

Marcia P. Coggs Human Services Center

Department of Health & Human Services and
DAS-Facilities Management Division

May 2022
Updated June 8, 2022



Decision Drivers for Investment in Coggs

- Reinvestment in Coggs Aligns with DHHS Strategic Plan & No Wrong Door Philosophy
- Places Staff & Services Physically Closer to Residents Served by DHHS
- Estimated Lease Costs of \$2M-\$2.9M for Other Locations Pose Financial Operating Burden & Risk to Programs/Services
- Flexibility of Building Control

Reinvestment & Strategic Alignment

- Renovation Provides Integrated Admin Space & Accessible Location
- Supports No Wrong Door Philosophy by Co-locating Staff Working with Youth & Adult Systems of Care
- Building Location Close to DHHS Participants
- Walkability & Transportation Reduce Service Barriers
- Reinvestment Positively Impacts Vulnerable Communities



Coggs Investment Advances Milwaukee County's Strategic Focus Areas

- Re-investment in the Coggs Center will be catalyst for change in vulnerable communities
- This investment is a once-in-a-generation opportunity to advance the County's strategic vision
- By eliminating physical barriers and creating a warm, welcoming, and more accessible location, Milwaukee County will build trust with residents

Create Intentional Inclusion

Include public participants in design development

Create extraordinary opportunities for minority and women-owned businesses over a period of years

Bridge the Gap

Racial equity lens applied to the fundamental decision to locate at Coggs

Break down silos between County/State/local non-profits to maximize access and quality of services

Invest in Equity

An investment in Coggs is an investment in direct community services

Design and invest in sustainable facility improvements that reduce operating costs

Facilities Analysis

In January, DAS and DHHS presented File 22-1110 to the Board: an Action Report requesting the approval of an ARPA-funded project to initiate the renovation of Coggs to support the DHHS 'No Wrong Door' plan.

The Board amended the Resolution to place the ARPA funds into an allocated contingency account pending:

- a) Hazardous materials assessment at Coggs
- b) In-depth analysis whether to renovate Coggs or build new
- c) Financing alternatives/options for any recommended course of action including the ability to use ARPA funds within the time limits set by federal law

a) Coggs Facility Hazardous Materials Assessment

While there would need to be some special attention paid to asbestos and lead-bearing paint where encountered, the results of the testing are relatively clean

1. Asbestos

- 245 total samples building-wide
- Asbestos detected in two areas – floor tile mastic in one first floor room (total of about 500 square feet), and pipe wrap above ceiling tiles on second floor (total of about 20 linear feet)

2. Lead-Bearing Paint

- 92 total samples building-wide
- Lead-bearing paint detected in three rooms in the basement not occupied by the general public

3. Indoor Air Quality

- Carbon monoxide (CO), carbon dioxide (CO₂) and mold testing were either below industry standard or within normal range

4. Lead Water Pipes

- Visual inspection resulted in no observance of lead water pipes

b) Financial analysis of renovate vs build new

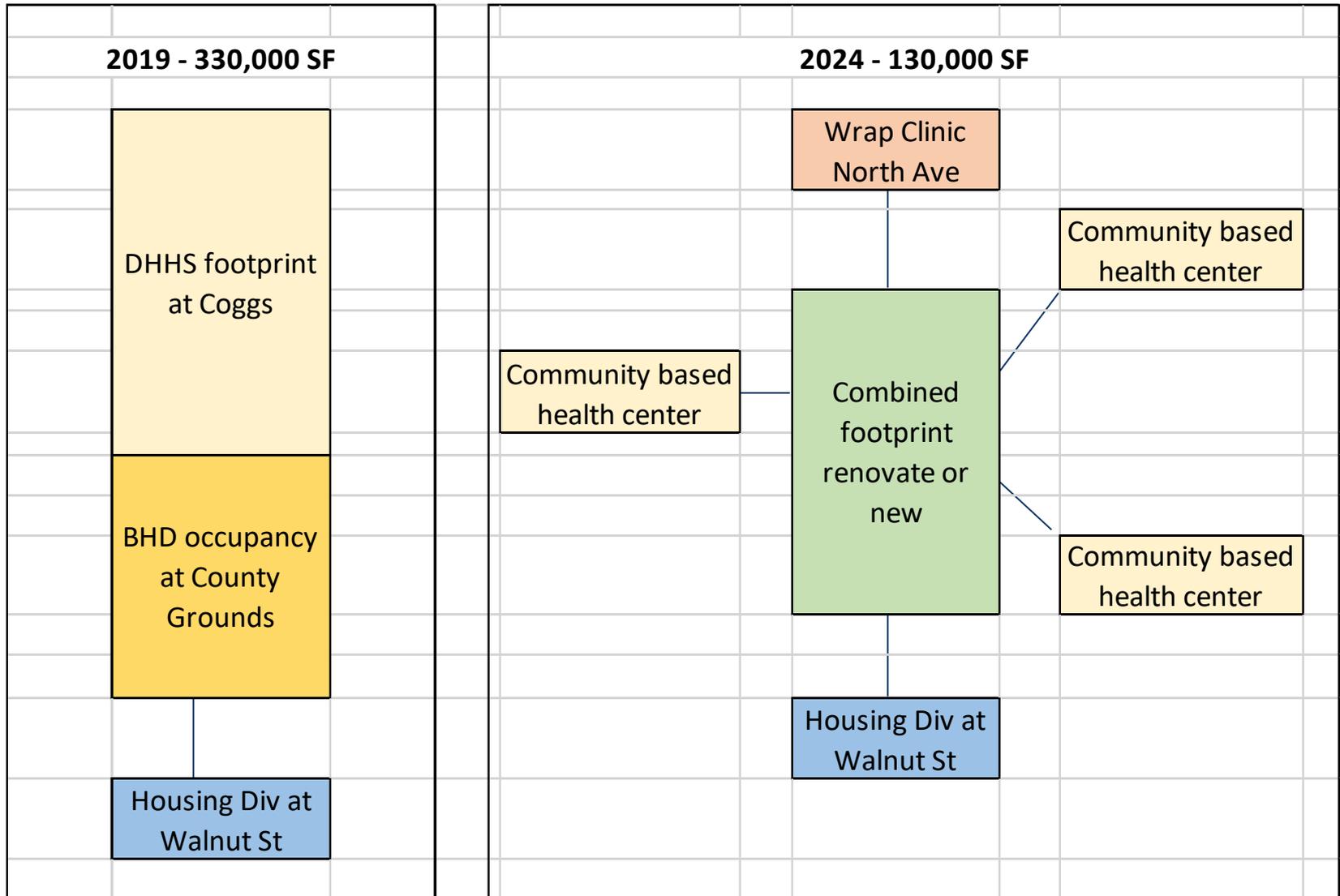
Renovation

- DHHS only in a renovated Coggs
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- DHHS + other County staff in a renovated Coggs

New Construction

- DHHS only
- DHHS + other County staff

Facility strategy aligns with overall DHHS strategy



60,000 SF requirement for new facility accounts for teleworking plus distributed services

Financial analysis finding: New building options offer the lowest construction cost

	Option	Hard Costs	Soft Costs*	Total	Notes
1	Renovate Coggs (DHHS only), construct parking structure	\$35,517	\$12,722	\$48,239	70,000± sf unoccupied, 200-stall parking structure built in existing north parking lot
2	Renovate Coggs (DHHS plus), construct parking structure	\$47,866	\$15,066	\$62,932	24,000± sf office space unoccupied, 300-stall parking structure built in existing north parking lot
3	new building (DHHS only) construct parking structure	\$37,564	\$9,409	\$46,973	59,938 sf new office building, Coggs razed, 200-stall parking structure built in its place
4	new building (DHHS plus), construct parking structure	\$59,851	\$13,573	\$73,424	114,707 sf new office building, Coggs razed, 300-stall parking structure built in its place
5	new building (DHHS only), Coggs razed, construct surface parking	\$33,940	\$8,270	\$42,210	59,938 sf new office building, Coggs razed, 100-stall surface parking constructed in its place
6	new building (DHHS plus), Coggs razed, construct surface parking	\$51,001	\$11,790	\$62,791	114,707 sf new office building, Coggs razed, 100-stall surface parking constructed in its place
7	new building (DHHS only), disposition Coggs	\$28,534	\$8,119	\$36,653	59,938 sf new office building, no new parking provided
8	new building (DHHS plus), disposition Coggs	\$47,621	\$11,639	\$59,260	114,707 sf new office building, no new parking provided

*Soft costs include project management, design services, furniture/fixtures/equipment, relocation, temporary utilities

Financial analysis finding: New building options offer the lowest life cycle cost

	Option	County Operating	bonded Capital	cash Capital	TOTAL TAX LEVY	TOTAL NPV County
1	Renovate Coggs (DHHS only), construct parking structure	(\$39,428)	(\$46,345)	(\$20,265)	(\$59,693)	(\$106,038)
2	Renovate Coggs (DHHS plus), construct parking structure	(\$25,923)	(\$56,174)	(\$23,281)	(\$49,204)	(\$105,378)
3	new building (DHHS only) construct parking structure	(\$21,139)	(\$28,146)	(\$14,331)	(\$35,470)	(\$63,616)
4	new building (DHHS plus), construct parking structure	(\$14,116)	(\$45,913)	(\$19,806)	(\$33,922)	(\$79,835)
5	new building (DHHS only), Coggs razed, construct surface parking	(\$21,139)	(\$23,084)	(\$15,139)	(\$36,278)	(\$59,362)
6	new building (DHHS plus), Coggs razed, construct surface parking	(\$14,116)	(\$38,054)	(\$18,222)	(\$32,338)	(\$70,392)
7	new building (DHHS only), disposition Coggs	(\$19,160)	(\$22,431)	(\$10,808)	(\$29,968)	(\$52,399)
8	new building (DHHS plus), disposition Coggs	(\$12,138)	(\$37,401)	(\$15,719)	(\$27,857)	(\$65,258)

b) Renovate Coggs or Build New

**We recommend Option 5 – Build new for DHHS only, Coggs razed, new surface lot
\$42.2M total project cost**

- Lowest capital cost and lifecycle cost option that includes additional parking
- Operating costs will be considerably reduced in a new facility vs. maintaining the existing building
- No business case to co-locate other non-DHHS County tenants
- Subject to municipal review process

c) Timing to align with ARPA guidelines (illustration)

All funds must be fully encumbered by end of 2024 ---->

	Sept 2022	Dec 2022	June 2023	Dec 2023	June 2024	Dec 2024	June 2025	Dec 2025	
TRADITIONAL DELIVERY METHOD									
Design-Bid-Build									
1. Authorization for design	X								
2. design bid/award/initiation									
3. design completion /cost estimation									
4. authorization for construction					X				
5. construction bid/award/initiation									
6. construction									
7. project change orders									
8. substantial completion								X	
9. final payments & closeout									X
ALTERNATE DELIVERY METHOD									
Construction Management at Risk									
1. Authorization for design & construction	X								
2. design bid/award initiation									
3. design completion									
4. construction bid/award/initiation									
5. construction									
6. Guaranteed Max Price/funds encumbered				X					
7. substantial completion					X				
8. final payments & closeout						X			

CMAR project delivery method is recommended to control project timing risk.

Alignment to ARPA Criteria

- Supports No Wrong Door Philosophy by Co-locating Staff with Youth & Adult Systems of Care
- Significant Public & Employee Engagement Already Undertaken
- Building Location Close to Populations Served
- Addresses Social Determinants of Health including Walkability, Accessibility & Transit Access to Reduce Service Barriers
- Onetime Investment to Address Backlog of Deferred Maintenance

Upstream Investment in 53205

- 77% of residents are Black/African American
- 34% of families are below poverty; far below Milwaukee County percentage of 14%
- 44% of households have children
- Addresses negative economic impacts
- Supports hardest-hit communities and families
- Transforming Coggs into Human Services campus will provide opportunity for families to access resources and services in their neighborhood to address root causes, such as Housing, Mental Health and Transportation

Human Services Campus

- Re-investment in Coggs Center **creates opportunity** to better address social determinants of health
- For 50 + years, the Coggs Center has served as a **trusted location** to access services
- Mental Health Emergency Center is one of many **“doors”** people can enter
- Tremendous **benefit to residents** anticipated for referrals between the two proximate facilities
- **Upstream investment** in a community where program participants reside
- 93% of PCS patients originate from Milwaukee & 70% of patients **served by PCS live in close proximity** to new MHEC and Coggs
- Creating a **new warm and welcoming** “front door” and easier access will reduce barriers



Community-Based Hybrid Service Delivery

- **New Mental Health Emergency Center**
 - Project Sited Partly Due to Proximity to Coggs Center
 - Service Synergy Between MHEC & Coggs Center
- **Housing Division at 6th and Walnut**
 - Currently Undergoing Renovation and Some Staff to be Relocated to this Space
- **Access Clinics**
 - Access Clinic East-Outreach Community Health Center – 2nd and Capitol Dr
 - Access Clinic South-Sixteenth Street – 1635 W National Ave
 - Progressive Community Health Center – 35th and Lisbon
 - Milwaukee County Mental Health Clinic – 19th and North
 - New Partnership with Milwaukee Health Services – 82nd and Silver Spring
- **Mobile Crisis Services**
- **Senior Centers**
 - Clinton Rose, Kelly, McGovern, Washington and Wilson (county owned) & 19 other community sites
- **Credible Messenger Community Locations:**
 - Milwaukee Christian Center, Running Rebels, Westcare & Youth Advocate Program
- **Partners Located in Center of Milwaukee** (e.g. Hunger Task Force, Employ Milwaukee, Upstart Kitchen, Owen's Place, Dine Out Program)
- **Expanding Relationships** with MPS, Milwaukee Public Library & engagement with community centers and Milwaukee County Parks

Thank you!



**MILWAUKEE
COUNTY**

Financial Analysis Assumptions

1. Design assumed through 2022, construction starting in 2023
2. Estimated construction costs allocated to 2023/2024 based on assumed construction duration
 - Option 1 – 12 months
 - Option 2 – 18 months
 - Option 3/5/7 – 17 months
 - Option 4/6/8 – 24 months
3. 3.5% discount rate on Net Present Value calculations
4. Operating expenses for existing Coggs projected out at 3% annual increase
5. Planned/deferred maintenance requirements for existing Coggs facility included in years projected
6. Planned maintenance for new facility assumed at \$20,000 initially, 2% annual increase
7. Operating expenses for new facility (with or without parking structure) assumed at approx. \$7.46 per square foot based on recent operating and maintenance costs at Coggs, 3% annual increase
8. Capital expenses divided between bonded and cash using standard Milwaukee County DAS-FMD AE&ES percentages (79.85% bonded and 20.15% cash)
9. 10% contingency included in capital cash in all options
10. Rent payments at other lease sites assumed to be terminated at end of lease term (applies to options 2, 4, 6 and 8)
 - 633 W. Wisconsin: July 2025
 - Office of Equity: June 2024
 - UW Extension: April 2024