

MEMORANDUM

Criminal Justice Reform Task Force | Finance Team

To: Indianapolis Criminal Justice Reform Task Force
From: CJRTF Finance Team: Fady Qaddoura, Bart Brown, Sarah Riordan
Date: February 28, 2017
Subject: Preliminary Facilities Cost Analysis

The Criminal Justice Reform Task Force made a series of recommendations to Mayor Joe Hogsett in its December 2016 Report, including changes to criminal justice processes as well as the construction of a community justice campus. With regard to the campus, the Task Force recommended that it include four facilities: (1) an assessment and intervention facility; (2) a consolidated county jail; (3) a courts facility; and (4) a professional office building to provide space for both public and private entities.

At the same time, the Finance Team provided a preliminary analysis of the funds available on an annual basis for debt service or lease payments to finance the development and construction of the campus. Review of agency budgets and available revenues yielded a preliminary estimate of \$35 million each year for the next 30 years. The Task Force is continuing efforts to identify additional revenues and savings that may be available. Our public safety and criminal justice agencies will have a greater role in this process going forward.

HOK, a design, architecture, engineering and planning firm, was engaged as the City's consultant on architectural design in connection with the prior criminal justice center project between 2013 and 2015. HOK drafted the original RFPs for that project and gained a great deal of familiarity with project cost estimates, as well as space and other requirements of the project.

The City retained HOK in 2016 to continue its work on preliminary cost estimate and space requirements. Along with members of the Task Force, HOK met with agencies and stakeholders over the last several months to determine the current and updated project requirements. Using the information gained from those stakeholder meetings, in combination with current industry trends and inflationary pressures, HOK has developed a preliminary analysis of required square footage as well as hard and soft costs associated with development and construction of the proposed facilities.

The table set forth in the next page contemplates four categories of facilities (the first three of which make up the community justice campus at the Citizens/Twin Aire site) and preliminary estimated costs of each potential project. First, the "Assessment and Intervention Center" category includes construction of space where mental health and addiction clinicians and social service providers will administer assessment and screening services. Second, the "Consolidated Jail" category includes construction of a jail, a health facility, and an arrestee processing and engagement center. Third, the "Courthouse" category is based on the assumption of constructing a justice building that includes all Superior Courts (criminal and civil), as well as the Circuit and Juvenile Courts, the Clerk, Probation, and Re-Entry. The fourth category of facilities includes other miscellaneous renovations of current county buildings to house Marion County Community Corrections, the Marion County Coroner, the Crime Lab and the IMPD Property Room.

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| <i>Assessment and Intervention Center (Community Justice Campus)</i> | \$ 9,500,000 |
| <i>Consolidated Jail (Community Justice Campus)</i> | \$ 365,000,000 |
| <i>Courthouse (Community Justice Campus)</i> | \$ 195,000,000 |
| <i>Other Renovation Projects</i> | \$ 74,000,000 |

Based on HOK's preliminary analysis and conservative assumptions as to several variables, the preliminary estimated project cost for the Community Justice Campus at the identified location is \$565-\$575 million. In addition, the preliminary estimated project cost for potential off-site renovation projects for other agencies is an additional \$74 million. As previously indicated, additional revenues and savings will be necessary to fund all categories of the project. The Task Force continues to identify additional sources of funding available.

The project variables that will affect these cost estimates, include, but are not limited to:

1. Availability and cost of materials and labor
2. Project delivery method
3. Construction proposals
4. Environmental remediation costs
5. Interest rates
6. Utility rates
7. Other economic factors
8. Changes to legal structure, i.e. sentencing reform, court restructuring
9. Recommendation of Marion County Courts regarding the extent of co-location on the campus

It should be further noted that the current figure does not include the cost of constructing a new professional office building to house the Prosecutor or Public Defender. While the eventual relocation of these agencies is recommended and necessary, both agencies are under long term leases and it is not clear that new, publicly-subsidized construction to house these agencies will be necessary. Indeed, at this stage, private development of a professional building is a viable option. The Finance Team will work with the Task Force to continue to evaluate options for including these key agencies in the newly-constructed campus.

Pursuant to the timeline previously announced, the Task Force will consider and announce the finance, procurement, and construction processes on March 31, 2017. In addition, the scope of the courts program will be determined by May 1, 2017.