



Finance Department

Presentation to the City of Houston Public Safety Committee

Justice Complex Project

February 11, 2014

Presented By:

Honorable Barbara E. Hartle, Director and Presiding Judge - MCD

Assistant Chief M.D. Slinkard - HPD

Jennifer Olenick, CFA, Assistant Director - Finance



Agenda

- Project History
- Condition of Existing Facilities
 - Site Map
 - Municipal Courts Department
 - Houston Police Department
- Pursuit of a new Justice Complex through a Public Private Partnership (P3)



Project History

- June 2012 Presentation to Budget and Fiscal Affairs committee made by EAC Munden and Director Dowe summarizing the high levels of deferred maintenance at police and municipal court facilities
- June 20, 2012 Council action to expand scope of services with financial advisors, First Southwest, to include advisory services for a Justice Complex
- June 14, 2013 Request for Qualifications issued

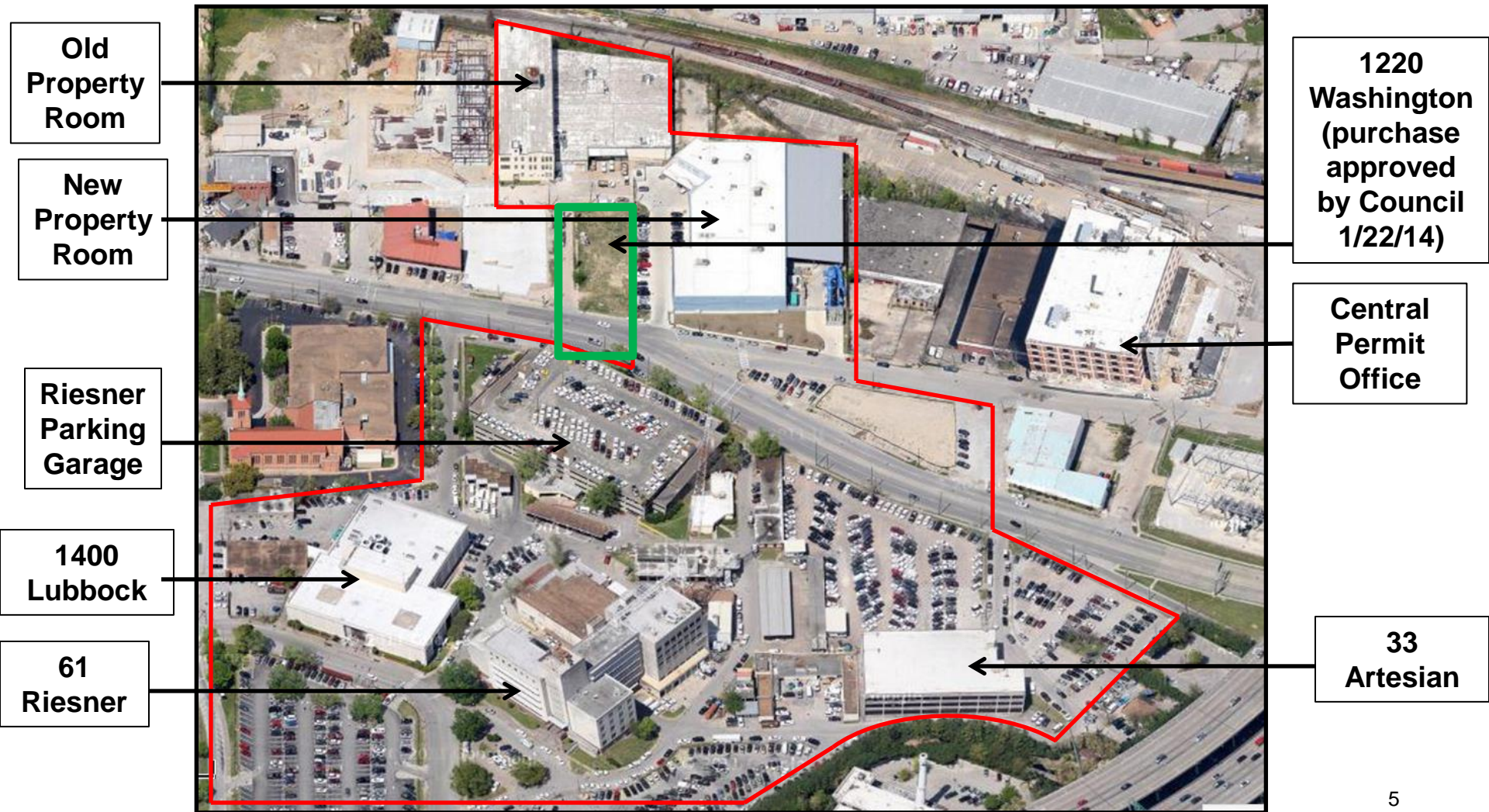


Project History

- Aug. 21, 2013 memo to Council Members providing the 7 respondents to the RFQ
- Dec. 10, 2013 Budget and Fiscal Affairs Presentation update of progress and next steps
- Jan. 15, 2014 Council action to retain Hawkins Delafield & Wood LLP as external legal counsel



Site Map of "Riesner Complex"





Condition of Existing Facilities: Municipal Courts Department

Presented By:

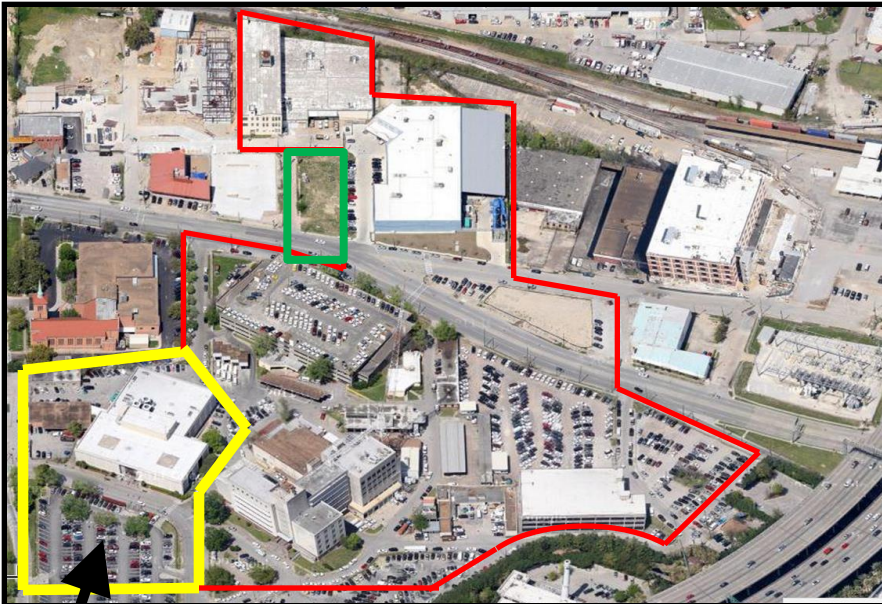
Honorable Barbara E. Hartle, Director and Presiding Judge - MCD



1400 Lubbock



Located at 1400 Lubbock (outlined in yellow), adjacent to the Riesner complex (outlined in red).



Built in 1974, renovated in 1982 and 2009.

104,000 sf building

Site on approximately 4.5 acres.

10 courtrooms operate out of the facility (with at least 4 more needed).



STAFFING

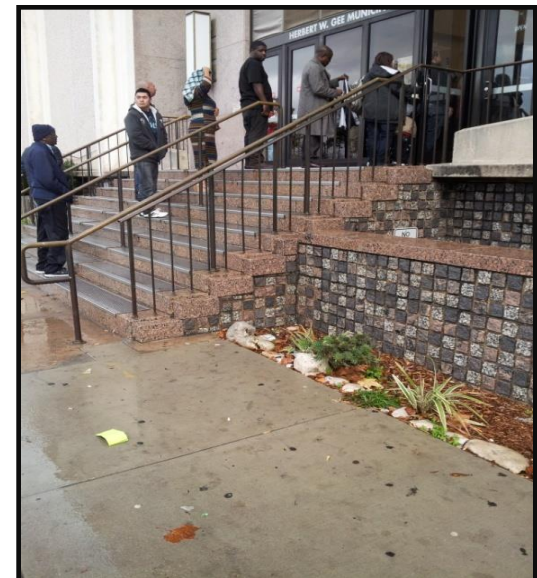
WORK UNIT	NO. OF PERSONNEL
Director / Presiding Judge & Admin Support	2
Deputy Director & Admin Support	2
Deputy Director / Clerk of Court & Admin Support	3
Assoc Presiding Judge & Admin Support	3
Administrative Judge & Admin Support	2
Assistant Directors & Admin Support	7
Judges	18
Associate Judges	46
Hearing Officers – Full time and part time	10
Court Security Officers (Bailliffs)	20
Judicial Reception Area, Court Reporters & Interpreters, Court Administrator	21
Public Information Office	5
Juvenile Case Managers	21
Building Maintenance and Document Delivery	3
Financial Services	6
Court Operations Managers	4
Affiants (Court Operations)	10
Scanning (Court Operations)	5
Quality Assurance (Court Operations)	10
Courtroom Clerks	65
Warrant Verification/Jail Booking/Bond Admin (Court Ops)	26
Public Services Managers	3
Cash Management/Public Service Counter (Public Services)	41
Secure safe and money-handling room	6
Mail Processing (Public Services)	9
One Call Solution Center – Customer Service (Public Services)	11
One Call Solution Center – Collections (Public Services)	12
Deferred Payment Compliance Office (Public Services)	6
MCD Total	377
LGL – Prosecutors Offices	26
HPD-SECURITY	2
HRD – MCD	1
HITS - MCD	10
Total for all at Central Courthouse	416



OVERCROWDING

Multiple day and night court operating out of the same space. This is problematic when jury trials run into the afternoon and there is not a spare courtroom or jury deliberation room available.

The lines to enter the building are often outside building and down the sidewalk during peak hours. Municipal Courts averages 4,000-5,000 visitors daily Monday-Friday, and 1,300 on Saturdays.





INADEQUATE STAFF/VISITOR PARKING



MCD staff shares limited on-site parking with HPD, Legal, GSD, HITS.

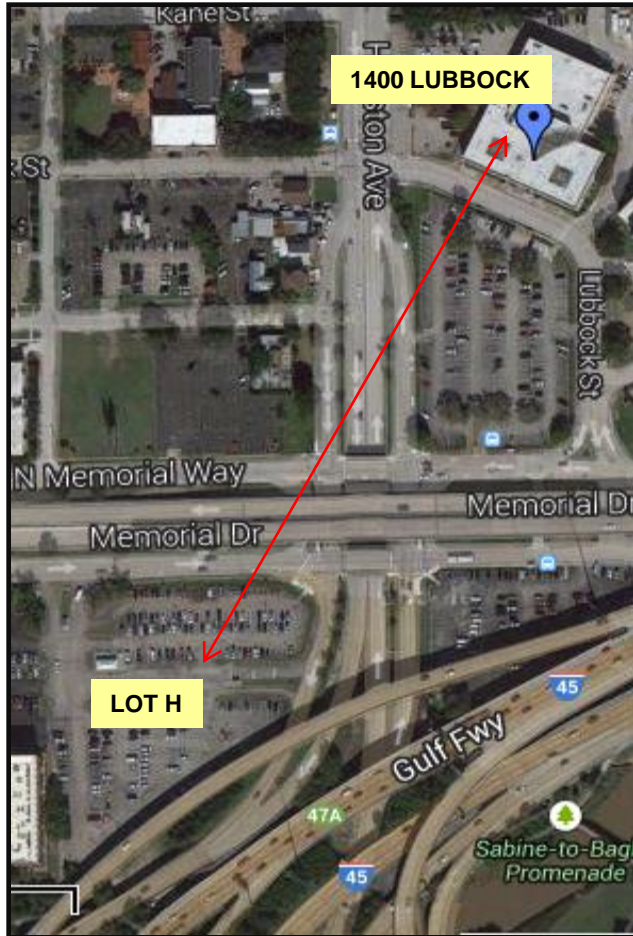
For visitors, the front parking lot has 278 regular spaces and 7 handicap spaces. The lot is at capacity every morning.

Staff walking from Lot C must traverse congested intersections and construction. An employee was recently hit by a truck and seriously injured.





INADEQUATE JURY PARKING



Jurors walking from Lot H have a long and dangerous commute. We routinely receive negative feedback from jurors regarding the distance, handicap access, and exposure to the weather.

Surrounding private parking lots frequently tow jurors and court visitors who mistakenly thought they were parking in a City-owned lot. The average cost for retrieving a towed vehicle is over \$200.

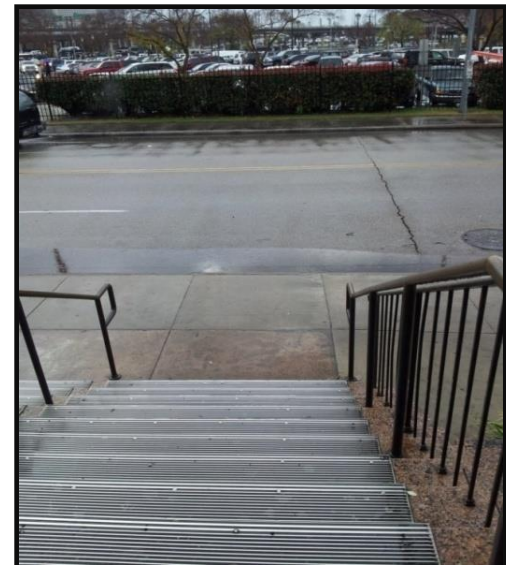
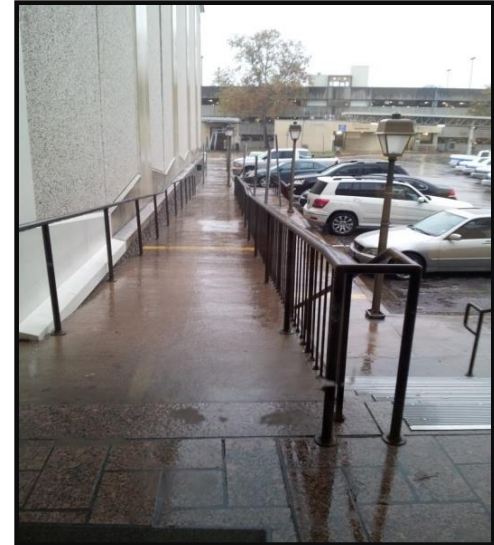


ADA COMPLIANCE

The 5 onsite handicap spaces near the handicap entrance are full before 8:00am.

The 7 handicap spaces in front lot are a long distance from rear handicap entrance. Numerous complaints from the public regarding accessibility have been received.

The front entrance to the building cannot be retrofitted with a chair lift or inclined ramp due to identified structural and safety issues.





INFRASTRUCTURE

Recently discovered sink hole and recurring plumbing issues.

Foundation shift/settling near the employee rear entrance.

Recurring elevator failures and lack of parts domestically. If one or both lobby elevators are down, this would be a risk for handicapped visitors.

Frequent heating/cooling issues at 61 Reisner and 1400 Lubbock.

Old and inadequate wiring for technology (VOIP) and security upgrades.





1400 Lubbock Complex



Unsafe stair access with no handrails.



1400 Lubbock Complex



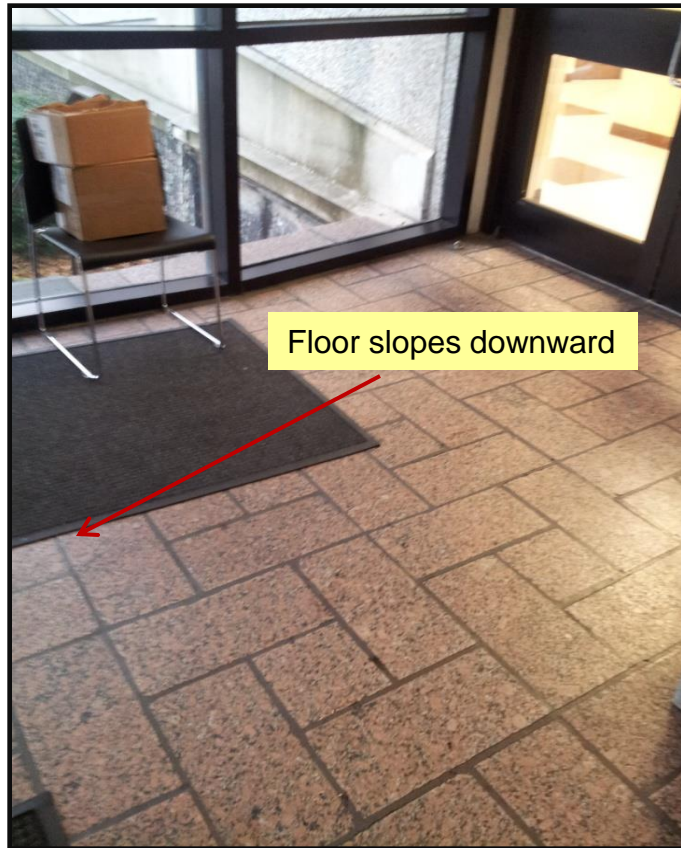
Confined workspaces



Overcrowded courtrooms and hallway areas



1400 Lubbock Complex



Foundation problems have caused shifting of doors and windows.



1400 Lubbock Complex



Stairs are worn and beyond useful life and need replacing.



Boiler is beyond expected life expectancy and needs replacing.



1400 Lubbock Complex



Cooling system has exceeded its useful life.



Condition of Existing Facilities: Houston Police Department

Presented By:

Assistant Chief M.D. Slinkard - HPD



Background

- HPD has built a new Property Room, Canine/Mounted Patrol facility, and 3 new stations since 2007: South Central, Midwest and South Gessner
- HPD personnel continue to work in deteriorating buildings that struggle to support police operations.
 - Insufficient space and inadequate building systems



61 Riesner



Built in 1950 as the new Police headquarters for the City of Houston.

Included administrative, operations, dispatch, training academy and jail.

In 1996, HPD moved headquarter operations to 1200 Travis.



61 Riesner

Houston Police Space Utilization Study - Staffing by Division / Command										
Division or Command	Locations									
	61 Riesner (Main Bldg)		62 Riesner (ECD Bldg)		33 Artesian		51 Riesner (Gym)		52 Riesner (Transportation)	
	Classified	Civilian	Classified	Civilian	Classified	Civilian	Classified	Civilian	Classified	Civilian
Central Patrol Division	222	1	0	0	0	0	0	0	0	0
Employee Services Division	0	0	0	0	2	0	0	0	0	0
Gang Division	0	0	0	0	0	0	76	0	0	0
Identification Division	14	0	0	0	0	0	0	0	0	0
Inspections Division	0	0	0	0	0	0	4	1	0	0
Investigative First Responder	11	1	0	0	0	0	0	0	0	0
Jail Division	49	152	0	0	0	0	0	0	0	0
Narcotics Division	12	0	0	0	0	0	0	0	0	0
Staff Services Command	0	0	3	2	0	0	0	0	2	15
Tactical Operations Division	0	0	0	0	3	0	0	0	0	0
Technology Services	0	0	0	29	4	65	0	0	0	0
Traffic Enforcement Division	55	36	132	18	0	0	0	0	0	0
Vehicular Crimes Division	124	4	0	0	0	0	0	0	0	0
Total	487	194	135	49	9	65	80	1	2	15

Staffing Total for the Riesner Complex

1037



61 Riesner



Mechanical and plumbing systems have numerous leaks and failures due to their age.

Some areas are restricted due to the poor condition of the mechanical and plumbing systems.



61 Riesner



Cracks throughout the building indicate foundation problems.



61 Riesner



The heating generation system is beyond its expected life.

Only one of two boilers are functioning.



Riesner Jail



AFIS Area



Property Storage



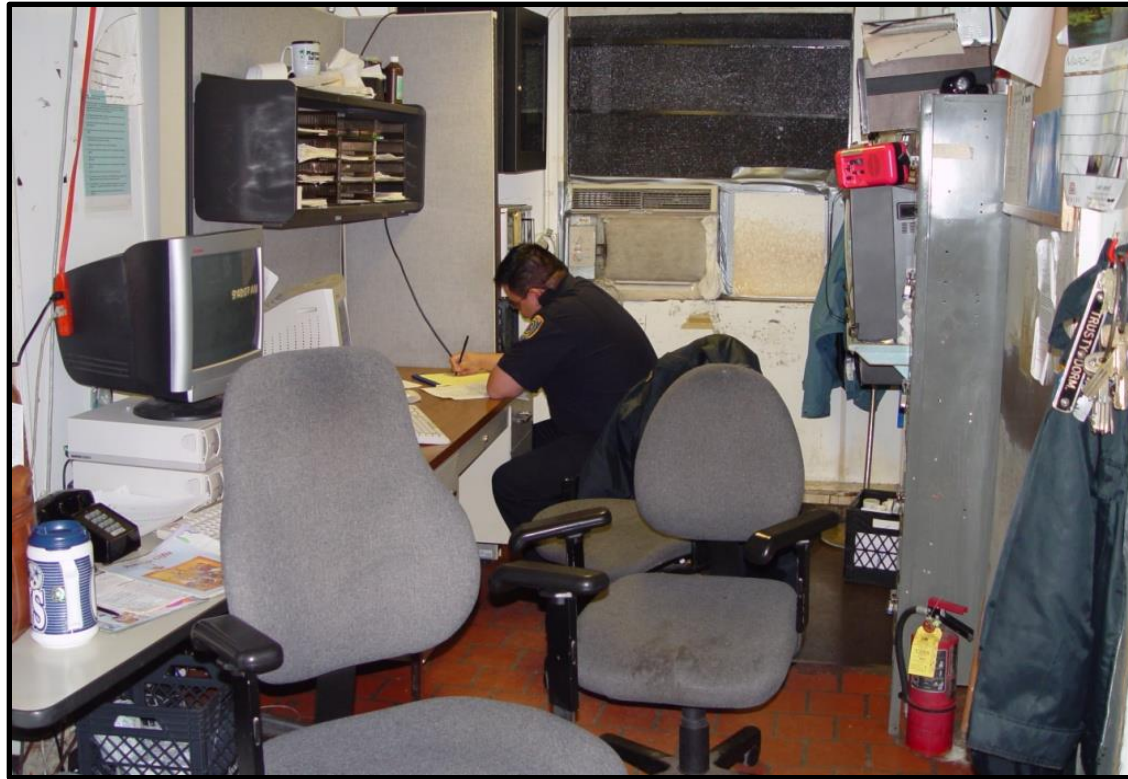
Riesner Jail



Typical jail cell and day room.



Riesner Jail



Poor working conditions for Jail employees.



The jail door operating system is outdated.



52 Riesner



52 Riesner
(The old HPD Police
Academy)





52 Riesner



Roofing system beyond useful life that needs replacing.



The interior and exterior walls are cracked in multiple locations.



62 Riesner



Built in 1974 to house dispatchers and radio communication functions for the department (the old ECD building).

MDC & radio transmissions are still routed through the building.



62 Riesner



Two temporary generators were installed after Tropical Storm Allison to provide necessary backup power to the facility.



The cabling from the temporary generators to the electrical room has never been properly installed, although efforts are underway to correct the issue.



62 Riesner



The natural gas plumbing system is beyond its expected life.



The boilers are outdated and need replacing.



Riesner Vehicle Repair Shop



Roofing system needs replacing. Possible foundation damage.



Riesner Transmission Shop



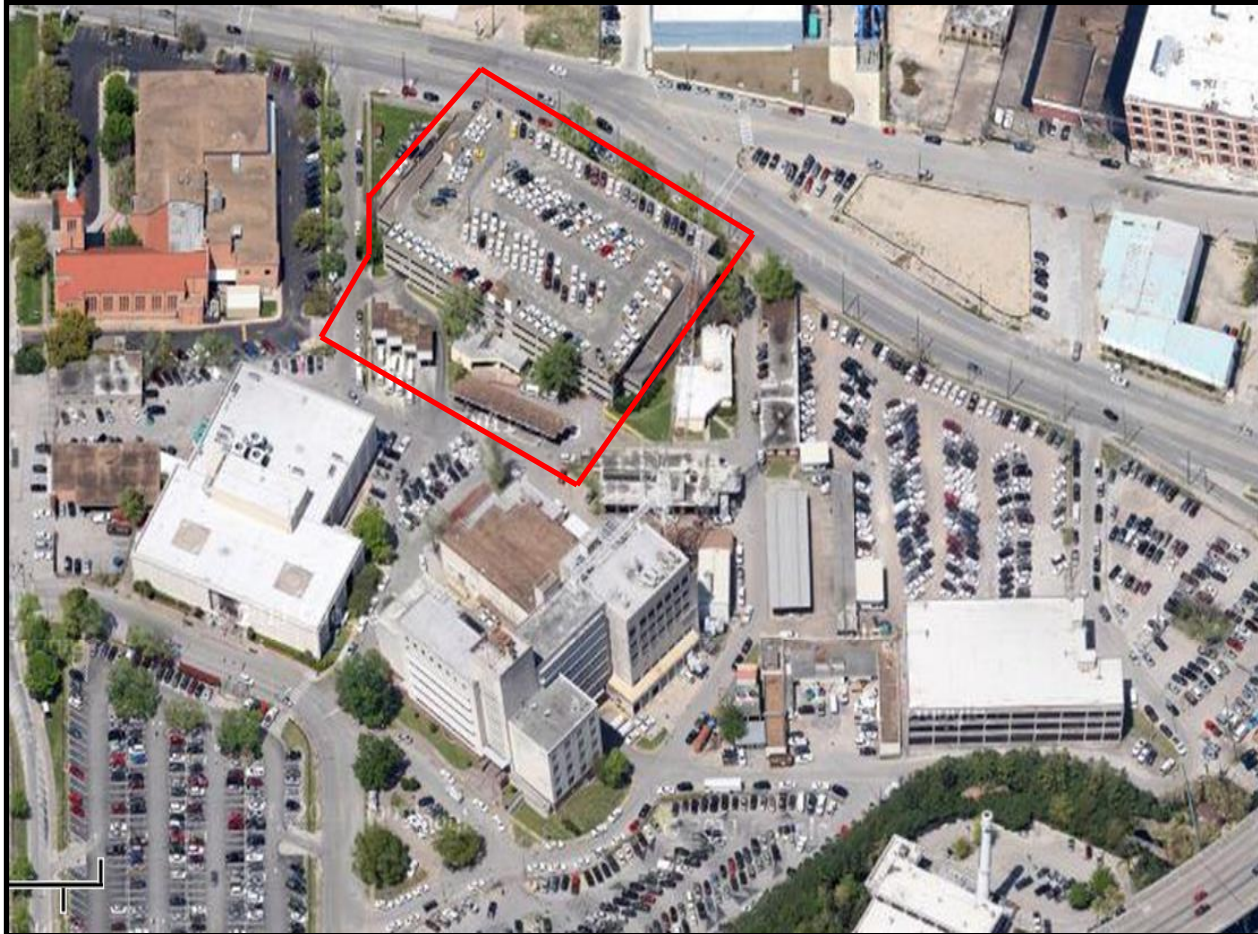
Roofing system needs replacing.



Restroom facilities in need of major improvements.



Riesner Parking



Garage built in 1975

Included 18 new gas pumps and 4 car wash bays

Vehicle capacity of garage is 506 vehicles

UST's replaced in 2007

Structural beam failure in 2013



33 Artesian



Built in the 1930s,
acquired in 1975,
renovated in 1978 for use
by the police department.

68,500 square feet

Prior to moving into 1200
Travis in 1996, the facility
housed the Crime Lab,
Photo Lab, Print Shop
and Computer Services
operations.



33 Artesian



The air distribution system is outdated and needs replacing.



Fire alarm system is inadequate and beyond its expected life.



Cost to Repair Riesner

Building	Year Built	SF	Life Safety	Roof	Structural	MEP	Repair Costs
61 Riesner - Central Patrol (old HQ)	1950	101,355	X	X	X	X	\$ 26,308,228.00
51 Riesner - Riesner Gym (old Academy)	1950	29,855	X	X	X	X	\$ 4,635,217.00
49 Riesner - Transmission Shop	1950	3,450	X	X		X	\$ 531,563.00
50 Riesner - Vehicle Repair Shop	1950	7,850	X	X	X	X	\$ 1,397,631.00
59 Riesner - Tire Shop	1950	6,290	X	X		X	\$ 909,519.00
700 Houston Ave - Uniform Supply	1965	6,460		X		X	\$ 450,816.00
62 Riesner - Communications Bldg	1974	53,090	X	X	X	X	\$ 12,374,764.00
52 Riesner - Fleet Administration	1975	4,105	X			X	\$ 638,945.00
53 Riesner - Parking Garage	1975	230,680				X	n/a
54 Riesner - Transportation Office	1975	1,748	X	X		X	\$ 368,049.00
33 Artesian - Technology Bldg	1930s	68,500	X			X	\$ 5,672,038.00
UPS Building	1980	2,400	X	X		X	\$ 83,951.00
1400 Lubbock - Municipal Courts	1974	104,000	X			X	\$ 1,519,365.00
Repair Totals							\$ 54,890,086.00

Total Square Footage: 619,783



HPD HQ at 1200 Travis



1200 Travis was built in 1963 and was formerly the Houston Natural Gas Building.

HPD relocated operations to Travis in 1996.

Approximately 1400 classified and civilian personnel currently work at Travis that include administration, investigations, forensic and support functions.

Contains 559,925 sf of office space with an adjacent 736 space parking garage, which is insufficient for staff and visitor parking.



Travis Building Improvements



Project Name	Year Completed	Project Total
New Roof Replacement	2003	\$ 992,000
Building Exterior Improvements	2006	\$ 1,100,000
Elevator Upgrades	2008	\$ 3,000,000
Parking Garage Abatement	2009	\$ 450,000
MEP upgrades	2011	\$ 10,000,000
Total		\$ 15,542,000

- A request to either purchase this property, or to broker the sale, is expected to be included in the RFP for the Justice Complex



Pursuit of a new Justice Complex through a Public Private Partnership (P3)

Presented By:

Jennifer Olenick, CFA, Assistant Director - Finance



What is a P3?

- Public-Private Partnership (P3 or PPP)
 - a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies.
 - involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.



What is a P3?

- The City has chosen to follow Canada's example of a P3 due to their extensive experience.
- Long-term performance-based approach to procuring public infrastructure where the private sector assumes a major share of the risks, from design and planning, to long-term maintenance. This means that:
 - Governments do not pay for the asset until it is built;
 - A substantial portion of the cost is paid over the life of the asset and only if it is properly maintained and performs according to specifications; and
 - The costs are known upfront and span the life-cycle of the asset.



Why a P3?

- P3 projects consider the whole life cycle of the asset
 - Long-term contract covering a large part of the economic useful life of the asset, which may exceed 30 years.
 - The City can enter into the agreement with more complete knowledge of the costs and maintain the value over the useful life of the asset
- In conventional projects, the City struggles to consider and have visibility into the whole life cycle cost of an asset.
 - Multiple contracts awarded to multiple contractors for separate pieces of work.



Why a P3?

- P3 projects engage the expertise of the private sector over multiple project phases
 - Output-based contract, in which deliverables are specified in terms of the outputs required, leaving the private sector partner to put forward the best solution
- Conventional projects that use multiple contracts for separate pieces of work engage the expertise of the private sector in silos
 - Input-based contract, the public sector owner specifies the exact inputs required



Why a P3?

- P3 projects ensure private sector capital is at risk, bringing capital market discipline and incentives
- YES, public sector capital could be obtained at a lower interest rate.
 - However, the discipline of a private sector firm wanting to recover its investment and earn a profit, which can only be done by providing defined assets and services in a performance-based contract over the useful life of the asset, will help the City protect the value of its investment.
- The City has struggled to maintain the value of its assets, as evidenced by the deferred maintenance identified in the 2012 Facility Conditions Assessment



Disadvantages of a P3

- P3s tend to be large, complex projects
- To capture the large scope of services, the agreement will be need to be lengthy and detailed
- The City does not have experience internally with doing P3s of this nature
- This would be only the second P3 in the US for social infrastructure
 - Social infrastructure refers to institutional services (as opposed to physical networks such as toll roads)



Current Status

- An evaluation committee is nearing completion of a thorough review of the 7 responses to the RFQ
 - A shortlist will be released closer to the release of the RFP
- External legal counsel (Hawkins Delafield & Wood LLP), with experience specific to P3s, was approved by City Council and will assist with drafting of the RFP
- An RFQ has been issued to engage a technical advisor to assist the City with execution of the Justice Complex RFP and subsequent project agreement



Next Steps

- The City's financial advisors, First Southwest, and a subcontractor, CBRE, have begun drafting an RFP and a Value for Money analysis
- CBRE is also conducting a site analysis to determine the best location for the Justice Complex
- Establish City guidelines for procuring a Public Private Partnership (P3) to guide the remainder of this process and any future P3 projects
- Issue Justice Complex RFP to shortlist



Timeline

Tentative Timeline	Action
March/April 2014	Council action to adopt guidelines for procuring P3
March/April 2014	Council action to engage a technical advisor
Spring 2014	City issues RFP for Justice Complex
Fall 2014	City conducts evaluations of RFP submittals and begins negotiations