

Citizens Oversight Committee (COC)  
Meeting Minutes  
November 29, 2007

Ron Salem opened the meeting, welcomed the committee. He commented that he'd attended the Courthouse Architectural Review Committee (CARC), as he is on that committee representing the COC. He explained that Alan Mosley was going to present to the COC the fourth option plan that had been presented at the CARC. Mr. Salem continued to say that he didn't feel comfortable with funding sources on that plan, so he didn't vote for it. He concluded by saying that he would have preferred that the COC hear the presentation before the CARC, but due to scheduling it wasn't able to happen, but that he was interested to know what the committee thought of the plan.

Mr. Mosley then began his remarks, thanking Mr. Salem for his comments and for voting as he felt appropriate at the CARC. Mr. Mosley said that he was going to discuss what they refer to as option three. He said they weren't prepared to discuss in detail some of the financing issues when this was presented to CARC, but that he was prepared that evening to discuss it.

Mr. Mosley introduced Mickey Miller, Chief Financial Officer; Dave Schneider, senior project manager; Misty Skipper of the Mayor's Office; and Carol Mirando of the Office of General Counsel.

Mr. Mosley then gave a powerpoint presentation, beginning with the passage of BJP through the Cannon experience and to today.

Notable comments from the presentation:

- Existing Courthouse budget \$263.5 million, approved by Council, and stipulates a criminal facility at LaVilla, leaving civil on the waterfront.
- Of that budget, \$13.5 million is specifically for master planning, and it's under that line item that the city has been working to determine the viability of a unified court as opposed to split courts.
- \$64.3 million has been spent to date; \$23.6 million on land, and other dollars spent on utility relocation and some other things.
- City estimates that about 35 million is still of value to the courthouse program
- Foundation of all the options under consideration is the Wiley plan, last updated in August 2005.
- Option 1 involves leaving everything on Bay Street, using the 500K sqft in the existing Courthouse and the Annex.
  - Option requires adding 400K sqft to meet the Wiley program
  - City would still have to rent space.
  - Pros - Lowest cost
  - Cons - Long construction period, logistical issues to renovate while still using the buildings, would keep government on the river.

- Option 2A – most closely resembles program outlined in the current ordinance to build 388K sqft criminal facility at LaVilla and keep civil court in the existing facility.
  - Requires repairs to existing facility.
  - Would leave government on the river until approximately 2017, when a new civil facility would need to be built.
  - City would renovate Old Federal Courthouse for State Attorney’s Office, and floors in the Ed Ball building for Public Defender.
  - Pros – lower initial cost, would take first step toward moving off the river
  - Cons – City would have dual operating costs with two buildings, keeps government on the river until at least 2017, uncertainty about future construction costs when it comes time to build the civil court.
- Option 2B – devised by the Auchter/Perry McCall before they left the project, to build a 650K sqft unified facility at LaVilla
  - Would require a future 150K sqft building in about 2017
  - State Attorney’s Office would still go to the Old Federal Courthouse, Public Defender Ed Ball.
  - Pros – Would provide a unified court, get government off the river immediately, would be able to capture the investments already made in LaVilla, and would not have dual operation costs.
  - Cons – short design life, potential for perpetual construction, in that the first facility would open in 2011, but would have to start up again 2017.
- Option 3 – This is the one presented to the Courthouse Architectural Review Committee and what will be presented to Council. Involves a unified facility at 800K sqft.
  - State Attorney’s Office and Public Defender offices would be consistent plan with the other plans
  - Pros – Similar to the pros for Option 2B, and eliminates the need for future construction and meets the Wiley program
  - Cons – Highest initial cost
- Option 3’s cost estimate range is between \$358 million and \$455 million. Turner/KBJ is working to finalize the number, hope to have in mid-December.
- Hope to get to Council with legislation first part of January, to ask for a revision to the existing five-year CIP.
- Expect to reach occupancy in 3<sup>rd</sup> quarter 2011
- Funding:
  - Have authorized the bond issuance of \$223.5 million of the \$263.5 million budget
  - The additional money needed to reach the Option 3 budget would be the last money required in the project
  - Intent is to go under contract with Turner using existing BJP dollars and the traffic fine revenues, then issue new debt in such a way to early on we pay only principle until we occupy the building, after which we would pay principle and interest.

Mr. Mosley then asked for questions.

*Will there be 7 floors with a shelled 8<sup>th</sup> floor?*

The judges proposed to shell an additional floor. We don't plan to do that.

Mr. Salem explained that the shelled floor was another reason he voted against the proposal, in that he couldn't justify spending another \$8-12 million to shell a floor they don't really need.

*What's the total build out on this building? Started at 900K, down to 600K?*

This building is 800K of new Courthouse facility – total program is 1,030,000 sqft. Of that program, 170K is programmed for the State Attorney's Office, the balance is the Public Defender's Office.

*Tell us about the \$50 million on the garage (option 1)?*

Right now, at the current Courthouse, jurors park at sports complex. That is not a sustainable model. To compare options, to be sustainable, there would need to be a parking facility to serve the Bay Street site.

*There's not existing parking downtown to suffice?*

There really isn't. To-date we've used JTA to help shuttle. And recently the chief judge and court administration group purchased a bus. It puts jurors in a bad position, especially with daylight savings, to get to their cars late at night.

*This won't take additional BJP money, correct? When the 30 years is up, BJP will still disappear?*

The additional money will be associated with new debt issuance embedded in our CIP and the traffic fine revenues. No new BJP money will be used.

*Administration has had a \$52 million bill in Council for some time now – what will you do with that?*

Probably sub and re-refer. Once the Auchter/Perry McCall alternative became a non-starter, we left the legislation in there as a placeholder. We will take this revised legislation and substitute it.

*Bond issues in 2009 and 2012 – are they 20 or 30 year issues?*

They'd be 30 years.

*The \$40 million you expect to get in traffic fines – what's the return on that? What's the guarantee you'll collect what you need?*

There's about four years of history that we can see how it's performing. We're comfortable with our estimates.

*Does this take away from any current CIP projects?*

It does not – our current CIP contemplated blend of cash and borrowing. We'll take some of the cash and just redeploy it as borrowing.

*Given current budget situation, with property taxes and all – how will this impact our financing of future projects? What happens if the amendment passes?*

The theme we tried to use is to stick within our current CIP. As long as we stay within our pre-existing model, we feel comfortable moving forward.

*Plan proposing to free up riverfront property. Do we plan to sell? Best guess of how much that will fetch and where will that money go?*

Recent appraisals put the figure at about \$32 million, but the sale price will depend on the market at the time. We didn't include it in tonight's discussion because there's uncertainty about when we'll sell it and how much we'll get. If we were to get cash for it, it would certainly count toward our debt and ultimately we'd need \$32-40 million less.

*What happens if we go to Council and get shot down?*

Don't know. One thing Council could say is that we have authorization to build criminal, so go build it. We would have to design that.

*Are we going to have to close any streets?*

We are going to realign Monroe Street a bit but we're not closing any new streets.

*One of the other issues before was the Sheriff's detention facility. Any more discussion?*

We have some time before we have to deal with that. The existing facility has some years left.

*On the old building, there's surface parking. Would that go away if we continue to use that building?*

I think we'd look to stack on top of that.

*Is the estimate to shell a floor \$8-12 million?*

Again, it was contemplated before to add that in. We're not supportive.

*Would the judges go before Council too, to plead their case?*

Expect they may approach Council to make a case for an additional floor.

*How much did the voters approve in BJP?*

The original number was \$190 million, there was a vertical contingency fund in BJP that provided another \$21 million to bring the number to \$211 million, and then we added the traffic fine revenue.

*Any thought given to going back to voters with a referendum to approve money?*

We're pursuing the path to make this happen by changing our CIP.

*Do we have a GMP?*

We expect Turner to give us a budget ceiling; we're expecting a figure of \$395 million or less. We'd then go to Council to do that figure, enter a contract with Turner to move forward and get GMP roughly in the fall. The thought behind establishing a GMP is that

the more development of plans and work you can give the team, the better your GMP is going to be. The more risk you take out of the contractor's world, the better price you'll get. But when we go to Council and ask for set sum, that's pretty much it.

*This is the last major project this committee will be involved in. What is the lifetime of this committee?*

Don't know. There are some other projects out there reaching their end. Maybe discuss at next meeting.

***Action Item: Discuss future of COC at the next meeting***

Mr. Salem asked if the committee had any thoughts on the option presented. General consensus was that it was a good direction. The committee discussed briefly the issues surrounding the detention facility and potential for expansion at the P-farm.

*Where does the sheriff stand on this design?*

He is very supportive of this plan.

The meeting was adjourned.