

CJC Project Procurement and Finance Summary

1. **Ensure City reimbursement.** In May of 2017, the City County Council passed a Reimbursement Resolution to ensure the City's initial project development costs may be reimbursed from eventual bond financing.
2. **Initial project development funding.** This funding is short-term debt to pay for the initial project development costs. It is backed by County Income Tax, but is intended to be refunded/reimbursed from the eventual bond financing in the second half of 2018. It includes two tranches of borrowing each separately approved by the City-County Council: \$20 Million (issued in November 2017) and \$55 Million (to be considered for approval by the Council in early 2018).
 - a. Tranche 1. The Council approved \$20 Million to pay for the initial design criteria (50% design) and procurement phases of the Jail and Courthouse facilities projects. This tranche was issued in November, 2017 and also included the complete (100%) design of the Assessment and Intervention Center and site development and site enabling projects.
 - b. Tranche 2. \$55 Million to pay for (1) construction of the site development and enabling projects; (2) construction administration services; and (3) initial mobilization and design completion for the Jail and Courthouse. A resolution approving this tranche was introduced to the Council on December 18, 2017.
3. **Construction procurement.** Through Q1-Q3 of 2018, the City continues the Design-Build procurement process for the Jail and Courthouse projects. The City published Requests for Qualifications (RFQ) December 19, 2017. The City will shortlist up to three (3) teams for each of the Jail and Courthouse projects. Once shortlisted, qualified Design-Build teams will compete through a Request for Proposal (RFP) process to be selected as the team to build each of these projects respectively. The City will manage the procurement process and select the two successful teams pursuant a detailed statutory process. The RFP selection and contracting process will result in each of the two selected teams agreeing to a guaranteed maximum construction price for the Jail and the Courthouse respectively.

Independently, the City will procure the general contractor for the Assessment and Intervention Center through a traditional public works bid process.
4. **Site construction.** As the procurement process for the Jail and Courthouse proceeds, the City will begin construction by preparing the project site for Jail and Courthouse construction. This will entail two site projects: (1) site development; and (2) site enabling. The Site Development project will include the movement and replacement of

rocky soil to provide better structural support for the Jail and Courthouse buildings. The Site Enabling project will include grading and earthwork to create a “building pad” for the Jail and Courthouse, as well as the preparation and construction of utility approaches to the building pad. The City will procure the general contractors for the site development and site enabling projects through a traditional public works bid process.

5. Facilities leases. After determining the guaranteed maximum construction prices for the Jail and Courthouse, the City intends to enter into a Master Lease and/or various sub-leases with the Marion County Building Authority (as lessor) for the Jail, Courthouse, and Assessment and Intervention Center. These leases must be authorized by the City County Council. The MCBA will use the annual lease rental paid by the City for these leases to fund debt service for the construction costs of all three projects, as well as operations and maintenance of these facilities. Pursuant to a Memorandum of Understanding (MOU), the City and MCBA will enter into a series of agreements designed to facilitate cooperation and mutual satisfaction with the design, procurement, construction, and transition of agencies to the Community Justice Campus site and facilities.
6. Bond financing. The MCBA would be expected to sell tax-exempt revenue bonds to (1) refund all of the debt issued by the City to fund the City’s initial project development costs (i.e. \$75 Million), and (2) fund all remaining project construction and completion costs over the next three years. The MCBA may engage in one or more bond issuances over the course of construction as may be financially advantageous based on market conditions and costs of capitalized interest.
7. Transfer of construction projects. The City intends to transfer or assign the construction and perhaps the City’s consulting contracts for the Jail, Courthouse, and Assessment and Intervention Center to the MCBA at the end of the design build procurement and upon closing on the main bond financing, anticipated to be in the second half of 2018.