

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 25, 2021

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

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

SUBJECT: From the Director, Department of Health and Human Services (DHHS), and the Director, Department of Administrative Services (DAS), providing an informational report on the status of the relocation of DHHS and BHD employees including recent decisions by DHHS leadership on real estate strategy and related impacts on existing County-owned facilities

FILE TYPE: Informational Report

REQUEST

This informational report on the Department of Health and Human Services Administration Relocation is provided as part of the ongoing communication with the board on the status of the DHHS 'No Wrong Door' approach and facility requirements. This informational update is provided in anticipation of a September action report requesting the release of allocated contingency funds for construction of the facility improvements.

POLICY

As part of the 2021 Adopted Capital Budget, the County Board approved budget amendment 1B005 to capital project WS12601 – Youth Services and Admin Relocation. This amendment required that a written plan detailing the project scope and new location for the redeployment of staff be submitted to the County Board for review prior to the release of approximately \$4.7 million in funds being held in contingency.

BACKGROUND

DHHS Administration Relocation Project

DHHS and the Department of Administrative Services, Facilities Management Division (DAS-FMD) 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.

File 20-110 submitted to the County Board in January 2020, provides additional information on the DHHS future state vision and considerations driving the real estate search and facility strategies at the time of the report. Since that report, DHHS, DAS-FMD and DAS-Economic Development (DAS-ED) staff have been refining the space program and real estate strategy with assistance from design consultants and real estate brokers. Preliminary lease terms were discussed with one of the property owners to better define proposed costs and schedule for occupancy by DHHS. In the second quarter of 2020, DHHS developed a short-list of three potential properties for lease.

Related Efforts

In parallel with the DHHS administrative space relocation project, DAS-FMD and DAS-ED staff have been studying options for the future of Coggs, taking into account the DHHS project, the current tenancy of Coggs by the State of Wisconsin, other potential County staff relocations into Coggs, and a significant list of deferred maintenance projects. The options explored consisted of combinations of County ownership, County sale-leaseback arrangements, and County disposal. The findings from that study indicated that disposal of Coggs within the next few years was in the County's best interest financially. The study and findings were presented in File 21-436 to the Health Equity, Human Needs and Strategic Planning Committee and the Finance Committee in the May 2021 County Board cycle.

DHHS also has been collaborating with other members of the Milwaukee Health Care Partnership on a new Mental Health Emergency Center (MHEC) to replace the existing functions at the Mental Health Complex. The new MHEC will be constructed in the existing County-owned parking lot north of West Cherry Street, between North 12th and North 13th Streets. The new MHEC facility is scheduled to be completed and operational in late 2022. The construction costs of the MHEC facility will be shared between Milwaukee County and health system partners. The County Board authorized bond financing for the county's portion of the MHEC under File 21-314.

New Direction

In May 2021, DHHS leadership decided it was best to maintain the existing presence at Coggs and relocate DHHS and BHD employees to Coggs. Although the needed capital investment in Coggs is significant at \$46 million over 20 years, the annual operating leases for the alternative locations presented enormous fiscal challenges to balancing the budget without resorting to programmatic or staffing cuts. Ultimately, the choice to remain at the Coggs Center was considered the best option as Coggs has been a long-

recognized location for providing and receiving community services, it's close to the people we serve, and allows for close coordination with the development of the new MHEC with the Milwaukee Health Care Partnership.

To be able to best serve the needs of DHHS customers and staff and support the “No Wrong Door” approach, significant investment in Coggs is necessary to:

- create a more warm, welcoming entrance
- eliminate accessibility shortcomings
- provide necessary reconfiguration of office and customer service space

In addition, investment is necessary to address the deferred maintenance needs, additional office reconfigurations for other County departments and functions, and potentially tenant improvements to maintain the State of Wisconsin as a tenant.

DAS-FMD staff are currently developing and refining capital project requests to address the various capital needs starting in 2022.

Funding

The 2021 Adopted Budget included budget amendment 1B005 related to existing capital project WS126, which directed approximately \$4.7 million intended for tenant improvements to be held in an allocated contingency pending review by the County Board of a report detailing the project scope and location. It is anticipated that a report requesting release of the allocated contingency will be submitted for the September County Board cycle. Because BHD employees are being relocated to the Coggs Center, a portion of these funds are coming from BHD and will need Mental Health Board approval.

Related File No's:	20-110, 21-436, 21-314
Associated File No's (Including Transfer Packets):	
Previous Action Date(s):	

STRATEGIC PLAN ALIGNMENT & RACIAL EQUITY COMPONENT

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:

- Determining what, where and how we deliver services to advance health equity
- Investing “upstream” to address root causes of health disparities
- Enhancing the County’s fiscal health and sustainability
- Dismantling barriers to diverse and inclusive communities

FISCAL EFFECT

This report is informational only. There is no fiscal effect.

TERMS

As there are no contracts under consideration as part of this informational report, there are no contract terms to provide.

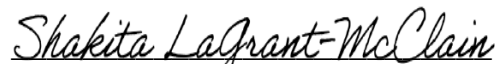
VIRTUAL MEETING INVITEES

Shakita LaGrant-McClain, Director, DHHS
David Muhammad, Deputy Director, DHHS
Clare O'Brien, Budget & Policy Director, DHHS
Mark Fortman, DHHS Fiscal Administrator
Peter Nilles, Director, Facilities Planning and Development, DAS-FMD
Adam Stehly, Project Manager, DAS-ED

PREPARED BY

Peter Nilles, Director, Facilities Planning & Development, DAS-FMD
Clare O'Brien, Budget & Policy Director, DHHS

APPROVED BY


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

Aaron Hertzberg, Director
Department of Administrative Services

ATTACHMENTS

None

cc: David Crowley, County Executive
Mary Jo Meyers, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board
Janelle M. Jensen, Manager, Legislative Services, Office of the County Clerk

Stuart Carron, Director, Facilities Management Division, Department of Administrative Services