



NEWS RELEASE

OFFICE OF THE MAYOR
JOHN PEYTON
MAYOR

FOR IMMEDIATE RELEASE

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Mayor Suspends Work on Courthouse: Guaranteed Maximum Price "Too High"

JACKSONVILLE, Fla. Oct. 28, 2004 -- Mayor John Peyton announced today that he is terminating work on the current Duval County Courthouse project. His decision was prompted by the delivery of a Guaranteed Maximum Price (GMP) for construction of the courthouse that significantly exceeded projections.

"This number is unacceptable, and I am very disappointed that the design and construction team couldn't do better," said Mayor Peyton. "This number extends beyond any budget we have set, and it simply will not do."

The GMP delivered today was \$225.3 million, rather than the \$199 million that would have been necessary in order to meet the budget proposed for the building.

After receiving the GMP, Mayor Peyton directed that the city's relationships with the existing design and construction team, Skanska Dynamic Partners (Construction Manager) and Cannon Design (architect), be terminated. He has also directed staff to determine the most up-to-date information on the needs of the community and the judiciary; develop a budget and a plan that will meet those needs at a price the taxpayers can afford to spend; and assemble a new design and construction team in which the mayor, the Jacksonville City Council and the public can have confidence.

"The easy part of this is saying "no" and stopping the project," said the mayor. "The more difficult part is determining the best way to move forward. But I can assure the citizens of Jacksonville that we will not take another step until we have diligently reviewed our options and ensured that we have all the facts we need to build a courthouse that this community can afford."

The courthouse project was initiated as a part of the Better Jacksonville Plan in 2000 because it was widely agreed that the existing courthouse was inadequate and outdated, and because Jacksonville faced the threat of a court order to build a new facility. The Better Jacksonville Plan budgeted \$190 million for the courthouse project and the Delaney administration designated an additional \$21 million in contingency funds to it, bringing the total available for the entire project to \$211 million.

The initial budget projections created by the former administration were based upon the assumption that the courthouse would be built on land already owned by the city. After the approval of the Better Jacksonville Plan by voters, however, the site selection committee for the project decided to move it to a parcel of land away from the river and closer to the new city hall and other government buildings. The



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land and associated relocation of utilities cost the city more than \$25 million, beginning a cascade of increased costs that included: significantly increased security requirements as a result of the 9-11 terrorist attacks; the receipt of the 2000 Census numbers showing a population increase that projected a need for more square footage; and an exponential rise in the costs of building materials, especially concrete and steel.

When Mayor Peyton took office in July of 2003, it was already clear that the cost of the courthouse would significantly exceed the budget established under the Better Jacksonville Plan. Since that time, the mayor and his team have worked to determine how best to move forward to meet the community's need for a courthouse without breaking the bank or breaking faith with the voters who approved the Better Jacksonville Plan.

Although reluctant to start over due to the amount of funds already spent or encumbered on the present project that is not recoverable – about \$27 million – the mayor stated today that he had lost faith in the design and construction teams utilized by the city to date and believed that the most prudent course of action was to terminate those relationships, stop the project, reassess the situation and determine how best to proceed.

No specific timeline for a decision was set in today's announcement, but the mayor noted that he does not plan to rush ahead with a course of action as recommended by three members of City Council, or with any other options at this time.

“We are not going to set any artificial deadlines,” he stated. “We will take the time we need to fully assess the community's needs and determine how to proceed with a project that will meet those needs and keep faith with our taxpayers. Every family in Jacksonville has to live within a budget, and our city government should do the same thing.”

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