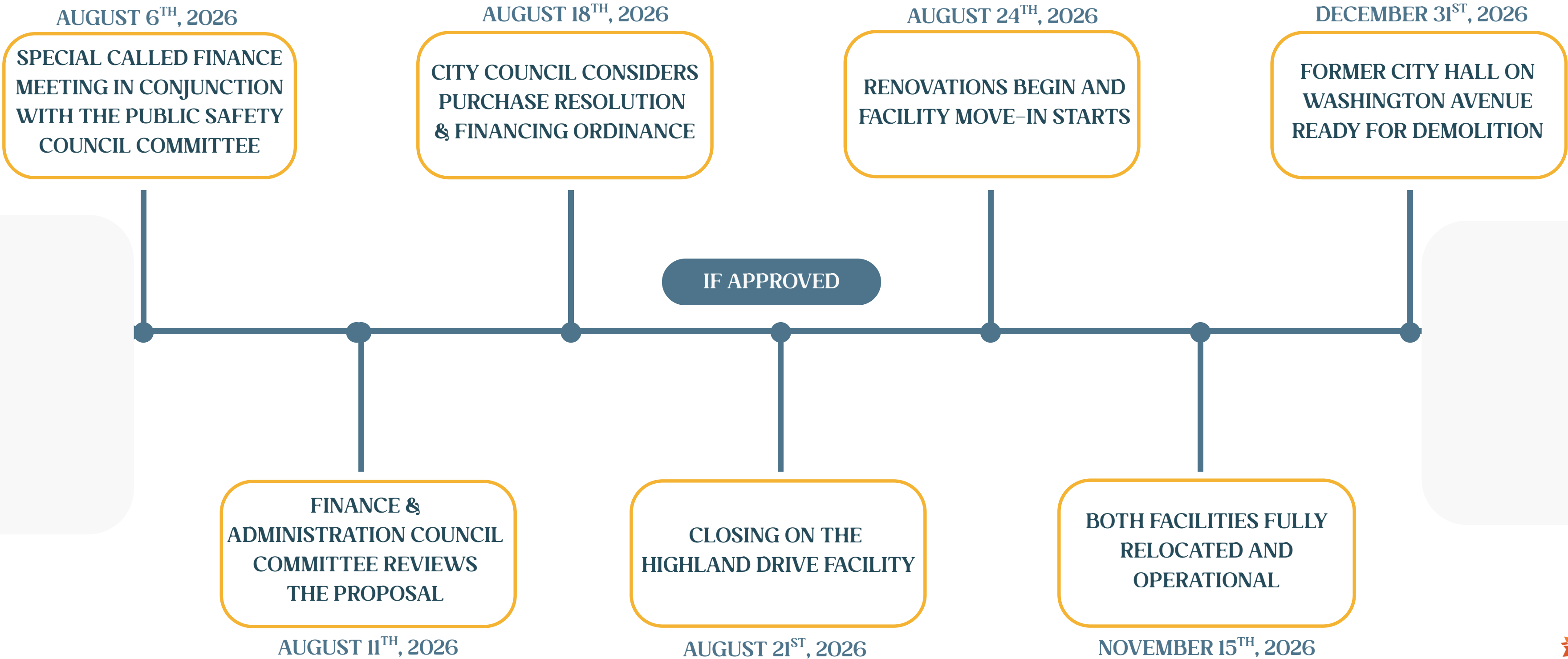
AS A RESULT OF JONESBORO'S LIMITED REVENUE STREAMS COMPARED TO OTHER CITIES, JONESBORO IS FORCED TO HEAVILY RELY ON GRANTS FOR MANY PROGRAMS AND INFRASTRUCTURE IMPROVEMENTS. THIS RANGES FROM ROAD PROJECT PARTNERSHIPS WITH ARDOT, FEDERAL GRANTS, PUBLIC SAFETY GRANTS, PARKS GRANTS JUST TO NAME A FEW. MAINTAINING SUFFICIENT RESERVES TO RETAIN THE ABILITY TO PROVIDE A LOCAL MATCH ALLOWS THE CITY TO MULTIPLY RESERVES DOLLARS FOR THE BEST RETURN OF INVESTMENT.

WHEN YOU CONSIDER THAT ARDOT PARTNERSHIP GRANTS ARE TYPICALLY 80/20 OR 70/30 MATCHING GRANTS, THE SAME \$3 MILLION DOLLARS COULD NET THE CITY MORE THAN \$12 MILLION DOLLARS IN IMPROVEMENT MONEY, OR MORE THAN \$6 MILLION DOLLARS IF A GRANT IS A 50/50 (COMMON IN MANY PUBLIC SAFETY AND PARKS GRANTS).

WHEN YOU COMPARE THOSE COMMON OPPORTUNITIES TO THE \$145,043 REAL WORLD FINANCIAL COST OF AN AMENDMENT 78 LOAN, ALONG WITH THE NEED TO POSSIBLY ADDRESS FUTURE URGENT NEEDS, IT MAKES FINANCIAL SENSE TO RETAIN CRITICAL CASH RESERVES WHEN POSSIBLE.



PROJECTED TIMELINE



HOW WILL THIS AFFECT THE CITY BUDGET IN COMING YEARS?

THE CITY BUDGET IS AN ITEM IN CONSTANT REVIEW. MUCH LIKE ANY EXPENDITURE, SPACE MUST BE MADE TO AFFORD THE ANNUAL PAYMENT COST OVER THE NEXT 5 YEARS. GIVEN THE MODEST SALES TAX RETURN GROWTH THIS YEAR, IT IS LIKELY THAT PROJECTED EARNINGS INCREASES, ALONG WITH CONTINUED FOCUS OF EFFICIENCY REVIEWS OF EXISTING LINE ITEMS WILL SATISFY THE FINANCIAL IMPACT OF THIS PURCHASE.

NOT PURCHASING AN IMPROVED FACILITY WILL ALSO HAVE A BUDGET IMPACT DUE TO THE MAINTENANCE NEEDS THAT HAVE BEEN DEFERRED ON THE OLD CITY HALL BUILDING ON WASHINGTON AVENUE. DUE TO THE FACILITY'S AGE AND POOR CONDITION, SIGNIFICANT EXPENDITURES FOR AN IMMEDIATELY NEEDED ROOF REPLACEMENT AND HVAC IMPROVEMENTS HAVE NOT BEEN DEEMED FEASIBLE IN THE PAST.



FAQ'S

WHY IS A TEMPORARY FACILITY NEEDED?

SINCE THE CLOSURE OF THE JUSTICE COMPLEX ON WASHINGTON AVENUE, MULTIPLE DIVISIONS OF THE DEPARTMENT HAVE BEEN WORKING IN TEMPORARY ACCOMMODATIONS. THESE INCLUDE THE E. BOONE WATSON CENTER, ALLEN PARK COMMUNITY CENTER, PARKER PARK COMMUNITY CENTER AND THE OLD CITY HALL BUILDING ON WASHINGTON.

THIS ARRANGEMENT CREATES ISSUES WITH DEPARTMENT COMMUNICATION, PUBLIC ACCESSIBILITY TO JPD SERVICES AND PUBLIC USE OF THE ABOVE COMMUNITY CENTERS.



FAQ'S

WHY DOESN'T THE CITY JUST BUILD A NEW POLICE STATION DOWNTOWN?

WHILE THE LONG-TERM PLAN IS TO BUILD DOWNTOWN, RIGHT NOW THE CITY SIMPLY DOES NOT HAVE ENOUGH FUNDING FOR THE PROJECT. A NEW DOWNTOWN POLICE STATION WILL COST MORE THAN \$20 MILLION DOLLARS AND IS NOT AFFORDABLE UNTIL NEW REVENUES ARE IDENTIFIED.

****EVEN IF FUNDING IS IDENTIFIED, THE CURRENT DOWNTOWN POLICE BUILDING WILL NEED TO BE TORN DOWN TO MAKE ROOM FOR NEW CONSTRUCTION, LEAVING DOZENS OF OFFICERS WITHOUT A LOCATION FOR THE MORE 2 YEARS ANTICIPATED FOR A CONSTRUCTION TIMELINE.**



FAQ'S

IF THE CITIZENS PASS A PROPOSED SAFETY TAX IN NOVEMBER, WOULD THIS FACILITY STILL BE NEEDED?

IN SHORT, YES. EVEN IF FUNDING EXISTED TO BUILD A PERMANENT POLICE STATION TODAY, A TEMPORARY LOCATION WOULD STILL BE NECESSARY BECAUSE THE CURRENT LOCATION OF THE JONESBORO POLICE DEPARTMENT TRAFFIC AND PATROL DIVISION (THE OLD CITY HALL BUILDING, 410 W. WASHINGTON) WILL HAVE TO BE TORN DOWN TO BUILD THE NEW POLICE STATION.

THE CURRENT POLICE PATROL BUILDING SITS WHERE THE NEW FACILITY WOULD NEED TO BE BUILT TO AVOID STORMWATER INTRUSION.



FAQ'S

WHY BUY A BUILDING? WHY NOT RENT?

BOTH OPTIONS HAVE BEEN CONSIDERED DURING THIS PROCESS. RENTING IS NOT AN OPTION FOR THE 1709 E. HIGHLAND PROPERTY. PURCHASING THE 1709 E. HIGHLAND BUILDING WOULD PROVIDE AN EQUITY INVESTMENT FOR THE CITY VS RENTING PROPERTY. WITH IT BEING UNKNOWN HOW LONG THIS INTERIM FACILITY WILL BE NEEDED, IT IS IMPOSSIBLE TO ESTIMATE RENTAL COST, BUT ASSUMING IT IS 5 YEARS AT THE MEDIAN GSA RENTAL RATE OF \$17.50 PER SQUARE FOOT, THEN A 5-YEAR RENTAL OF A 15,000 SQUARE FOOT BUILDING WOULD COST THE CITY APPROXIMATELY \$1,312,500, \$2,625,000 OVER 10 YEARS. WITH A RENTAL, NO COST CAN BE RECOVERED BY SELLING A LEASED SPACE WHEN IT IS NO LONGER NEEDED.

PURCHASING A BUILDING WOULD PROVIDE THE CITY WITH A SELLABLE ASSET ONCE ITS NEED HAS PASSED.



FAQ'S

HAS THE PROPERTY BEEN REVIEWED BY A 3RD PARTY APPRAISER?

YES, AN INDEPENDENT APPRAISER CONDUCTED A REVIEW OF THE PROPERTY VIA LETTER OF TRANSMITTAL TO CREATE A MARKET VALUE CONCLUSION THAT PROJECTS THE CURRENT VALUE OF THE PROPERTY BETWEEN \$187-\$204 PER SQUARE FOOT (\$2,700,000 - \$3,000,000 FOR 14,418 SQUARE FEET).



FAQ'S

WHAT IS THE LONG-TERM PLAN FOR POLICE DEPARTMENT FACILITIES?

THE LONG-TERM PLAN IS TO CONSTRUCT A NEW POLICE STATION DOWNTOWN WHILE MAINTAINING THE CURRENT POLICE STATION LOCATION ON CARAWAY ROAD FOR THE PATROL DIVISION AND MOTOR POOL.

TO FULFILL THIS PLAN FUNDING WILL HAVE TO BE SECURED TO BOTH CONSTRUCT THE NEW FACILITY DOWNTOWN AND MODERATE RENOVATIONS OF THE EXISTING POLICE STATION ON CARAWAY ROAD.



FAQ'S

WILL THE CITY MAKE ITS MONEY BACK ON THIS PURCHASE WHEN / IF THE BUILDING IS SOLD?

WHILE IT IS DIFFICULT TO PREDICT THE REAL ESTATE MARKET 5 TO 10 YEARS IN THE FUTURE, TRENDS INDICATE THAT PROPERTY INVESTMENTS IN JONESBORO ARE FAVORABLE OVER TIME. WHEN YOU CONSIDER THAT THE ALTERNATIVE IS RENTING SPACE, IT IS FAIR TO ASSUME THAT PURCHASING A PROPERTY IN A HIGH TRAFFIC AREA OF JONESBORO IS LIKELY THE MORE FISCALLY BENEFICIAL ACTION OVER THE LONG TERM.

