

Status Report on Municipal Facilities Project

6/14/22

I. Purpose of the Report

This report has been prepared in order to provide an outline of the issues faced by the Borough of Caldwell, NJ (the “Borough”) in regard to the conditions of its major public buildings. The buildings to be discussed in this report include:

1. Borough Hall (“BH”), which includes the headquarters for the Caldwell Police Department (“CPD”) and the offices of the Mayor and Council, the Borough Administrator, the Borough Clerk, the Tax Assessor and the Tax Collector, the Building Department and the Municipal Court
2. Caldwell Public Library (“CPL”), which includes all of the facilities of the public library
3. Caldwell Community Center (“CCC”), which includes the swimming pool, gymnasium and other facilities used for CCC programs, the Department of Health and Welfare (“H &W”) and the Caldwell Senior Citizens Center
4. Municipal Parking Deck (the “Deck”), which was the structured parking facility located adjacent to the CCC and Fire Headquarters
5. Caldwell Volunteer Fire Department (“CVFD”) Headquarters (“CFDHQ”), which includes all of the facilities utilized by the CVFD, including the storage of all fire apparatus, administrative offices, dayroom and the offices of the Caldwell Fire Official (who is also the head of the office of Emergency Management and the Code Enforcement Officer for the Borough)
6. Caldwell Public Works Department Garage (“DPW Garage”)
7. 14 Park Avenue (Caldwell), which was previously used at various times by the Caldwell Recreation Department, Caldwell H & W, private, non-profit organizations providing health related services (e.g. The Bridge) and most recently, the Caldwell Food Pantry

II Facilities Conditions:

When Mayor Kelley assumed office on January 1, 2019, he requested that an assessment be done as to the condition of the major municipal facilities. This was done because he had been advised by both municipal staff and members of the public that many of the facilities had sub-standard conditions. In addition, certain events had previously occurred that indicated that problems existed. Some examples of those events included the flooding of the CPL during the “micro-burst storm of August 2018, the cordoning off of a large part of the Deck due to falling concrete and visibly rusted steel structure, a partial investigation by a contractor hired by the Borough insurance carrier regarding the conditions in BH and reports from CCC staff as to problems with the pool dehumidification system, its HVAC equipment, leaking roofs and walls and other noticeable defects.

When Thomas Banker became Borough Administrator in February of 2019, he was asked by the Mayor to undertake the comprehensive assessment of building conditions. As part of this effort, Banker recommended that the Borough consolidate all of its engineering services under the direction of Glenn Beckmeyer. Mr. Beckmeyer had been the Borough Engineer for many years, but his responsibilities had been generally limited to issues in the Borough's roadway systems. The Mayor and Council agreed to give Beckmeyer broader authority, which he continues to discharge to this day. Banker also requested that DPW Director Mario Bifalco work directly with Beckmeyer and him to conduct the assessment.

In the interests of brevity, the following is a summary, on a building by building basis, of the results of that assessment

1. Borough Hall: Based on the insurance carrier report and physical inspection of the facility, it was determined that BH had a series of major problems, generally related to the failure of the building shell, which is the roof, walls and floors that form the outer perimeter of the building. The roof had apparently been leaking for many years, with futile attempts made to patch the leaks, when in reality a completely new roof structure was needed. In addition, when the mortar joints in the exterior brickwork began to fail, allowing water penetration laterally through the walls, the Borough again chose not to undertake the significant project of repointing the entire structure and instead chose to cover the outside walls with a form of EIFS, which is a material that is similar to Styrofoam with a stucco-like coating on the outside. After many years, water apparently was able to penetrate inside the EIFS coating and then continued through the walls into the interior of the building. The combination of the roof leaks and the wall leaks produced a variety of failures inside BH, which included the collapse of ceilings in the Mayor's office and the Council chambers, plaster and sheetrock falling off the walls, warped floors and rusting metal. As one example of the conditions, the CPD communications room, which houses all of the departments radio and computer equipment, is required to cover all the gear in plastic sheeting to prevent it from becoming inoperable.

Even without the extensive water damage, BH has many inadequacies. When municipal court was held there, the Borough was advised that the facility did not meet the NJ Administrative Office of the Courts ("AOC") standards for judicial facilities. Some of its inadequacies related to the lack of facilities for the prosecutor and public defender, inappropriate seating, insufficient security and other significant shortcomings. The Borough was told about a year ago that, even if the COVID restrictions are lifted, the AOC will not permit court sessions to be held in the BH.

The CPD facilities are similarly inadequate, with jail cells that don't meet current requirements, inadequate locker room and shower facilities, insufficient and inappropriate space for key functions such as evidence, armory communications and squad room. Even if the roof and walls did not leak, CPD headquarters would still be the worst facility of its type in all of Essex County.

There are similar limitations on other BH functions. The Borough has no space for archival storage, with the result that many important records have been lost. Long-term storage of Building Department documents, such as site plans, construction drawings and the like, cannot be stored on site due to the lack of space, despite a state requirement for preservation and access

to those types of records. The Tax Assessor is required to share a desk in the Finance Department and has no private area in which to conduct negotiations with property owners over tax issues. The Borough Engineer and all of the construction code officers cannot be together in the office at the same time, because they all share a single desk. The building also lacks an elevator, so the provisions for ADA access are rudimentary and the building was not designed for air conditioning, so the HVAC systems are a polyglot of temporary solutions. As a final concern, since the building was built prior to the Second World War, it almost certainly was not built to the seismic or hurricane standards now in effect. Since a major renovation would require the building to be brought up to all current code standards, this would mean reinforcing every structural connection, which would essentially require the removal of the interior and exterior walls. The standards to be met would be even higher than for a normal public building, because the police are housed at the site.

Based on the observed conditions, BH could not be brought to an acceptable standard with sufficient space for a reasonable cost. In the opinion of those conducting the assessment, if there was a desire to preserve the existing building, it would essentially be necessary to gut the entire building back to the structure and essentially build a new building using whatever parts of that structure were adequate for use under current building codes. Even if that were done, the resulting facilities would still be inadequate for all the reasons not related to the water damage and to its antiquated design.

2. Caldwell Public Library: At the time of the original assessment in 2019, the CPL had just reopened after repairs to damage caused by flooding during the August 2018 microburst thunderstorm. It was reported that the repairs were largely funded by the Borough's insurance carrier, which is the Garden State Joint Insurance Fund (the "JIF"), and that the JIF utilized its contractor to supervise the work.

While the library appeared to be in reasonable condition after the repairs, there was a continuing concern that the repairs had not included any significant provisions to prevent the recurrence of the flooding event. Some changes were made to the lower level windows and doors, but the building remained at risk to any future overflows of the brook that comes through the municipal campus from the east.

Those concerns proved well founded when Hurricane Ida struck the borough. The brook jumped its banks and joined water rushing down Bloomfield Avenue and into Provost Square to completely submerge the lower level of the CPL. The damage was severe. All of the contents of the lower level were inundated, the utility systems were compromised (the entire electrical service for the building was destroyed and water accumulated in the walls, floors and ceilings. Once again the JIF became involved. This time the Borough chose to limit the initial activity to the removal of the damaged materials and such limited steps as were necessary to assure that the building was structurally sound.

According to Mario Bifalco, the CPL has taken on significant water at least 5 times during his tenure as DPW Director, with the Ida event being the worst. After consideration of the situation, the Library staff and the Library Board of Directors went on record to indicate that they did not think it was wise to consider rebuilding the facility yet again, but rather suggested that a new

facility, to be built so as to minimize the possibilities of water damage, be considered by the Borough.

The damage to the Library and the level of flooding that took place during Ida caused the Borough to change its approach regarding the municipal facilities project. As will be discussed later in this report, beginning in the early fall of 2021, the municipal facilities project now needed to include new facilities for the CPL.

3. Caldwell Community Center: In 2019, the Director of the CCC reported a number of significant problems with the physical facilities. Those concerns included:

- a. an inoperative pool dehumidification system, which had been broken for several years at that point
- b. air conditioning that broke down frequently and in need of replacement
- c. leaking roofs, with the roofing materials visibly buckled in several places
- d. water leaking in through door and window frames on the upper level of the building
- e. inadequate parking due to the partial closure of the parking deck
- f. bathroom and locker room facilities that were deteriorating and unattractive

At the time, the Borough believed that the CCC was self-supporting, so the discussions centered on whether the CCC could afford to make the necessary capital investments and remain self-liquidating. While that discussion took place, the governing body authorized the replacement of the roofs, the HVAC, the pool dehumidification equipment and the replacement of the locker rooms, with the expectation that there would be other policy changes regarding terms and fees for use of the CCC that would allow it to continue to pay its own way.

When COVID struck in early 2020, the CCC briefly attempted to continue operations, but state regulations and the practical realities of isolation made it impossible to continue, so all CCC employees were laid off and the building was restricted to limited use by a few municipal services. When it became apparent that the closure would be lengthy, the Mayor and Council determined that it would be appropriate to evaluate what to do with the CCC in the future. Toward that end, the Mayor appointed a “CCC Task Force” comprised of interested citizens and some people who had relevant experience to consider the options available.

The first problem to emerge from that effort was the discovery that the CCC was not actually self-sufficient and that it had not been for most of its existence. While there was a nominal balance between operating revenues and regular operating expenses, the capital cost of the building, which can be generally considered to be the “Mortgage” on the building, was being paid by the property taxpayers and not by the users of the CCC. In addition, the CCC was collecting advance payments for many memberships and using those funds to pay for current expenses, which meant that at year end, there were many memberships still in effect for parts of the next year, but the fees for those memberships were already spent. Whether these practices were being followed consciously or merely the result of years of local traditions, the net effect was that the CCC was not a self-sufficient entity.

The research that was done for the Task Force efforts also revealed that the CCC functioned very much as a regional facility, with only about 20% of the members living in Caldwell. That fact increased the importance of self-sufficiency in that the residential location of the members would not matter if membership fees paid the full cost of the facility. If they did not however, and the membership was regional in nature, in effect the continued operation of the CCC would mean that the Caldwell taxpayer would be asked to subsidize a facility being used by people not paying taxes to the Borough.

With many West Essex residents wanting the CCC to re-open, the Mayor and Council chose to authorize the CCC to be renovated and for a business plan to be developed to seek self-sufficiency once it re-opened. An “Advisory Board” was appointed by the Mayor to provide perspective to the governing body on the redesign and management of the CCC.

4. Municipal Parking Deck: The Deck was built at the same time as the CCC, with both opening in 2000. The Deck was primarily built to serve the CCC, although it also ended up serving as a resource for the Kiwanis Oval, for the CFD, for BH and to a modest degree, for downtown Caldwell.

At the time that the assessment was authorized in 2019, the Deck already had suffered obvious damage. Because of falling concrete and rusted steel members, the Borough determined that it was unsafe to use a significant part of both the upper and lower portions. Multiple engineers looked into the situation and recommended that the Deck would need extensive repairs to be safe to use. An initial estimate by Glenn Beckmeyer projected that the cost of repair would approach the cost of building an entirely new structure.

In attempting to understand why the Deck was in such bad shape when it was not very old (by parking deck standards), three significant issues were identified. First, the design of the Deck was flawed. The upper level of the Deck was not pitched sufficiently to allow water to easily drain off the surface. This is particularly bad in winter, when melting snow and ice, if not able to flow off of a surface, will re-freeze at night when temperatures drop. When this happens repeatedly, it is referred to as the “freeze-thaw” cycle. Because even concrete is porous, if the water lays on the surface for a long time, it will penetrate into the structure. When that water re-freezes, it causes the concrete to crack or break, making it even more porous for the next cycle. This is exactly the same process that causes potholes to form in streets. The solution for this problem is to design in a way that assures that the water can drain quickly off the surface. If the Deck were to have been repaired, it would have been impossible to change the grading of the top level, so this problem would likely recur.

The second factor was the elimination of a protective membrane that was part of the original design. This coating was intended to protect the concrete and steel from water intrusion, so the failures described above would not occur. For whatever reason, at some point in the first 10 years of operation, the membrane was damaged and then ultimately eliminated. It would be speculation to assume how this occurred, but such membranes, even if properly maintained, have a limited life and must be replaced periodically to achieve the objective. Caldwell never replaced the membrane.

Finally, the third factor was likely damage caused by salt intrusion into the concrete and steel. It is a cardinal rule in the parking industry that salt should never be used for snow and ice control in a structured parking facility because of the highly corrosive effects it has on concrete and metal. Even if that rule was followed however, during winter days when regular streets are being treated with salt or brine, the residue of the slatted materials is carried by cars onto the surface of any place that they park. Everyone has experienced the situation where their car builds up an accumulation of slushy snow in their wheel wells and on their tires. If such a car was parked on the Deck, that slushy mess would likely end up laying on the surface of the Deck, releasing a potent mix of salty water onto the surface. With a proper membrane and adequate pitch, that might not be too bad, but without a membrane and with insufficient pitch, it is an invitation for disaster.

Based on the findings of the assessment, it was determined to be in the best interests of the Borough to demolish the majority of the Deck and to address future parking needs with other solutions that take this experience into account.

5. Caldwell Volunteer Fire Department Headquarters: At the time of the original assessment, there were no emergent issues identified regarding this building. There were a number of concerns however, that generally arose from the history of the building.

First among these was the lack of ADA access. The building does not have an elevator so access to the second floor is not ADA-compliant. A second issue is fire safety, as the building has depended, since the construction of the CCC and Deck, on a 2nd floor exit onto the upper level of the Deck. With the Deck demolished, that means of egress is no longer viable.

Additional concerns included the condition of the roof, which is in need of repair or replacement, the desire for additional office space for the Fire Official/Code Enforcement Officer/ OEM director and staff and the desire to provide additional space for dayroom/meeting room/emergency Command Center activities.

While the Borough clearly wants to maintain an adequate work environment for the CVFD, priority would be to provide ADA compliance and proper protection from rain and other weather events. The CVFD HQ was not deemed to have conditions in as dire a need of correction as the other facilities discussed in this report, nevertheless, there are some issues to address.

6. Caldwell DPW Garage: The DPW facilities consist of an old, modular garage, a small part of the CPD garage and a limited area of paved parking. In that limited space, DPW attempts not only to house and maintain their equipment, but also to temporarily store materials for recycling, such as old refrigerators, and/or materials to be used for infrastructure repair, such as a spare fire hydrant. The space that they occupy is outdated and insufficient for those purposes.

DPW does not require space with particularly special characteristics, but it does require enough space to house its equipment, its materials and such items that it is required to collect. Such requirements would probably be able to be met on a site approximately twice as large as the current site, with half of that site devoted to indoor storage.

7. 14 Park Avenue: This site was originally made available to the Borough through a Federal Department of the Interior program about 40 years ago. Under the terms of that agreement, the building could only be used for activities related to parks and recreation. According to local sources, it initially served as the site of the Caldwell Department of Parks and Recreation, which met the terms of the agreement.

After Caldwell entered into an agreement to have West Caldwell manage recreation for both municipalities, the building was used for health department purposes, which included the health department offices, a senior citizen center and space for private health care providers, such as The Bridge. After the CCC was built, the health department and senior center uses were moved to the CCC. Somewhere around that time, the building was again repurposed to serve as the Food Pantry.

In the early 2000's, the original grantor, USDOJ, advised Caldwell that the building was not being used in a manner consistent with the terms under which it had been provided to the Borough. After lengthy negotiations, the Borough and the Federal government agreed to a modified agreement, by which the stewardship of the building was transferred from USDOJ to the General Services Administration ("GSA"). Under the new arrangement, use of the building for Food Pantry, health department and senior services were all acceptable.

During the decade of the 2010's, the Borough reduced the uses in the building until the only use was for the Food Pantry. By the time that John Kelley took office, the Borough was on notice that it was not in compliance with the terms of the agreement with GSA. The Borough was given a limited amount of time to advise GSA as to how it would bring the site back into compliance.

As part of the assessment, site inspection of this building suggested that it was in need of total gut rehabilitation, or demolition and replacement. In responding to GSA, the Borough indicated that it was willing to consider either rehabilitating the building for uses acceptable to the agreement, or buying out its obligations so that the property could be used for its best use. After an elaborate procedure, GSA established a price for the buyout that was not realistic, so the Borough chose to pursue the rehabilitation option. Because of the existing conditions, this approach essentially required that the building be demolished back to the outside walls and that any future use would require all new plumbing, electrical services, and interior fits and finishes.

III. Alternatives Considered:

1. Plan A: In the face of the many difficulties outlined above, the Borough began its consideration of possible solutions in the middle of 2019. At that time, the expectation was that there would be some renovations done to the CCC, that the CPL would remain as is, but that something would need to be done about the conditions in BH. Given the need to also resolve matters at 14 Park with the GSA, the first idea considered was to relocate the operations in BH to 10 and 14 Park Avenue. 10 Park Avenue is the Caldwell Post Office.

The plan was to adaptively reuse the Post Office as the new Borough Hall, with the same set of functions as existed in the current BH, but without the CPD. The CPD was to be housed in a

new building to be built on the 14 Park site, with the possibility of using some of the 10 Park site, which wraps behind both 14 and 16 Park Avenue. The police building may have also included the municipal court, but design never proceeded enough to evaluate that option.

The Borough contacted the USPS regarding their willingness to sell the building and relocate to another location in Caldwell. This seemed a practical solution for both parties in that the building is no longer used for regional collection and distribution, since those functions all take place at the West Caldwell branch office. In the opinion of a former Postmaster, who managed Caldwell and other locations during a lifelong career with USPS, the building was way too big for its current use and could readily be replaced by a storefront somewhere in the Bloomfield Avenue corridor.

In almost a year of negotiations, USPS agreed to a Letter of Intent to sell the property. Their requirements became somewhat onerous however, in that they wanted the Borough to find 3 alternate locations for relocation, with the Borough required to guarantee that they could be obtained in the timeframe projected for the transaction. That was problematic, as it would require the Borough to enter into contracts of sale with private owners on multiple properties with substantial non-refundable deposits and probably with above-market prices. The USPS also provided a proposed sale price that was far above what our experts believed the building to be worth.

Meanwhile, the Borough was also negotiating with the GSA regarding the use of 14 Park Avenue. GSA's position was that the Borough could either buy out the deed restrictions and become the fee owner with no limits on its use or restore uses to the building that met the deed restriction (essentially services related to the responsibilities of the Federal Department of Health and Human Services. As with USPS, GSA's process was lengthy and proved somewhat unreasonable. The internal appraiser from GSA, who was based in Boston and never actually visited the site, placed a value on the building that greatly exceeded the opinion of our appraiser. With neither 10 Park Avenue nor 14 Park Avenue available at a reasonable cost, the Borough chose to reconsider its options

2. Plan B: The Borough abandoned Plan A in early 2020. Once the pandemic caused the CCC to be closed, the Borough explored the idea of using the lower level of the CCC for police purposes, with the remainder of BH uses to be located in a new building to be built on the site of the now-demolished Deck, with the Health and senior services to be located in a renovated 14 Park Avenue. This plan was abandoned within a few weeks when it was determined that placing the police in the CCC would trigger a requirement in the building code to upgrade the seismic capability of the entire CCC to a level for which it was never designed and which would therefore be very expensive.

The idea of renovating 14 Park Avenue for health services had merit however, as it would allow the Borough to avoid having to pay GSA a large amount for the rights to use the building for non-health uses. By choosing to renovate, the Borough would bring the building into compliance with the current agreement, essentially getting the land for free.

3. Plan C: With the CCC no longer available, the borough then considered building a single large structure on the former Deck site to house both the CPD and the rest of the existing BH functions. The building was to be built adjacent to the remaining portion of the Deck, permitting “at-grade” access on the lower level for police services and on the upper level for regular Borough offices. The parking area beneath the Deck would be dedicated to police uses, providing a secure space for their vehicles and equipment, separate from the area to be used by the general public. This plan proceeded in great detail with a complete schematic design done that included a full program for all the uses to be located in the building.

During this same time, the Borough began a series of design exercises regarding how best to renovate the CCC. Working with the Advisory Board appointed by the Mayor, the Facilities Working Group considered a variety of design alternatives, eventually settling on a plan that would expand the upper level of the building by building new walls on the east and north sides of the structure, which would address the leaking issue while not affecting the areas devoted to the main swimming pool and the gymnasium. This approach called for the lower level to be used for a non-CCC purpose, which would make it easier for the CCC to be self-liquidating.

4. Plan D: When Hurricane Ida struck in late summer of 2021, the CPL was once again inundated and the lower level of the Borough campus received several inches of water. It quickly became apparent that future use of the lower level of the library was problematic, which idea was confirmed by both the library Board and the library staff, all of which indicated that it would be better to demolish the existing library and build a new facility.

The concept of replacing the library opened up a new opportunity for the Borough. If the existing library site could be used for the purposes of the CPL, the CPD and the rest of the existing BH functions, then all of those uses could be readily protected from future flooding risks and the lower level of the former Deck site could be devoted exclusively to surface parking to support both the CCC and the new facility.

Initial design efforts called for a large footprint, in an attempt to limit the building’s height. That concept was not able to overcome the constraints imposed by the major culvert that bisects the Borough campus and the boundaries of the Caldwell Green, the triangular area at the corner of Bloomfield Avenue and Roseland Avenue. The design was adjusted to a smaller footprint and greater height, which eliminated the conflict with the culvert and reduced the encroachment onto the Green to about 1,000 SF.

This seemed to be acceptable, as the plan called for a land exchange between the new site and the Green, by which the Green would receive an additional 2,500 SF on the south side, turning the triangle into an approximate rectangle, which would be both larger and more usable for “Town Center” purposes, particularly since the adjacent municipal building would include a large outside deck that would effectively serve as a stage for events at the Green.

In researching how such a land swap would work, the Borough discovered that it was unclear as to the ownership status of the Green. It was clear that the property had originally been part of the First Presbyterian Church property, but was separated from the church by the construction of Roseland Avenue. Information was provided by the church that indicated that the Green had

been sold in 1891 to a “Trust”, with 5 prominent citizens named as the Trustees and with a deed restriction that limited its uses to a park. In order to clarify the situation, the borough commissioned a title search.

While that was taking place, the Borough contacted the church and made a presentation regarding the project and asked the church if it would agree with the idea of the land swap. The Borough also asked Mott McDonald, which has experience in such transaction involving open space, to inquire with the NJDEP regarding the status of the site. NJDEP indicated that the site was listed as part of the Borough’s Open Space Inventory, which meant that a very strict process would be required in order to permit the land swap to be considered. On learning of this issue, the church advised the Borough that they were not prepared to grant any approval at that time. When the title report was received, it indicated that the title was in the names of the 5 citizens named in the 1891 transaction, in the capacity of “Trustees of the Township of Caldwell”.

Based on those findings and on the amount of time that would be consumed in even trying to effect the land swap, the Mayor directed the Facilities Working Group to consider a more restricted concept, as further described in section 6 below.

5. Plan E: While the post-Ida discussions regarding BH were taking place further developments were taking place involving 14 Park Avenue and the CCC. The design for 14 Park Avenue was approved by the governing body and put out for bid with bids awarded for a complete gut rehabilitation that is now underway. That building will ultimately house the Food Pantry on the first floor, with the Senior Center and the Health Department offices occupying the rest of the building. The design was enthusiastically supported by the Department Director and by the various groups that will be housed at the site.

Also during this period, it became apparent that any of the plans for replacement of BH and the CPL would require the temporary relocation of the functions housed in those sites. To accommodate that need, the Borough sought bids for the renting of office trailers for a period of two years. The trailers have been delivered and are close to being ready for use. They will be located on the north end of the Smull Avenue parking lot and should be ready for occupancy in early July. The Borough also rented storage space for materials that must be retained but would not fit into the temporary offices, such as the excess parts of the library’s collections and archival records from the courts, the building department and the Borough Clerk.

Finally, while all this was happening, a final adjustment was made to the design for the CCC renovations. In order to provide for a small pool dedicated to teaching and to provide adequate space for fitness and program activities, the decision was made to further expand the upper level by moving the new east wall an additional 10 feet away from the existing facade. With that change, the actual construction documents are now being drawn, with work hopefully to start prior to Labor Day. The final adjustments also address access for the Caldwell Fire HQ in an ADA compliant manner.

6. Plan F: In order to address all of the limitations and concerns identified during the earlier plans, the criteria for the latest effort were set as follows:

- a. The new BH building should not encroach on either the Green or the storm water culvert that runs through the campus.
- b. All accessory uses that can be housed off-site (e.g. Police barricade storage) should not be included in the building but should be housed elsewhere
- c. The estimated cost of construction, assuming prices remain where they are at this time, should not exceed \$10,000,000 for the entire building.
- d. The facility should not diminish the ability to provide sufficient parking within the campus as is necessary to support the BH, the CVFD and the CCC.

An initial design that meets these criteria has been developed and will be circulated to the governing body at the same time as this report is distributed.