

**COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION**

DATE: June 27, 2019

TO: Supervisor Theodore Lipscomb, Sr., Chairman, County Board of Supervisors

FROM: Scott B. Manske, Comptroller
Stuart Carron, Director, Facilities Management Division - Department of Administrative Services
Aaron Hertzberg, Director, Economic Development Division – Department of Administrative Services

SUBJECT: 2019 Budget – Amendment 1B005 Center for Forensic Science and Protective Medicine (Informational Only)

BACKGROUND

The 2019 Adopted Budget included language that directed the Office of the Comptroller, working in conjunction with the Department of Administrative Services (“DAS”), to perform a cost-benefit analysis of owning versus leasing a portion of the proposed new Center for Forensic Science and Protective Medicine Building (“CFSPM”). The CFSPM is intended to house the Milwaukee County (“County”) Offices of the Medical Examiner and Emergency Management. The project has been considered for placement at the Milwaukee Regional Medical Complex (“MRMC”).

In addition, other alternatives such as the County constructing and owning the building and leasing a portion of the building to the Medical College of Wisconsin (“MCW”) were to be examined. Finally, the Office of the Comptroller and DAS were requested to explore the status of the proposed State of Wisconsin Crime Lab for potential synergies of collocating the facility in or adjacent to the planned CFSPM.

The County Board has previously received information relevant to the project in the following reports:

- 16-393 – An informational report regarding a collaborative effort between the OEM, Office of the Medical Examiner, State of Wisconsin Department of Justice Crime Lab and the Medical College of the Wisconsin in creating a Forensic Science and Intelligence Center**
- 16-721 – An informational report regarding Milwaukee County’s participation in the development of a collaborative forensic research facility**
- 17-298 – An informational report regarding the Public Policy Forum report titled “Breaking New Ground? Analyzing the potential for a public-private forensic science center in southeast Wisconsin**
- 18-484 – An information report regarding Milwaukee Regional Medical Complex land options**

18-764 – From the County Executive, submitting the 2019 Recommended Budget (see Amendment 1B005 by Supervisor Lipscomb, Sr. amending Capital Project WC21401 – Forensic Science Center Phase 1)

Current Conditions

The Medical Examiner (“ME”) is currently housed at 933 W Highland Ave., in a 53,000 square foot 1974 facility converted from an abandoned hospital in 1989. Milwaukee County has been actively considering a new ME facility since 2012. In June 2016, the County ME submitted a report (File 16-393) to the Board of Supervisors which stated that the current ME facility “has deteriorated beyond its useful life and will need to be relocated to a new facility soon due to space limitations and the failure of current facilities to meet industry standards”. A March 2019 Audit¹ was performed that in part reviewed the current condition of the existing facility. The Audit found numerous concerns that included: the lack of functioning showers in the locker room for all staff working on autopsies, climate control within the office due to a need to keep the toxicology lab temperature cold enough for the machines to not overheat, resulting in areas of the office being too cold for staff, air circulation that may not be up to code, drainage of waste from autopsies to the sewage system, and flooding in basement.

The five divisions of the Office for Emergency Management (‘OEM’) are currently situated in two separate locations – the Safety Building and leased space at 633 W Wisconsin Ave. The County 911 Center and OEM Radio Services are both housed in the Safety Building, which is substandard and planned to be demolished. In order to maximize efficiencies and public safety coordination, and to allow potential consolidation of county-wide Public Safety Access Points (PSAPs), all divisions must be co-located in a secure and larger environment that affords daily collaboration and an immediate and coordinated emergency response during a crisis. OEM’s specific needs and benefits of co-locating in the Center for Forensic Science and Protective Medicine were outlined in the November 2016 report to Board (File 16-721).

The Medical College of Wisconsin has a firmly established presence within the MRMC and is seeking to enhance its program offerings and research capabilities. As detailed in File 17-298, collaboration with Milwaukee County to establish a joint Center for Forensic Science and Protective Medicine could open the door for MCW to become a national leader in forensic science, creating a center for educational excellence that could benefit all southeast Wisconsin. A memorandum from the Milwaukee County Chief Medical Examiner and Director of the Office of Emergency Management dated October 4, 2018, is attached to this report outlining the departmental benefits of colocation with the Medical College of Wisconsin and others in a CFSPM.

¹ “Milwaukee County Autopsies have increased 7.8% Since 2013, Autopsies for Referral Counties Increased 111.7%. A lack of Contracts for Most of the Referral Counties is a Concern” Milwaukee County Office of the Comptroller – Audit Services Division March 2019

Milwaukee County is seeking a new home for its ME and OEM, and MCW is seeking to enhance its research capabilities and forensic research curriculum. Each of these entities could pursue its own new facility that would meet individual requirements. However, given that the need for these new facilities is occurring at the same time, an opportunity exists for local policymakers to proceed in a manner that may be more economically efficient and mindful of taxpayer dollars, while simultaneously launching the region to become a leader in forensic science and public protective services.

Options included in Amendment 1B005

The list of Options included in Amendment 1B005 are listed below²:

- **Lease from MCW:** MCW would build the shell CFSPM facility. In one lease option the County would complete the tenant improvements and lease space from MCW. In the other lease option, the MCW would provide the County finished space that it would lease.
- **County Own:** The County would construct its own facility to house the ME and OEM.
- **Lease to MCW:** The County would construct a facility for ME, OEM, and MCW. MCW would lease space from Milwaukee County.
- **State Crime Lab Option**

Of the Options included in Amendment 1B005, only the Lease from MCW Options and the County Own option are viable at this time. The explanations about the current status of the State Crime Lab and the Lease to MCW option, which are not planned at this time are listed below.

Status of State Crime Lab Relocation

In September 2016, the Wisconsin Department of Administration (“DOA”) issued a request for proposals (“RFP”) for a Southeast Wisconsin Law Enforcement Facility to be located within western Milwaukee County or eastern Waukesha County. The MCW submitted a proposal that offered two alternatives that included collaboration between the State, County and MCW. The first alternative was a building dedicated to the Southeast Wisconsin Law Enforcement Facility and an associated building for the County and MCW. The second alternative was a shared forensic science center that would meet the program needs of the State, County and MCW.

In December 2016, at the request of Milwaukee County, the Wisconsin Policy Forum (“WPF”) issued a report that analyzed the potential for a public-private Forensic Science Center in southeast Wisconsin³.

² The Department of Administrative Services previously considered other options, including rehabilitation of the current ME site and leasing space in other locations.
³ “Breaking New Ground? Analyzing the potential for a public-private forensic science center in southeast Wisconsin” Wisconsin Policy Forum

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The PPF report indicated that there are a number of advantages to a crime lab collocating with a medical examiner (“ME”). These advantages included the ability to more easily discuss unusual autopsy findings with the ME, eased the transfer of evidence between the crime lab and an ME, improved the chain of custody of evidence, enhanced the ability to identify bodies and facilitated attendance at autopsies for officers or crime lab staff.

In 2017, the State DOA selected a proposal from Wangard Partners for a facility at 1400 N. 113th Street in Wauwatosa. The State DOA ultimately dropped negotiations to build the law enforcement center at the Wauwatosa location.

In March 2018, the State DOA issued a new RFP for its State crime lab project. The revised RFP allowed the state to consider proposals for a stand-alone State Crime Lab or a crime lab combined with a new state office building to replace the old facility at 819 N. 6th St in the City of Milwaukee. The MCW did not submit at response to the revised RFP request.

In July 2018, the State DOA announced the selection of two sites in downtown Milwaukee (N. Fifth and W. Michigan streets) and the city’s near west side (North 27th Street at W. Wisconsin Avenue) for potential development of a new office building and law enforcement center. The law enforcement center would include the State Crime Lab in addition to the Division of Criminal Investigation field office, a regional Wisconsin Attorney General Office, and space for other law enforcement operations.

In October 2018, Continuum Architects and Planners was selected to design the state office building and law-enforcement center. According to the firm, its first major task will be helping officials decide whether to build facilities on one, or both properties.

The County continues to engage the new State administration about opportunities to co-locate the Forensic Science Center with the State Crime Lab; however, there have been no movements by the State DOA to change its current building plans.

Although incorporation of the State Crime Lab into the Forensic Science Center is not planned at this time, the Department of Administrative Services will continue to engage with the State DOA, to leave the door open to future partnerships and the potential for the State Crime Lab to be located at an adjacent land parcel should the interest arise.

County Build/Own Facility and Lease space to the Medical College of Wisconsin

During the negotiations between the Department of Administrative Services and the MCW, the DAS has offered the potential for the County to build/own the building and lease space to MCW. The MCW has indicated that they are not interested in leasing space from the County. MCW has also indicated that they prefer to perform the site work and construct the shell of the Center for Forensic Science and Protective Medicine. They believe they will be able to construct the facility quicker and less expensively than the County.

The benefit to the County from leasing a portion of the building to MCW would have been that the County could finance the site prep costs, and shell of the building with general obligation bonds and utilize property tax levy to pay the debt service and utilize lease revenue from MCW to maintain the facility. It would have also eliminated the lease cost for the County which, assuming is financed with tax levy, will compete with other operational priorities.

Summary of 30-year cash flows (cost benefit analysis)

The table below shows the summary of the cash flows for the three options.

- Option 1 is for the County to build and finance its own tenant improvements and lease the shell from MCW.
- Option 2 for the County to lease finished space from the MCW
- Option 3 is for the County to build its own building.

The detailed 30-year cash flows are attached to this report. The cash flow is analyzed over the two years of planning and construction and 30 years of building occupancy. The 30-year period is used since that is the length of the proposed lease agreement. The expenses are separated into six categories: Lease Expenses, Debt Service Expenses⁴, Operating and Maintenance Expenses, Capital Reserve Expenses, Furniture and Fixtures and Other Expenses⁵.

4 Debt Service expenses related to Milwaukee County issued debt are based on 15-year terms with level debt service and a 3% interest rate. The actual debt service would be structured to maintain level debt service within the County's overall outstanding general obligation debt service and rates will be determined by market conditions.

5 For the Lease All option, Other Expenses includes \$2.7 million of cash to fund the planning and design of the leased space and an estimate of \$3.3 million of capital improvements to the interior space after 15 years for future capital improvements in excess of the capital reserve account.

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Summary of 30-Year Cash Flows

	Option 1 Lease Shell from MCW	Option 2 Lease All from MCW	Option 3 County Build/Own
Lease Expenses	\$ 37,086,594	\$ 78,345,430	\$ -
Debt Service Expenses	\$ 42,365,058	\$ -	\$ 79,769,757
Operating and Maintenance	\$ 36,758,544	\$ 36,758,544	\$ 42,131,837
Capital Reserve Expenses	\$ 2,884,241	\$ 6,006,068	\$ -
Furniture and Fixtures	\$ 2,425,869	\$ 2,425,869	\$ 2,425,869
Other Expenses	\$ 591,590	\$ 6,652,071	\$ 591,590
Total Expenses	\$ 122,111,896	\$ 130,187,982	\$ 124,919,053
Net Present Value of			
Total Expenses	\$ 78,421,230	\$ 80,231,714	\$ 83,973,627

Assumptions for all options

Land Acquisition: As previously reported to the Finance and Audit committee during the 2019 Budget deliberations (File 18-764), the County is considering selling approximately 40 acres of land at 9201-9501 W. Watertown Plank Road to members of the MRMC.

Milwaukee County intends hold back from sale, swap or otherwise leverage approximately four (4) acres of land from the sale to accommodate development of the CFSPM on the MRMC Campus. This would help Milwaukee County avoid paying land acquisition costs either directly or through a lease.

Milwaukee County is working to secure access to approximately 4 acres of land to accommodate development of the CFSPM on land currently leased and under option by CHW (see the attached CFSPM Site Map for approximate location). Completing swap with CHW and completing the CFSPM development at this preferred site would help Milwaukee County avoid demolition costs that would be necessary if the development was to occur on land controlled by Milwaukee County at 9201-9501 W. Watertown Plank Road. Demolition estimates for the Day Hospital Building at 9201 W. Watertown Plank Road, an alternatively considered location, are estimated to be \$4.3 million. Demolition expenses are not included in any of the scenarios.

Operating and Maintenance: Cost to operate facilities not including staffing and programs. Costs are estimated to be between \$4.5-\$6/sf plus utilities and are assumed to be consistent across all three options.⁶ The estimated square footage for leased scenarios is 77,264; the estimated square footage for the County Own scenario is 88,558. In the lease options, operating and maintenance expenses paid to the landlord will be reconciled to true cost annually.

⁶ Each option assumes \$6/per square foot for operating and maintenance and \$4/per square foot for utilities. The operating and maintenance rates for the lease option include costs associated with shared spaces. The amounts are inflated at 3% annually.

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Furniture, Fixtures and Equipment: Costs for furnishing, fixtures and equipment are assumed to be approximately \$2,500,000 and costs are consistent across the three options.

Other Expenses: The County will retain leased space at 633 W. Wisconsin for OEM until a new facility is constructed and require relocation costs for the ME and OEM to move to the new facility. For the Lease All option, Other Expenses includes \$2.7 million of cash to fund the planning and design of the leased space and \$3.3 million to finance future capital improvements to the leased space that exceed the available funds in the capital reserve account.

Option 1 Lease Shell from MCW, County Tenant Improvements \$122.1 million (\$78.4 million NPV)

Under this lease option, MCW would build and lease a grey shell space to the County. MCW's costs associated with building the grey shell include planning/design, site work, construction, and other soft costs. These costs are estimated to be \$41.2 million. MCW anticipates financing these costs over a 30-year term. The County lease payment would include its portion of the costs including financing expenses. The County would complete and finance its own tenant improvements within the grey shell.

Lease Expenses

The estimated annual lease price is between \$13-\$19 per square foot.⁷ The lease costs would be an operational expense for the County and are estimated to be \$1.2 million annually. MCW would take responsibility for managing the shell, common areas and any portions of the building not leased by Milwaukee County. Under the proposed lease agreement, the County's lease term would be 30-years with 2 additional five year options for the County.

Capital Reserve Account

Capital improvements to the shell and common areas would be shared by the County and MCW. The County would contribute to a capital reserve account to fund future capital improvements to the shell and common areas on a per square foot basis and will be included in the lease expenses.⁸ The capital reserve is **not** used for improvements to the County owned space and equipment.

Although not included in the cash flows, financing for any future capital improvements in excess of the capital reserve account would be included in future lease expenses.

⁷ The cash flow assumes \$16 per square foot.

⁸ Capital expenditures are estimated to be \$0.50/square foot per year inflated by 2.5% annually for the first fifteen years. Capital expenditures are estimated to increase to \$1.50/square foot for years 15-35 inflated annually by 2.5%. The capital reserve will be owned and maintained by the Special Purpose Entity

Debt Service Expenses

Under this lease option, the tenant improvements would be constructed and financed by the County. The total costs for the design and construction of the space is estimated to be \$28.1 million. The total debt service costs associated with the initial construction is estimated to be \$35.3 million.

The 30-year cash flow also anticipates \$5.6 million of capital improvements to the interior space after 15 years. The planned improvements would help ensure effective space utilization and align with industry standards for space upgrades. Examples may include elevator modernization, replacement of tenant-specific electrical or HVAC systems, upgrades to security, or other improvements. It is anticipated that this will be financed with bonds and total debt service is estimated to be \$7.0 million.

Option 2 Lease (All) finished space from MCW \$130.2 million (\$80.2 million NPV)

Under the lease finished space option, the County would enter into a long term lease agreement with MCW. MCW would lease a finished white box space to the County. The County would not have to issue debt for the facility or improvements, but would supply its own furniture, data systems and equipment. The County would also need to fund the design of the leased space and future estimated capital improvements that exceed the funds in the capital reserve.

Lease Expenses

The estimated annual lease price is between \$30-\$35 per square foot for the finished space.⁹ MCW would take responsibility for managing all aspects of the building. Milwaukee County would be subject only to traditional lease tenant terms. MCW's costs associated with building the entire building includes planning/design (shell only), site work, construction, and other soft costs. These costs would be an operational expense for the County and are estimated to be \$2.6 million annually.

Under the proposed lease agreement, the County's lease term would be 30-years with 2 additional five year options for the County.

Capital Reserve Account

Capital improvements to the shell and common areas would be shared by the County and MCW. The County would contribute to a capital reserve account to fund future capital improvements to the shell and common areas on a per square foot basis.¹⁰ The capital reserve is **not** used for improvements to the County owned space and equipment.

The cash flow for the Lease All option includes an estimate of \$3.3 million of capital improvements to the interior space after 15 years for future capital improvements in excess of the capital reserve account.

⁹ The cash flow assumes \$33.80 per square foot.

¹⁰ Capital expenditures are estimated to be \$1.00/square foot per year inflated by 2.5% annually for the first fifteen years. Capital expenditures are estimated to increase to \$2.00/square foot for years 15-35 inflated annually by 2.5%. The capital reserve will be owned and maintained by the Special Purpose Entity with County representation guiding use of the fund.

Option 3 County Build Own Facility \$124.9 million (\$84.0 million NPV)

Under the County building its own facility option, the County would finance site prep, design, and construction costs associated with the new facility.

Debt Service Expenses

The total costs for the site work, design, and construction of the new facility would be entirely financed by the County. It is estimated that the initial capital costs to build the facility would be \$52.3 million. The 30-year cash flow also includes capital costs of \$11.2 million of future capital improvements. The planned improvements would help ensure effective space utilization and align with industry standards for space upgrades. Examples may include elevator modernization, replacement of tenant-specific electrical or HVAC systems, upgrades to security, or other improvements. The total debt service costs associated with the new facility is estimated to be \$79.8 million.

Summary of Comparison

Beyond the 30-year cash flow of the three proposals there are other qualitative factors that should be considered by policymakers before entering into a long term lease commitment or creating a new county asset. The advantages and disadvantages for each of the options are included below.

Advantages from Leasing from MCW

Co-location could increase the number of pathology residents and fellows, which now are in short supply and may open up new forensic research grant opportunities.¹¹ Partnerships could also result in enhanced laboratory practices through student validation and methodological studies. A memo from the County Chief Medical Examiner and the Director of OEM is attached to this file that discusses the benefits of colocation with the MCW.

Long term lease includes a capital reserve which will be used to finance capital improvements to the leased portion of the facility. Also maintenance and repair expenses would be incorporated into the Lease agreement. This will make it more likely that improvements and repairs are done on a timely basis.

Disadvantages from Leasing from MCW

A financing source has not been identified for the lease expenses. If no other financing source is identified, and it is paid from tax levy it will have to compete with other operational priorities.

The County will have less flexibility with the lease expense then if the County owned the facility.

If the County finances the tenant improvements, the project costs would have a significant impact on the County's self-imposed bonding limit.

11 December 2016 Public Policy Forum Report "Analyzing the potential for a public-private forensic science center in southeast Wisconsin"

Advantage of Building a County-owned Facility

The County could finance the entire cost of the asset and finance the cost with property tax levy. The debt service expenses are exempt from the State's local levy limit and therefore would not compete with other operational priorities.

The County would have control over the asset. The timing of repairs could be modified to reflect the availability of resources.

Disadvantages of Building a County-owned facility

Project costs would have a significant impact on the County's self-imposed bonding limit.

Since MCW is unwilling to be a tenant in a County-owned facility, the co-location benefits as identified by the Wisconsin Policy Forum would not be present.

Limited resources and other priorities have resulted in deferred maintenance at many County facilities. If the facility is owned by the County other priorities may crowd out maintenance budgets that would be required so that the County owned facility does not fall behind on needed repairs.

RECOMMENDATION

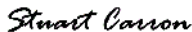
This report is informational; it is recommended that it is placed on file. The report fulfills the requirement from the 2019 Budget.

A separate report is anticipated for submittal in the September cycle to approve moving funds budgeted in the contingency account in Project WC21401 Forensic Science Center so that funds are available to be spent on continued project planning.



Scott B. Manske
Comptroller

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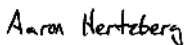


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cc: Chris Abele, County Executive

Supervisor Luigi Schmitt, Chairman, Finance and Audit Committee

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Kelly Bablitch, Chief of Staff, County Board

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Option #1 Center for Forensic Science and Protective Medicine	Financed Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-32	Total Nominal
Planning and Design (Tenant Improvements)	\$2,760,481											\$0
Construction (Tenant Improvements)	\$25,356,273											
Furniture and Fixtures (Tenant Improvements)			\$2,425,869									\$2,425,869
Final Relocation Costs				\$260,000								\$260,000
OEM On-going Lease @ 633 W. Wisconsin		\$132,636	\$132,636	\$66,318								\$331,590
Estimated out year capital needs	\$5,600,000											
Milwaukee County Debt Service Costs												
Principal		\$0	\$148,422	\$1,516,194	\$1,561,680	\$1,608,531	\$8,796,105	\$10,197,096	\$5,219,374	\$1,746,771	\$2,922,581	\$33,716,754
Interest		\$0	\$82,814	\$839,050	\$793,564	\$746,714	\$2,980,117	\$1,579,126	\$667,157	\$598,693	\$361,069	\$8,648,304
Annual Debt Service		\$0	\$231,236	\$2,355,244	\$2,355,244	\$2,355,244	\$11,776,222	\$11,776,222	\$5,886,531	\$2,345,464	\$3,283,650	\$42,365,058
Operating and Maintenance Expenses												
Operating and Maintenance Expenses (Excluding Utilities)		\$0	\$0	\$463,582	\$477,490	\$491,815	\$2,689,444	\$3,117,802	\$3,614,388	\$4,190,066	\$7,010,540	\$22,055,127
Utilities		\$0	\$0	\$309,055	\$318,327	\$327,876	\$1,792,963	\$2,078,535	\$2,409,592	\$2,793,377	\$4,673,693	\$14,703,418
Operating and Maintenance Expenses (Including Utilities)		\$0	\$0	\$772,637	\$795,816	\$819,691	\$4,482,406	\$5,196,337	\$6,023,979	\$6,983,443	\$11,684,233	\$36,758,544
Annual Lease Related Expenses												
Lease Cost - Shell		\$0	\$0	\$1,236,220	\$1,236,220	\$1,236,220	\$6,181,099	\$6,181,099	\$6,181,099	\$6,181,099	\$8,653,539	\$37,086,594
Lease Cost - Capital Reserve		\$0	\$0	\$38,632	\$39,598	\$40,588	\$218,675	\$247,411	\$534,513	\$672,427	\$1,092,398	\$2,884,241
Annual Lease Related Expenses		\$0	\$0	\$1,274,852	\$1,275,817	\$1,276,807	\$6,399,774	\$6,428,510	\$6,715,612	\$6,853,526	\$9,745,937	\$39,970,835
Total Costs		\$132,636	\$2,789,741	\$4,729,051	\$4,426,878	\$4,451,743	\$22,658,402	\$23,401,069	\$18,626,122	\$16,182,433	\$24,713,820	\$122,111,896
Average Annual Total Costs		\$132,636	\$2,789,741	\$4,729,051	\$4,426,878	\$4,451,743	\$4,531,680	\$4,680,214	\$3,725,224	\$3,236,487	\$3,530,546	
Total Nominal Costs	\$122,111,896											
NPV of Annual Costs	\$78,421,230											

Assumptions

Inflation/Discount Rate/Bond Rate	3%	
Bond term	15 yrs	
design & planning cost - % of construction		15%
Operating & Maintenance Expenses (Excluding Utilities)	\$6 Sq. Ft.	
Utilities	\$4 Sq. Ft.	
Est Square Footage	77,263.74	
MCW: Lease Price	16 psf gross	
Capital Reserve	0.5 psf Year 1-15 (2.5% annual increase)	
	1.5 psf Year 16-30 (2.5% annual increase)	

<u>Option #2 Lease Finished Space from MCW</u>	Financed Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-32	Total Nominal
Planning and Design (Tenant Improvements)			\$2,760,481									\$2,760,481
Construction (Tenant Improvements)	\$0											
Furniture and Fixtures (Tenant Improvements)			\$2,425,869									\$2,425,869
Final Relocation Costs				\$260,000								\$260,000
OEM On-going Lease @ 633 W. Wisconsin		\$132,636	\$132,636	\$66,318								\$331,590
Estimated out year capital needs	\$0								\$3,300,000			\$3,300,000

Milwaukee County Debt Service Costs

Principal		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Debt Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Operating and Maintenance Expenses

Operating and Maintenance Expenses (Excluding Utilities)		\$0	\$0	\$463,582	\$477,490	\$491,815	\$2,689,444	\$3,117,802	\$3,614,388	\$4,190,066	\$7,010,540	\$22,055,127
Utilities		\$0	\$0	\$309,055	\$318,327	\$327,876	\$1,792,963	\$2,078,535	\$2,409,592	\$2,793,377	\$4,673,693	\$14,703,418
Operating and Maintenance Expenses (Including Utilities)		\$0	\$0	\$772,637	\$795,816	\$819,691	\$4,482,406	\$5,196,337	\$6,023,979	\$6,983,443	\$11,684,233	\$36,758,544

Annual Lease Related Expenses

Lease Cost - Shell & Tenant Improvements		\$0	\$0	\$2,611,514	\$2,611,514	\$2,611,514	\$13,057,572	\$13,057,572	\$13,057,572	\$13,057,572	\$18,280,600	\$78,345,430
Lease Cost - Capital Reserve		\$0	\$0	\$77,264	\$79,195	\$81,175	\$437,351	\$494,822	\$1,218,371	\$1,378,475	\$2,239,416	\$6,006,068
Annual Lease Related Expenses		\$0	\$0	\$2,688,778	\$2,690,710	\$2,692,690	\$13,494,922	\$13,552,394	\$14,275,942	\$14,436,046	\$20,520,016	\$84,351,498

Total Costs		\$2,893,117	\$2,558,505	\$3,787,733	\$3,486,526	\$3,512,381	\$17,977,329	\$18,748,731	\$23,599,922	\$21,419,489	\$32,204,249	\$130,187,982
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Average Annual Total Costs		\$2,893,117	\$2,558,505	\$3,787,733	\$3,486,526	\$3,512,381	\$3,595,466	\$3,749,746	\$4,719,984	\$4,283,898	\$4,600,607	
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Total Nominal Costs	\$130,187,982
NPV of Annual Costs	\$80,231,714

Assumptions

Inflation/Discount Rate/Bond Rate	3%
Bond term	15 yrs
design & planning cost - % of construction	15%
Operating & Maintenance Expenses (Excluding Utilities)	\$6 Sq. Ft.
Utilities	\$4 Sq. Ft.
Est Square Footage	77,263.74
MCW: Lease Price	33.8 psf gross
Capital Reserve	\$1 psf Year 1-15 (2.5% annual increase)
	\$3 psf Year 16-30 (2.5% annual increase)

<u>Option #3 County Build Own</u>	Financed Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-32	Total Nominal
Site Prep	\$2,250,000											
Planning and Design (Base Building)	\$2,435,332											
Planning and Design (Tenant Improvements)	\$2,760,481											\$0
Construction (Base Building)	\$19,482,659											
Construction (Tenant Improvements)	\$25,356,273											
Furniture and Fixtures (Tenant Improvements)			\$2,425,869									\$2,425,869
Final Relocation Costs					\$260,000							\$260,000
OEM On-going Lease @ 633 W. Wisconsin		\$132,636	\$132,636	\$66,318								\$331,590
Estimated out year capital needs	\$11,201,000											

Milwaukee County Debt Service Costs

Principal	\$0	\$1,447,852	\$2,854,608	\$2,940,246	\$3,028,453	\$16,560,823	\$19,198,533	\$8,115,693	\$3,493,854	\$5,845,684	\$63,485,745
Interest	\$0	\$807,854	\$1,525,107	\$1,439,469	\$1,351,261	\$5,337,749	\$2,700,039	\$1,202,838	\$1,197,494	\$722,202	\$16,284,012
Annual Debt Service	\$0	\$2,255,706	\$4,379,714	\$4,379,714	\$4,379,714	\$21,898,571	\$21,898,571	\$9,318,531	\$4,691,347	\$6,567,886	\$79,769,757

Operating and Maintenance Expenses

Operating and Maintenance Expenses (Excluding Utilities)	\$0	\$0	\$531,348	\$547,288	\$563,707	\$3,082,581	\$3,573,557	\$4,142,732	\$4,802,561	\$8,035,327	\$25,279,102
Utilities	\$0	\$0	\$354,232	\$364,859	\$375,805	\$2,055,054	\$2,382,371	\$2,761,821	\$3,201,708	\$5,356,885	\$16,852,735
Operating and Maintenance Expenses (Including Utilities)	\$0	\$0	\$885,580	\$912,147	\$939,512	\$5,137,636	\$5,955,928	\$6,904,553	\$8,004,269	\$13,392,212	\$42,131,837

Annual Lease Related Expenses

Lease Cost - Shell	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lease Cost - Capital Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Lease Related Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Costs	\$132,636	\$4,814,211	\$5,591,612	\$5,291,862	\$5,319,226	\$27,036,207	\$27,854,499	\$16,223,084	\$12,695,616	\$19,960,098	\$124,919,052
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Average Annual Total Costs	\$132,636	\$4,814,211	\$5,591,612	\$5,291,862	\$5,319,226	\$5,407,241	\$5,570,900	\$3,244,617	\$2,539,123	\$2,851,443	
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Total Nominal Costs	\$124,919,052
NPV of Annual Costs	\$83,973,627

Assumptions

Inflation/Discount Rate/Bond Rate	3%
Bond term	15 yrs
design & planning cost - % of construction	15%
Operating & Maintenance Expenses (Excluding Utilities)	\$6 Sq. Ft.
Utilities	\$4 Sq. Ft.
Est Square Footage	88,558.00
MCW: Lease Price	N/A psf gross
Capital Reserve	N/A psf Year 1-15 (2.5% annual increase)
	N/A psf Year 16-30 (2.5% annual increase)



Milwaukee County

DATE: 10.4.2018

TO: Supervisor Theodore Lipscomb, Sr., Chairman, County Board of Supervisors

FROM: Dr. Brian Peterson, Chief Medical Examiner; and, Christine Westrich, Director, Office of Emergency Management

SUBJECT: The Chief Medical Examiner and the Director of the Office of Emergency Management provide information on growing relocation needs and simultaneous benefits of colocation with the Medical College of Wisconsin and others in a Center for Forensic Science and Protective Medicine

There are publications today that have documented the failing infrastructure of both the Medical Examiner's Office (MEO) and the Office of Emergency Management (OEM) home bases, the MEO at 10th and Highland and OEM in the Safety Building at 9th and State. The Wisconsin Policy Forum (WPF) states that the locations "should be fully replaced as soon as possible."¹

Let's look forward—onto good news. For over 40 years, the Medical College of Wisconsin (MCW) and Milwaukee County have partnered a sustainable, mutually beneficial relationship that has enhanced our region's studies in pathology and emergency medicine. Recently, MCW invited the County to join in the construction of a new Center for Forensic Science and Protective Medicine facility that co-locates essential medical, safety, and research services. Such housing of both a high-tech curriculum and a real-time operations center creates a pipeline for forensic specialists and telecommunicators in advanced training, modern criminal justice investigations and coordinated emergency response.

OEM research with the MCW in the field of Emergency Medicine can be expanded to include fellows and residents in Pathology; likewise, the reverse is true with emergency physicians expanding into forensic studies. This academic exchange will result in cross-functional advantages, yet another unexplored benefit in this collaborative model.

Additional partnerships include laboratory tenants such as the Wisconsin Tissue Bank, MATC Funeral Science Program and the Poison Control Center. Not only are enhanced services provided to the community, but a competitive advantage would be ignited within the state, attracting motivated students, academicians, and other talent. It is reasonable to expect additional grant monies for such a consortium of experts.

Back to bad news—the opioid epidemic. Here, there is clear evidence of the need for optimal communications and data sharing between the MEO and OEM. Though too late for those fatal

¹ Wisconsin Policy Forum: *Cracks in the Foundation*. Retrieved on October 4th, 2018.
<https://wispolicyforum.org/research/cracks-in-the-foundation/>

overdoses, the MEO data informs response and treatment measures on the part of OEM and countywide emergency medical services. Co-location avoids perceived geo-barriers and furthers partnerships with opiate experts and emergency medicine personnel.


Annually, the OEM 9-1-1 receives 273,000 calls for help, OEM-educated paramedics transport over 560,000 patients to local hospitals, and the MEO investigates over 7,000 deaths. This sequence—emergency response, emergency medicine, and post-emergency—will undoubtedly see measurable benefits from a dedicated hub of learning focused on the cycle of life.

There are additional opportunities that need further exploration countywide. For example, the DHHS Behavioral Health Division is investigating of "Air Traffic Control" methodology, a technique currently implemented in OEM's paramedic communications center. Real-time performance dashboards of patient tracking and bed inventories is a shared goal.

Here, we find evidence of cross-functional efficiencies within Milwaukee County; the pursuit of combining various 24/7 operations center with after-hours operations of additional County departments will availability will save countless taxpayer dollars.

Today, stigmas associated with emergency services, mental illness and the ultimate certainty of death are known to be detrimental to society, rather these are all components of our earthly existence that will reap great benefit when academic researchers and first responders are exposed to collaborative coordination of patient care, up to, and possibly including autopsy conclusions that can change processes *pre-death*, potentially resulting in life-saving changes.

In conclusion, we have a rare and "potentially ground-breaking opportunity" to shift the landscape towards modernity in southeastern Wisconsin.² We respectfully submit this paper as representation of our joint vision on the Center for Forensic Science and Protective Medicine. It is clear to us that the benefits far outweigh the alternatives and presents local policymakers with the opportunity to exhibit fiscal stewardship in seizing economic efficiencies, while also launching Milwaukee County as a leader of forensics and emergency medicine.



 Brian L. Peterson, M.D.
 Chief Medical Examiner, MCMEO



 Christine Westrich
 Director, MCOEM

CC: Chris Abele, County Executive
 Raisa Koltun, Chief of Staff, Office of the County Executive
 Kelly Bablitch, Chief of Staff, County Board of Supervisors
 Joseph Lamers, Director, DAS-Performance, Strategy and Budget (DAS-PSB)
 Steve Cady, Research & Policy Director, Office of the Comptroller

² Wisconsin Policy Forum: Breaking New Ground. Retrieved on October 4th, 2018.
<https://wispolicyforum.org/research/cracks-in-the-foundation/>