

**Official Proceedings**  
**Codington County Justice Advisory Committee**  
**Lake Area Technical Institute, Room 430**  
**Watertown SD 57201**  
**October 11, 2016**

The Codington County Justice Advisory Committee (CCJAC) met on October 11, 2016 at Lake Area Technical Institute. Attending were committee members Lee Gabel, Toby Wishard, Megan Gruman, Larry Wasland and Tyler McElhany. Absent were Al Koistinen and Greg Endres. Also present were non-voting members Tom Walder and the Honorable Robert Spears. BKV Architects representatives, Bruce Schwartzman and DuWayne Jones, were in attendance, as well as independent jail consultant Allen Brinkman. Meeting was called to order at 6:25 p.m. by Chairman Lee Gabel.

***Agenda Approved***

Motion by Gruman to approve the agenda for the meeting; motion seconded. All voted in favor, agenda approved.

***Minutes Approved***

Minutes from August 25, 2016 were presented. Motion by McElhany to approve, motion seconded, all in favor; minutes approved.

***Discussion of Construction Option Comparison Criteria Weighting***

Possible refinements to criteria weighting were discussed. This continued a discussion from the previous CCJAC meeting about the possibility of adding a half-point to the weighting of two criteria, project cost and location, to show slightly greater importance. Discussion was held as to whether this would give further refinement to the process, or would have the unintended result of trying to make the criteria matrix more precise than it was meant to be. It was noted that the criteria are meant to ensure that the county considers critical factors in order to arrive at a viable justice facility option. The weighting of the criteria allows the county to compare the building options objectively based on these criteria. However, the criteria matrix is not meant to make the decision for county. Other factors, such as the process of project delivery and community support for various options, will need to be considered. Ms. Gruman made a motion that a straightforward weighting of the criteria be used (priority 1 criteria weighted 3, priority 2 criteria weighted 2, priority 3 criteria weighted 1), with no half-points added the weighting of any criteria. Motion seconded by Gabel, all in favor, motion carried unanimously.

Criteria scores of the remaining construction/site options were reviewed. Of note, since the last meeting further discussion with the county highway department about options 2A and 2B showed increased project costs due to the cost of reconstructing the highway buildings. This changed the overall score of options 2A and 2B. The criteria weighting results show the auditorium block site and the Highway 212 site (options 1A, 1B, 3A and 3B) with the highest scores. The completed criteria matrix (with criteria weights and option scores) is attached to these minutes.

## ***Project Cost Updates***

BKV provided a cost analysis of option 1B (building jail and court justice facilities at the city auditorium site). This included the cost differences between building the entire facility in one phase of a two-phased option. BKV estimated that one phase construction would cost \$33.5M. Phase One of a two-phase project would construct the jail facility and improve security in the existing courthouse in 2018, with a cost of roughly \$16.6 million. Phase Two a couple of years later for the justice services would cost roughly \$18 million. The impact of phasing is roughly an additional \$1 million in cost due to inflation. BKV's cost estimate tables are attached to these minutes.

Chairman Gabel reported that Commissioner Hanten and he had briefly discussed with the Mayor of Watertown the possible acquisition of the auditorium property. The city is going to have the property appraised. This is expected to take several weeks. Any agreement to acquire this property from the city would be conditional on what the county recommends to the voters and what the voters agree to.

## ***Tax Impact of Options***

Toby Morris of Dougherty & Company LLC provided an estimate of property tax impact of a general obligation bond to fund the project, via conference call. The amounts have been figured for both a single-phase option and for a two-phase project (see attached slides). Mr. Morris stated that when a general obligation bond is issued, the debt service is spread over the entire valuation. As tax valuations move up or down, the impact per thousand will change. With a general obligation bond, it is the same tax on agricultural property, on commercial property and on owner-occupied property. Projected tax impact was figured at a 3.25% interest rate. For the full project cost of \$33.5 million, the tax impact on \$100K valuation is \$94.61 per year. If the jail was done first (phase one of two), a 20-year bond at 3.25% is \$47.30 per 100K valuation. Mr. Morris used a higher-than-expected interest rate of 3.25% to provide a "worst-case" scenario. The levy would actually decrease with increased property valuation over the time of the bond.

Since an estimate on the cost of the jail alone has been established, nearby counties can now be approached about the impact to them and their possible role in the project.

## ***Project process and Schedule Overview***

The rough timeline discussed is below:

- November 14, 2016 - At the next CCJAC meeting on BKV plans to provide their option/site recommendation. They will also provide an analysis of the impact if the county does nothing and the inmate population continues to grow. This would include the financial impact of housing some inmates out of county and of postponing the project further into the future.
- December 6, 2016 & January 24, 2017 - Public presentations.
- March 2017 - Possible vote. The States Attorney and perhaps Secretary of State or Attorney General will be consulted in wording and explanation of the ballot. Consideration will be given to using a two-tier bond (where the most expensive option that passes is enacted).
- March 2017 - Hire construction manager or general contractor. The entire project can be given to a general contractor, or a construction manager can give out bids to individual contractors. A construction manager is able to break the project into bid packages, which generally results in more participation from local businesses. Mr. Schwartzman stated that in his experience a construction

manager has generally yielded better results with more favorable bidding from multiple contractors. Once voters approve funding, the committee can put together a request for proposals (RFP) and interview construction managers. BKV can assist in this. BKV suggests it is best to bring the construction manager in early to let them be part of the design process.

- March 2017 to February 2018 – Design phase. The design process will take at least eight months. Ten to eleven months is more realistic.
- February 2018 - Construction bidding (if a construction manager is hired).

### ***Recommend Sites for Soil Boring Analysis***

A proposal was received from a Sioux Falls firm to do six soil borings on the 212 site to confirm soil conditions. The estimate was between \$ 3,450 and \$3,550. It was agreed to wait on soil borings on this site for the time being.

The auditorium site may have underground debris from the former Elks Lodge on the site. When it was demolished some of the rubble may have been put into the basement area. Demolition details from other buildings that were at that site are unknown. Mr. Schwartzman commented that the water table is not high, the soil conditions are OK and excavation of the basement area (if needed) should cost less than \$100K (which could be covered by the contingency line in the cost estimate). A little more exploration will be done on the history of the auditorium site, but at this time he feels soil borings are not needed.

### ***Future meeting dates***

The CCJAC will meet on November 14, 6:10 p.m. at Lake Area Technical Institute.

Public presentations will be held on December 6, 2016 and January 24, 2017. Videos are being prepared to present information to the public.

Motion to adjourn was made by Gruman, seconded, all in favor. Meeting adjourned 7:32 p.m.

  
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Secretary  
CCJAC

November 14<sup>th</sup>, 2016

Date Approved

## Minutes Attachments, Oct 11, 2016

Approved January 26, 2016			Option Number									
Priority	What	BKV NOMENCLATURE	1A	1B	2A	2B	3A	3B	4A	4B	4C	
<b>Must do</b>	Minimum Size, Required Type of Space & features based on 20-year projections	1. MEETS 20 YEAR PROGRAM REQUIREMENTS	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Expandability Strategy?	2. EXPANDABILITY	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Must preserve North façade, rotunda	3. PRESERVE HISTORIC FACADE AND ROTUNDA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
<b>1</b>	Operational Cost	WEIGHT 3 Considerations: Court/jail connection, jail on one level, courts on one level		3	3	3	3	3	3	3	3	
		estimated 20 year operational cost increase (in millions)	\$4.4M	\$5.1M	\$10M	\$5.1M	\$11.3M	\$5.1M	\$5.2M	\$11.3M	\$11.5M	
		RATING	4	4	2	4	2	4	4	2	2	
		SCORE	12	12	6	12	6	12	12	6	6	
	Efficiency of Design for safe Effective ops	WEIGHT 3 Considerations: same as operational cost considerations & onsite parking		3	3	3	3	3	3	3	3	3
		RATING	6	8	6	8	6	8	8	6	6	
		SCORE	18	24	18	24	18	24	24	18	18	
	Ease of Expandability	WEIGHT 3		3	3	3	3	3	3	3	3	3
		RATING	5	5	8	8	8	8	4	2	2	
SCORE		15	15	24	24	24	24	12	6	6		
<b>2</b>	Project Cost	WEIGHT 2 Considerations: construction, design, furnishing, property purchase, phasing impact, contingency, etc.	2	2	2	2	2	2	2	2	2	
		estimated project cost in millions	\$31.4	\$33.4	\$40M	\$42M	\$31.5	\$33.5	\$36M	\$31.6M	\$32.9M	
		RATING	6	4	0	0	6	4	2	6	4	
	Mid-term Adaptability for tech, policy change	WEIGHT 2		2	2	2	2	2	2	2	2	
		RATING	7	7	8	8	8	8	4	4	4	
		SCORE	14	14	16	16	16	16	8	8	8	
<b>3</b>	Location. How much county/court business stays downtown?	WEIGHT 1		1	1	1	1	1	1	1	1	
		RATING	8	8	6	4	6	4	8	8	8	
		SCORE	8	8	6	4	6	4	8	8	8	
	Aesthetic	WEIGHT 1		1	1	1	1	1	1	1	1	
		RATING	8	8	8	8	8	8	6	6	6	
		SCORE	8	8	8	8	8	8	6	6	6	
OTHER CONSIDERATIONS		13. USES EXISTING BLDGS - WEIGHT 0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5		
		RATING	8	8	2	2	2	2	6	8	8	
		SCORE	4	4	1	1	1	1	3	4	4	
Total Ranking Scores			91	93	79	89	91	97	77	68	64	
			3	2	6	5	3	1	7	8	9	
<b>Qualitative Rating</b> Excellent = 8 points Good = 6 points Fair = 4 Points Poor = 2 Points			Excellent = 8 points (operational cost <\$3M, project cost <\$29M) Good = 6 points (operational cost >\$3M but <\$5M, project cost >\$29M but <\$32M) Fair = 4 Points (operational cost >\$5M but <\$7M, project cost >\$32M but <\$35M) Poor = 2 Points (operational cost >\$7M but <\$12M, project cost >\$35M but <\$38M) Difficult = 0 Points (operational cost >\$12M, project cost >\$38M)									

**Scoring with CCJAC recommended criteria weighting.**

6-Oct-16


**Codington County Justice Facilities Study**
**Preliminary Draft Cost Estimate Review**
**Single Phase Approach**
**Site Concept 1B: Auditorium Site**

	Area	Cost / SF	Estimated Total
Jail	33,894	\$300	\$10,168,200
Sheriff's Operations (Remodeling of Auditorium)	15,623	\$145	\$2,265,335
Estimated Auditorium Upgrades Required			\$1,200,000
Existing Facilities Remodeling			\$600,000
LEC Garage	4,356	\$120	\$522,720
Compete New Court Services	26,761	\$255	\$6,824,055
		Sub Total	\$21,580,310
Emergency Generator			\$250,000
Site Development Cost			\$500,000
		Sub Total	\$22,330,310
		12% Design & Construction Contingency	\$2,679,637
		<b>Total Estimated Construction Cost in 2017</b>	<b>\$25,009,947</b>
		Estimated Construction Inflation to Construct in 2019	\$2,250,895
		<b>Total Estimated Construction Cost in 2019</b>	<b>\$27,260,842</b>
Property Purchase (anticipate trade or minimal purchase cost)			\$0
Estimated Soft Cost			\$5,997,385
<b>Total Estimated Project Cost</b>			<b>\$33,258,228</b>

## Two Phase Approach

### Site Concept 1B: Auditorium Site

### Phase 1 - Jail

	Area	Cost / SF	Estimated Total
Jail	33,894	\$300	\$10,168,200
Estimated Auditorium Upgrades Required			\$400,000
LEC Garage	4,356	\$120	\$522,720
		Sub Total	\$11,090,920
Emergency Generator			\$250,000
Site Development Cost			\$500,000
		Sub Total	\$11,840,920
		12% Design & Construction Contingency	\$1,420,910
		<b>Total Estimated Construction Cost in 2017</b>	<b>\$13,261,830</b>
Estimated Construction Inflation to Construct in 2018			\$596,782
		<b>Total Estimated Construction Cost in 2018</b>	<b>\$13,858,613</b>
Property Purchase (anticipate trade or minimal purchase cost)			\$0
Estimated Soft Cost			\$2,771,723
<b>Total Estimated Project Cost</b>			<b>\$16,630,335</b>

### Site Concept 1B: Auditorium Site

### Phase 2 - Justice Services

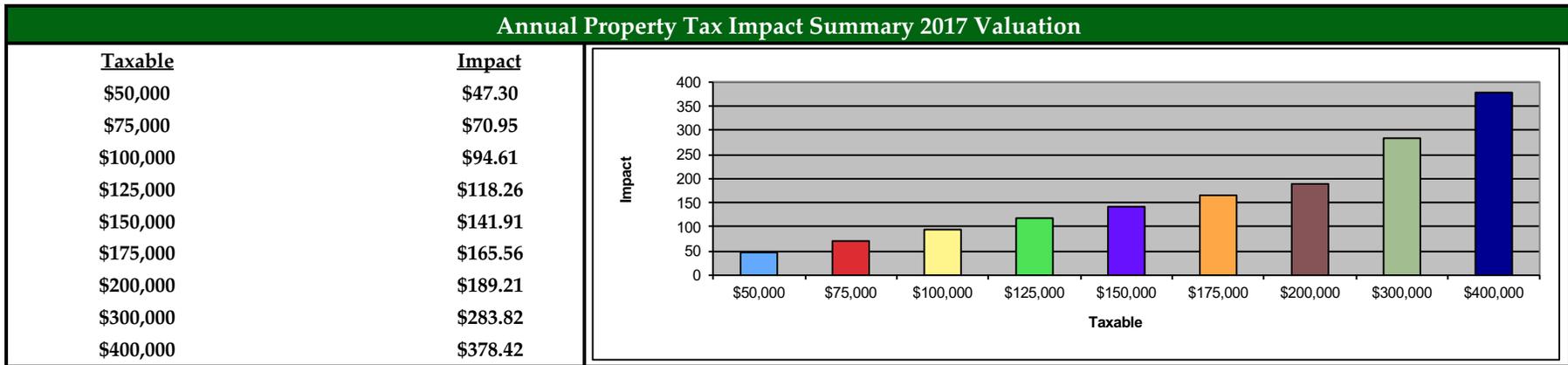
	Area	Cost / SF	Estimated Total
Sheriff's Operations (Remodeling of Auditorium)	15,623	\$145	\$2,265,335
Estimated Auditorium Upgrades Required			\$800,000
Existing Facilities Remodeling			\$500,000
Compete New Court Services	26,761	\$255	\$6,824,055
		Sub Total	\$10,389,390
Site Development Cost			\$80,000
		Sub Total	\$10,469,390
		12% Design & Construction Contingency	\$1,256,327
		<b>Total Estimated Construction Cost in 2017</b>	<b>\$11,725,717</b>
Estimated Construction Inflation to Construct in 2022 (5 years after start of the jail)			\$2,638,286
		<b>Total Estimated Construction Cost in 2019</b>	<b>\$14,364,003</b>
Estimated Soft Cost			\$3,591,001
<b>Total Estimated Project Cost</b>			<b>\$17,955,004</b>

**Codington County  
General Obligation Bond  
Annual Property Tax Impact Summary Estimates**

Levy Assumptions	
Par Amount:	\$33,500,000
Term:	20
Estimated Interest Rate:	3.25%
Avg Annual Levy:	\$2,304,093
2017 Estimated Value:	\$2,435,461,176
Tax Rate per \$1,000	\$0.95

## DOUGHERTY & COMPANY LLC

Single Phase Option

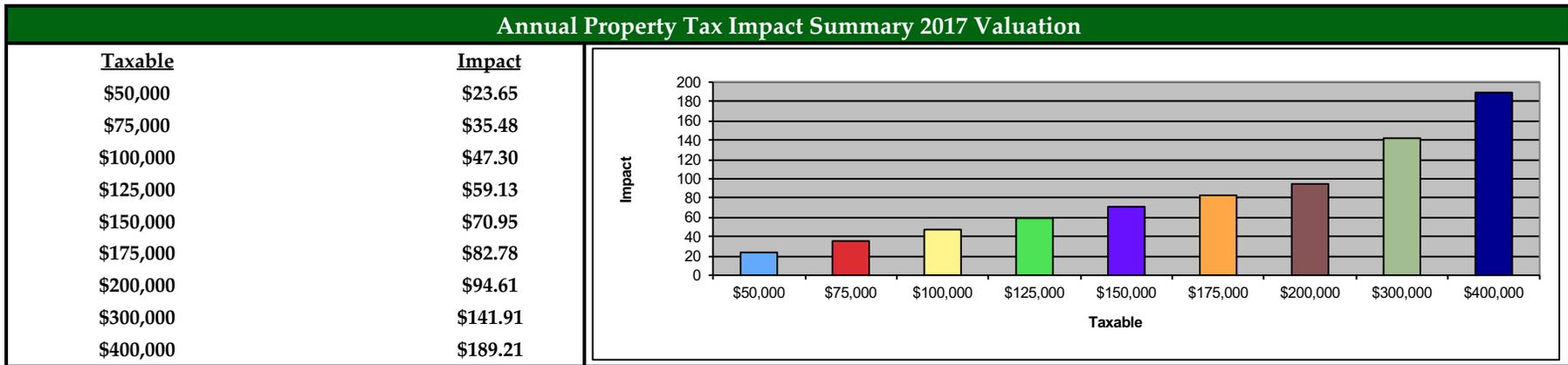


**Codington County  
General Obligation Bond  
Annual Property Tax Impact Summary Estimates**

Levy Assumptions	
Par Amount:	\$16,750,000
Term:	20
Estimated Interest Rate:	3.25%
Avg Annual Levy:	\$1,152,046
2017 Estimated Value:	\$2,435,461,176
Tax Rate per \$1,000	\$0.47

## DOUGHERTY & COMPANY LLC

Single Phase Option  
Part 1 of 2

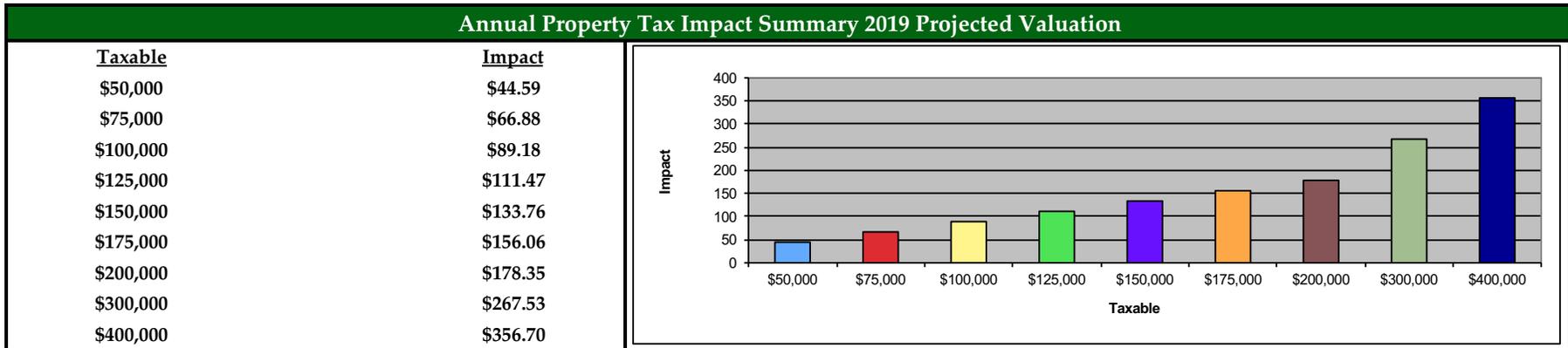


**Codington County  
General Obligation Bond  
Annual Property Tax Impact Summary Estimates**

Levy Assumptions	
Par Amount:	\$33,500,000
Term:	20
Estimated Interest Rate:	3.25%
Avg Annual Levy:	\$2,304,093
2019 Estimated Value:	\$2,583,780,762
Tax Rate per \$1,000	\$0.89

## DOUGHERTY & COMPANY LLC

Single Phase Option  
Projected 2019 Estimates



	Payable	Taxable Valuation	% Increase
Historical Valuation	2019	2,583,780,762	3% Projected
	2018	2,508,525,011	3% Projected
	2017	2,435,461,176	3.73% Actual
	2016	2,347,829,960	6.90% Actual
	2015	2,196,346,725	8.84% Actual
	2014	2,018,025,462	Actual