

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: December 3, 2021

TO: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

FROM: Shakita LaGrant-McClain, Director, Department of Health and Human Services

SUBJECT: A report from the Director, Department of Health and Human Services, requesting approval of an American Rescue Plan Act (ARPA) Funding Request for the Marcia P. Coggs Human Services Center Renovation

File Type: Action Report

REQUEST

DHHS is requesting approval of approximately \$32.3 million in ARPA funding as part of the Revenue Loss Recovery Expenditure Category for capital project WS0126 - DHHS Marcia P. Coggs Human Services Center Renovation. This request was recommended for ARPA funding by the Milwaukee County ARPA Task Force at its meeting on December 2.

POLICY

This request relates to Milwaukee County Board file 21-555: "A resolution to create a Task Force to review and recommend funding allocations to the Milwaukee County Board of Supervisors for monies received by the County in the Federal American Rescue Plan Act of 2021."

BACKGROUND

Milwaukee County will directly receive \$183 million between 2021-2024 in federal ARPA aid. Approximately \$115,728,599 million has been allotted for Revenue Loss Recovery projects. The Revenue Loss Recovery Subgroup was established to generate project-level allocation recommendations to improve the fiscal health of Milwaukee County and strengthen support for vital public services. Sample expenditures that are being considered by the Revenue Loss Recovery Subgroup include addressing the backlog of capital projects and deferred maintenance, as well as making cost-saving and efficiency investments in technology, service delivery, facilities, etc.

DHHS COGGS RENOVATION PROJECT OVERVIEW

DHHS, the Department of Administrative Services-Facilities Management Division (DAS-FMD) and the Department of Administrative Services-Economic Development Division (DAS-ED) have been working together for over two years to strategize and plan a relocation of DHHS administrative staff from the Behavioral Health Division (BHD) Mental Health Complex, Marcia P. Coggs Human Services Center (Coggs) and the Vel Phillips Youth and Family Justice Center in support of the DHHS “No Wrong Door” approach to customer service which is guiding the facility-related decisions.

This approach promotes the co-location of DHHS employees to a visitor-friendly facility to best serve the needs of customers. The planned transfer of in-patient services to the new Universal Health Services hospital currently under construction in West Allis and subsequent closure of the Mental Health Complex also require relocation of DHHS staff from the Mental Health Complex.

Decision to Remain at the Coggs Center

For over a year, DHHS worked with DAS-FMD and DAS-ED staff to identify a leased location to accommodate approximately 430 DHHS staff, to provide for both administrative and customer service functions. The estimated costs for the leased locations ranged between \$2 million to \$2.9 million which posed a significant operating burden and a financial risk to programs and services.

The original impetus for relocating from the Coggs Center was the building’s lack of accessibility. This concern remains unchanged and is now the focus of a redesign effort being undertaken by FMD and its architectural consultant. Ultimately, the choice to remain at the Coggs Center was viewed as the best option as Coggs has been a long-recognized location for providing and receiving community services. The decision to consolidate DHHS staff at Coggs while investing in the building is well aligned with County strategic focus areas as well as the DHHS strategic plan.

Specifically, the decision to remain at the Coggs Center:

- Accommodates more of DHHS’s programs and services under one roof
- Enables closer proximity to the new Mental Health Emergency Center (MHEC) currently being constructed one block north of the Coggs Center, and our DHHS-Housing Division staff who are located at North 6th Street and West Walnut Avenue.
- Places staff and services physically closer to residents served by DHHS – with many services and staff moving from Wauwatosa to the heart of Milwaukee

Recently, DHHS and DAS-FMD conducted a walk thru of the building with a number of

community stakeholders to gather feedback on the changes that are needed to ensure ease of access and a positive customer experience. This experience starts at the front door and continues throughout the first floor which is the focus of the preliminary planning and design work currently underway. In addition to the space program needs and accessibility improvements, investment is necessary to address significant deferred maintenance needs, additional office reconfigurations for other County departments and functions, and potentially tenant improvements to maintain the State of Wisconsin Department of Health Services as a tenant.

Alignment with ARPA Fiscal Health Efforts

After assessing the costs of leased spaces, a determination was made that remaining at the Coggs Center was the best fiscally sustainable option, which aligns with the ARPA Fiscal Health efforts. Investing in Coggs will allow Milwaukee County to:

- Stabilize government services impacted by revenue loss
- Address the backlog of capital projects and deferred maintenance
- Achieve cost-saving and efficiency investments in technology, service delivery, facilities, etc.
- Make investments in revenue generating strategies

Alignment with ARPA Community Support Program efforts

The proposed project also aligns with many of the criterion for Community Support investments and provides further alignment across ARPA Expenditure Categories to impact the community's pandemic recovery. Renovation of the Coggs facility will allow Milwaukee County to provide accessible services which meet the following Community Support Project priorities:

- 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

ALIGNMENT TO STRATEGIC PLAN

The relocation of DHHS staff and functions support the DHHS “No Wrong Door” approach, which aligns to the County's strategic plan in the following ways:

- 2A: Determining what, where and how we deliver services to advance health equity

- 3A: Investing “upstream” to address root causes of health disparities
- 3B: Enhancing the County’s fiscal health and sustainability
- 3C: Dismantling barriers to diverse and inclusive communities

Through the renovation of the Coggs Center, the goal is to create a welcoming and accessible space for our employees and participants so that they feel valued, respected, and dignified. In addition, after assessing the costs of leased spaces, a determination was made that remaining at the Coggs Center was the best fiscally sustainable option. Finally, the decision to collocate employees across all DHHS divisions is driven by a desire to breakdown silos so that we create easier access for our participants and dismantle the barriers that prevent or inhibit access.

Funding

The deferred maintenance requirements over the next 20 years are estimated to cost \$46 million. DAS-FMD staff has prepared a capital improvements plan to address the various near-term capital needs starting in 2022. Although renovation of the Coggs Center and system improvements have been requested as part of the five-year capital plan, due to capital bonding limits and minimal availability of cash financing, this project is unlikely to be realized without ARPA funds.

Attachment 1 – Marcia P. Coggs Center Capital Investment details the infrastructure needs as well as tenant improvements that are required to create a more efficient and accessible space for employees and participants. The attachment reflects about \$26.3 million in buildout and improvements of existing space and \$11.4 million in deferred maintenance. The total estimated cost is about \$37.7 million. The 2019 capital budget included \$660,000 for design, of which approximately \$520,000 is currently encumbered by the County’s contract with the architectural consultant.

Pending before the County Board in the December cycle is a request (File 21-1035) to release \$4,663,816 in funds from an allocated contingency account into capital project WS012601 – Youth Services Admin Relocation and Tenant Improvements. About \$3.7 million of this amount reflects Behavioral Health Division reserve funding and the remaining \$900,000 is cash financing budgeted in the 2021 capital budget.

After applying the amount budgeted for design of \$660,000 and assuming the \$4.7 million in contingency funding is approved for release, the total financial need is reduced to about \$32.3 million. If the project is approved, the following immediate next steps would be undertaken:

- Design and engineering for the full scope of the project, not just the interior build outs
- Pre-construction services including scope, cost, and schedule development
- Engaging an Owners Representative to provide overall organization and controls to the project team
- Conducting any required pre-construction site or building investigations
- Initiating procurement and construction activity

RECOMMENDATION

The Director of the Department of Health and Human Services respectfully recommends approval of \$32,335,694 in ARPA funding for the Coggs Renovation Project within the Revenue Loss Recovery Category.

FISCAL EFFECT

A total of \$32,335,694 is being requested from Milwaukee County's allocation of \$183 million in federal ARPA aid. Approximately \$115,728,599 million of the \$183 million total has been allotted for Revenue Loss Recovery projects. A fiscal note form is attached.

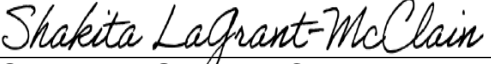
TERMS

Not applicable.

VIRTUAL MEETING INVITES

Shakita.LaGrant@milwaukeecountywi.gov
david.muhammad@milwaukeecountywi.gov
stuart.carron@milwaukeecountywi.gov
peter.nilles@milwaukeecountywi.gov
matthew.fortman@milwaukeecountywi.gov
clare.obrien@milwaukeecountywi.gov

SUBMITTED BY


Shakita LaGrant-McClain, Director
Department of Health and Human Services

ATTACHMENTS:

- 1-Marcia P. Coggs Center Capital Investment
- 2 –Marcia P. Coggs Center Renovation - Powerpoint

cc: County Executive David Crowley
Sup. Jason Haas, Chair, Finance Committee
Sup. Felesia Martin, Chair, Health Equity, Human Needs, and Strategic Planning
Mary Jo Meyers, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County
Steve Cady, Research Director, Comptroller's Office
Pam Matthews, Fiscal & Management Analyst, DAS
Lottie Maxwell-Mitchell, Research & Policy Analyst, Comptroller's Office