Village of Shorewood Hills — Lodgic Exploration

Resident Frequently Asked Questions (FAQ)

What is the Village considering?

The Village is exploring acquisition and reuse of the former Lodgic property (2801 Marshall Court) to provide modern space for Village Administration, the Police Department, larger public meeting areas, and a Community Center, while leasing portions (e.g., childcare and café/event space) to professional operators to help offset costs.

Where we are in the process

- **No final decision.** The Board is in a due-diligence window to study the property and gather resident input before any vote.
- **Due diligence underway:**
    - Independent appraisals of Lodgic and the current Village Hall site
    - Building inspection and operations/maintenance analysis
    - Renovation scenarios (2–3 modest options) for Administration & Police with cost estimates
    - Comparable lease-rate review and revenue modeling
    - Updated traffic counts and comparison to Marshall Court studies
- **How to engage:** Open houses, Q&A sessions, online comments and surveys, tours, and direct email to Village leadership. We'll keep posting updates and documents at https://shorewoodhillswi.gov/facilities

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What problem is the Village trying to solve?

Village Hall, the Police Department, Public Works, and the Pool building are aging, inefficient, and space-constrained. Delays become more expensive due to 4.5–8% annual construction inflation. We need a solution that balances service quality, fiscal stewardship, and future growth.

Why was the offer made in closed session?

Wisconsin law allows closed sessions for property negotiations so the Village can protect its bargaining position. Once the contingent offer was accepted, the Village immediately disclosed the opportunity and began planning an Open House tour and Town Hall to maximize resident engagement.

Why make an offer before releasing documents or identifying the property?

An accepted offer was needed to secure a fair price and protect the opportunity from competing buyers. Without that step, the Village could not prepare accurate financial projections. Staff is reviewing and releasing documents and posting them on the Village website so all residents have the same baseline information the Board is using.

What options are on the table?

1. **Renovate** existing facilities based on the space needs study
2. **Rebuild/expand** Village Hall and Public Works/Police at the Fire House site (2–3 stories)
3. **Acquire Lodgic** for Administration & Police, renovate Public Works, and sell the current Village Hall site for redevelopment to strengthen the tax base

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What is the cost advantage?

The proposed $6 million purchase price for the building, plus $500,000 for fixtures, finishes, and equipment (FFE), is well below the $10 million sale price in 2024 and less than half the estimated $14 million cost to build a comparable facility (2024 estimate by Ideal Builders, supported by FGMA Facilities Study). This estimate excludes FFE, making the acquisition an exceptional value.

How do the costs compare?

- **Renovate/Rebuild:** Preliminary $11.7–$11.9M plus ~20% soft costs (design, engineering, site work, construction management, FF&E, etc.)
- **Lodgic:** $6.0M purchase + $0.5M FF&E; minus ~$2.0–$3.0M anticipated Village Hall sale proceeds → net up to ≈ $7M

Bottom line: Lodgic is roughly 40% less expensive than other options and avoids much of the construction risk, delay, and disruption.

Cost per sq. ft. comparison

- **Lodgic:** ~$196–$216 per sq. ft. all-in (includes soft costs and FF&E)
- **New construction/major renovation elsewhere:** ~$425–$495+ per sq. ft. hard costs + ~20% soft costs (recent local benchmarks for Pool Building run $500–$600 per sq. ft**.** before soft costs)

With construction inflation (4.5–8%/yr), an estimated ~12-month build, and operational disruption for staff and residents at current Village Hall site, the gap widens in Lodgic's favor.

What are the benefits of the Lodgic option?

- Turnkey readiness: Modern, sustainable building available now
- Underground parking: 64 stalls (24,500 sq. ft.) + surface parking
- Community space: Nearly 2,000 sq. ft. of flexible, ADA-accessible gathering areas (Great Lawn, pantry prep, outdoor plaza), floor-to-ceiling windows, fireplace, existing tables/chairs/lounge seating, built-in A/V and wireless mic
- Revenue generation: Potential tenant lease income (e.g., childcare, café/events, and possibly surplus parking)
- **Village Hall sale:** Estimated $2–3M proceeds for reinvestment and opportunity for taxable housing redevelopment consistent with the University Avenue Corridor Plan
- **Future flexibility:** Modern infrastructure that can adapt to changing needs

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What are the risks or trade-offs?

- Lodgic would come off the tax rolls (offset by redevelopment of the current Village Hall site)
- **Timing** risks around finalizing tenant leases and sale of Village Hall
- **Public Works/Fire House** remodel would follow after Village Hall proceeds are available

- Lodgic is slightly less central than the current Village Hall site

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Traffic, parking & safety

Will traffic get worse around Marshall Court?
We're collecting traffic counts and comparing to prior studies. Regardless of ownership, some activity will occur at this site. Lodgic's 64 underground stalls (plus some surface parking) help reduce on-street conflicts along Marshall Court.

Will police response times suffer?
The Police do not anticipate negative impacts. Being on the Village side of the railroad tracks can improve response during train delays. Officers are regularly in the Village on patrol and often respond directly from the field.

Is co-location with daycare and café/event spaces safe?
Yes. Access control and the building's layout allow secure separation of Village functions from tenant spaces (daycare, café/events). We're also exploring a visible police office and signage at the Fire House/Public Works site to maintain presence near the school.

What about courts near liquor establishments?
Our attorney confirms the statute. It applies to the restaurant area (leased privately). That space would be physically secured and separated from Village Hall and Municipal Court functions.

Flood resilience

The 2018 flood map shows Village Hall, the Pool, and nearby areas were inundated; Marshall Court (including Lodgic) was largely spared. Lodgic's first floor is ~3 feet above the shopping center lot. After the record daily rainfall this August, we inspected Lodgic's underground parking and interior and found no water infiltration.

Use & tenancy

Will the Village be running the daycare or café/event space?

No. The Village would lease these spaces to professional operators. Lease revenue would help offset operating costs and reduce budget pressure, without adding new responsibilities for Village staff.

Is there tenant demand?
Market checks show strong demand; of all existing retail inventory in the Village, only one space is currently available.

Property management & staff capacity

To ease the burden on existing staff, we would hire a professional property management firm to handle day-to-day logistics (tenant coordination, maintenance, etc.). Typical fee: ~4% of gross rent.

Parking details

- The 64 underground stalls (plus some surface spots) provide flexibility: staff by day; residents, meetings, and events evenings/weekends.
- Renting a small number of surplus stalls (e.g., to UW) would be considered only if capacity remains after staff/tenant needs are set. That would be supplemental revenue, not a core budget assumption.

Costs & financing

Why consider Lodgic instead of renovating/rebuilding?
Renovation/rebuild is preliminarily $11–$12M + ~20% soft costs with higher inflation risk, longer timelines, and disruption to Village operations, residents and staff. Lodgic is available now at roughly half the cost, with modern infrastructure and potential lease revenue.

What lease revenue is expected?
Market data (subject to due diligence) supports ~$300,000/year in potential tenant revenue. Debt service is modeled to be coverable without relying on lease income.

What happens to Village Hall if we move?
If Lodgic proceeds, Village Hall would be marketed for redevelopment, potentially generating $2–3M to reinvest in Fire/DPW, the Pool, and other priorities—while expanding the tax base with new housing.

How does this affect property taxes?
Lodgic leases could create a revenue stream up to 10x the Village's current share of its

property taxes and help keep the site productive (vs. risk of nonprofit ownership). Redeveloping Village Hall property can further grow the tax base.

Community space & operations

Is there usable community space at Lodgic?
Yes—nearly 2,000 sq. ft. of ADA-accessible 2nd floor gathering space (Great Lawn, pantry prep area, outdoor plaza) with flexible layouts, furniture, built-in A/V, and wireless mic. We're also evaluating glass/plexiglass options to improve sound separation from the first floor.

Is the location convenient for programs?
It sits on the bike path and is a short walk from the Pool—useful for Four Corners kids during poor weather or air quality.

How would this benefit residents?

If approved, this project could:
• Replace aging facilities with safe, energy efficient, modern spaces that lower operating costs
• Expand community gathering areas and programming
• Offer Village families priority enrollment at the on-site daycare
• Generate rental income to help offset operating costs and reduce levy pressure
• Support local economic activity and neighborhood vitality

How does this align with Top Priorities in the Village's Strategic Plan?

• **Invest in staff:** Modern facilities and potential additional revenue improve peer wages and working conditions to help attract and retain talent.
• **Upgrade Facilities / Sustainable Infrastructure:** Lodgic is a modern, efficient building for community gatherings, with sustainable features including solar, stormwater retention, energy-efficient lighting and equipment, and durable finishes.
• **Smart development:** Selling Village Hall property for redevelopment will increase the tax base in line with the University Avenue Corridor Plan.

Why does the Police Department need new space, and how would a new facility help?

The current Police facility is overcrowded, outdated, and out of compliance with state law. Officers share too few workstations, evidence is moved through public areas, there is no secure interview room, and the Court Clerk's office is improperly located within the department. Locker rooms, wellness space, and security systems are also inadequate.

Lodgic or a new police facility would provide:
• Code-compliant, modern spaces for interviews, evidence handling, and court functions.
• Expanded, secure storage and updated security systems.
• A healthier, more professional work environment for staff.
• Continued convenience for residents with Police and Administration in one accessible location.

***See Chief Weitzel's Memo for details (PDF)**

What if we don't choose Lodgic?

We will present comparisons for:

1. **Renovating** existing facilities per the space needs study, and
2. **Rebuilding/expanding** at the Fire House site (2–3 stories).
   All options will be evaluated with a consistent financial and service lens (including Net-present Value/CIP framing).

Decision timeline

A decision will follow appraisals, traffic counts, renovation scenarios, and financial modeling, plus resident input at public meetings. We'll continue to share updates and invite feedback prior to any vote.

How residents can participate

- Attend open houses, Q&A sessions, and property tours
- Complete online comments & surveys
- Email questions or comments directly to Village leadership
- Check the project page for documents and updates: https://shorewoodhillswi.gov/facilities

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Contacts

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This FAQ is intended to give residents a clear, side-by-side view of the Lodgic option and the alternatives, with the best available information during due diligence. We welcome your questions and ideas as we work through this together.