

# Marcia P. Coggs Human Services Center

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

May 2022



MILWAUKEE  
COUNTY

# 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

# Summary of Recent Activities

---

1. Tours of Coggs with County Board Supervisors
2. Selection of design consultant to provide construction management at risk (CMaR) design services (contract to be funded out of existing WS0126 capital budget)
3. Environmental assessment to test for asbestos, lead paint, lead water service pipes and air quality
4. Development of space program requirements to backfill Coggs space with other County departments currently in leased facilities
5. Development of fit plan to accommodate DHHS and other County departments at renovated Coggs
6. Development of conceptual footprint for new buildings to replace Coggs (one for DHHS only, one for DHHS plus other County departments)
7. Update of financial analysis of various options
8. Investigation by DAS-ED to identify potential community partners to co-locate at Coggs

# Environmental Assessment

---

## 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 (CO<sub>2</sub>) 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

# Results of Space Needs Development

## Renovation

- DHHS **only** in a renovated Coggs results in about 70,000 of unoccupied sq. ft.
- DHHS **+ other County staff** in a renovated Coggs results in about 24,000 of unoccupied sq. ft.

## New Construction

- DHHS **only** would require a 60,000 sq. ft. building
- DHHS **+ other County staff** would require a 114,700 sq. ft. building

# Financial Analysis of Options

---

1. Renovate Coggs for DHHS only, 200-stall parking structure constructed in north parking lot
2. Renovate Coggs for DHHS and other County staff<sup>1</sup>, 300-stall parking structure constructed in north parking lot
3. Build new 60.0k square foot building to replace Coggs, for DHHS only, Coggs razed, 200-stall parking structure built in its place
4. Build new 114.7k square foot building to replace Coggs, for DHHS and other County staff, Coggs razed, 300-stall parking structure built in its place
5. Build new 60.0k square foot building to replace Coggs, for DHHS only, Coggs razed, 100-stall surface parking built in its place
6. Build new 114.7k square foot building to replace Coggs, for DHHS and other County staff, Coggs razed, 100-stall surface parking built in its place
7. Build new 60.0k square foot building to replace Coggs, for DHHS only, mothball Coggs
8. Build new 114.7k square foot building to replace Coggs, for DHHS only, mothball Coggs

<sup>1</sup>Other County staff includes all DAS and Comptroller-Audit Services staff in leased space at 633 W. Wisconsin Avenue, Department of Human Resources in the Historic Courthouse, Office of Equity at 2578 N. Dr. Martin Luther King Jr. Drive, UW Extension at Summit Place in West Allis.



# Construction Cost Estimates

000s

	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), mothball Coggs	\$28,534	\$8,119	\$36,653	59,938 sf new office building, no new parking provided
8	new building (DHHS plus), mothball 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

# 20 Year Net Present Value (NPV) Calculations

000s

	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), mothball Coggs	(\$19,160)	(\$22,431)	(\$10,808)	(\$29,968)	(\$52,399)
8	new building (DHHS plus), mothball Coggs	(\$12,138)	(\$37,401)	(\$15,719)	(\$27,857)	(\$65,258)

# Financial Analysis Findings

---

1. New building options generally have lower capital cost, operating costs, and lowest overall NPV than renovations at Coggs.
2. A parking structure would drive a significant increase in capital cost (approximately \$6.5M to \$10M) and operating costs.
3. Overall County operating costs can be offset by adding other tenants to the facility, whether in a renovated Coggs or new building, through reduction of rent payments elsewhere. A financial analysis to determine the attractiveness of the incremental investment for these options has not been completed. For both Options 1 and 2, there is available space for other potential tenants at Coggs (approximately 70,000 square feet in Option 1, and approximately 24,000 square feet in Option 2). DHHS and DAS-ED staff have identified a number of community partners as potential tenants. Maintaining Coggs for DHHS only would result in a building half-occupied and inefficient operating costs.
4. Options 7 and 8 appear to have the lowest impact on tax levy, but they provide no funds or solution to the resulting parking issue.
5. Repair and maintenance costs will be considerably reduced in a new facility versus maintaining the existing Coggs. Potential savings to be realized in addressing Coggs deferred maintenance is difficult to estimate at the current level of design.

# 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

# Current DHHS Recommendation

## Option 5 – Build new, Coggs razed, new surface lot = \$42.2M

---

- Capital costs for the other options greatly exceed current available funding of \$37 million in capital project WS0126
- Repair and maintenance will be considerably reduced in a new facility vs. maintaining the existing building
- Lowest capital cost option - #7 New Building – DHHS Only (mothball existing facility) estimated at \$36.7M does not include any additional parking
- Decision to co-locate other County departments is a decision that needs to be made at a higher level than solely by DHHS

# 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 – 2<sup>nd</sup> and Capitol Dr
  - Access Clinic South-Sixteenth Street – 1635 W National Ave
  - Progressive Community Health Center – 35<sup>th</sup> and Lisbon
  - Milwaukee County Mental Health Clinic – 19<sup>th</sup> and North
  - New Partnership with Milwaukee Health Services – 82<sup>nd</sup> 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**