

**COUNTY OF MILWAUKEE**  
**INTEROFFICE COMMUNICATION**

**DATE:** May 11, 2018

**TO:** Theodore Lipscomb Sr, Chairman, County Board of Supervisors

**FROM:** Stuart Carron, Director, DAS-Facilities Management Division

**SUBJECT: Courthouse Complex Planning Phase III Update (Financing Update)  
Informational Report**

**Background**

Facilities Management Division is providing an update on Phase III of the Courthouse Complex Planning Program to summarize progress to-date and provide information on next steps. Facilities Management Division will continue to provide updates throughout the program on a regular basis.

In recognition of the significant financial impact construction of a new criminal courthouse will have on County resources, the County retained the Wisconsin Policy Forum (previously known as the Public Policy Forum) to research and summarize funding of county courthouse projects similar in scope from around the country. This informational report focuses on the Wisconsin Policy Forum findings.

Much of the Phase III project has been focused on preparation of a master space plan and development of recommendations for implementation strategies, including those for budgeting, financing, and project delivery. A separate informational report has been prepared for the Transportation, Public Works and Transit Committee summarizing the findings of that effort.

Please note, to recognize the importance of the new facility and the perception of services provided, the project team is referring to the new criminal courthouse as a Justice Center.

**Summary of Findings**

The Wisconsin Policy Forum prepared a report entitled *The Jury is Out*, dated May 2018. In that report, WPF researched and compiled data on other similar county courthouse projects. WPF identified 14 similar projects in 10 different states, ranging in costs from \$100,000,000 to \$550,000,000. Financing approaches for the 14 projects included:

- County bonds (3)
- State bonds (1)
- Special sales tax (3)
- State-approved court fees (3)
- State/local funding partnership (2)
- Mixed funding sources (2)

Additionally, WPF compared public financing and public-private partnerships (P3s), and provided two case studies on the use of P3s for other courthouse projects, one in California and one in Maryland. Please refer to the enclosed WPF Report and summary PowerPoint deck for details.

WPF summarized the existing County fiscal challenges, and listed the following funding strategies for consideration (including pros and cons for each):

- Issue G.O. Bonds Per Current Practice
  - County G.O. Bonds
- Reduce Financing Costs and Debt Through New Sources of Capital
  - State G.O. Bonds
  - Private Capital
- Create New Revenue Sources for Annual Debt Service Payments
  - Sales Tax
  - Miller Park Sales Tax
  - Court Fees or Surcharges
- Reconfigure Bond Repayment to Reduce Annual Debt Service Costs
  - Extend Time of Bond Repayment
  - New G.O. Debt Service Structure

WPF's conclusions were that the County cannot use its traditional funding approach, that most other counties researched received assistance from their respective State, either in financing or through legislative action, and that many other counties have drawn on multiple sources of funds for a similar project, and have used lengthy debt repayment schedules.

#### **Other Courthouse Complex Planning Activities**

The County's consultant for the Courthouse Complex Planning Phase III has drafted a report detailing the master space planning and implementation strategies for the Courthouse complex. The report includes:

- Recommended distribution of judicial spaces
- Master plan scenarios for general government functions in the Courthouse Complex
- Graphical representations of the new Justice Center, including administrative space for the District Attorney and Sheriff
- Conceptual cost estimates for construction of the new Justice Center and long-term space needs for general government functions
- Preliminary project design and construction timetables
- Transition requirements and related conceptual cost estimates

The County has amended the existing Courthouse Complex Planning Phase III contract to include an investigation into the requirements if the existing Children's Court judicial and related support functions (not including detention) were to be incorporated into the new Justice Center. This investigation is in process.

#### **Future Courthouse Complex Planning Activities**

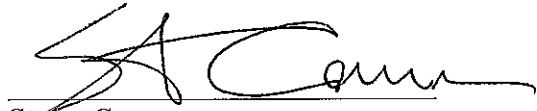
Future planning activities include development and coordination of the following:

- Planning and Life Cycle costing studies continue
- Financing alternatives will be pursued
- Juvenile justice strategies to be concluded
- Public input and communication strategies to be launched

RECOMMENDATION

The Director of the DAS-Facilities Management Division respectfully requests that this informational report be received and placed on file.

Prepared by: Peter Nilles, Facilities Planning & Development, DAS-FMD, AE&ES



Stuart Carron  
Director, Facilities Management Division  
Department of Administrative Services

Attachments: Informational Report PowerPoint Presentation  
Wisconsin Policy Forum Report *The Jury is Out*, May 2018

cc: Chris Abele, County Executive  
Raisa Koltun, Chief of Staff, County Executive's Office  
Kelly Bablitch, Chief of Staff, County Board  
Chief Judge Maxine A. White  
Holly Szablewski, District Court Administrator  
Teig Whaley-Smith, Director, Department of Administrative Services  
Vince Masterson, Fiscal & Strategic Asset Coordinator, DAS

