

Memo

To: Finance Committee, Capital Improvements Committee, and Space & Properties Committee Members

From: Jennifer Jossie, Finance Director

Date: 11/30/2009

Re: Courthouse Referendum Question – Project Cost Options

In order to develop a project cost for the courthouse referendum question, a group of county staff met to discuss the various factors impacting the potential project costs. The group was comprised of Mike McKenna – Corporation Counsel, Jeff Schuler – Project Manager, Todd Neuenfeldt – Facilities Director, and myself, along with input from County Board Chair Phil Idsvoog and County Executive Mark Maslowski.

The group identified three options for your consideration:

Description of Costs	Option A Non-recession budget	Option B Recession budget	Option C
Venture Architect Projection	\$28,765,354	\$25,049,035	\$26,907,195
Additional Project Costs (such as land acquisition, parking, utility relocation, and others)	2,500,000	2,500,000	2,500,000
TOTAL Project Cost	\$31,265,354	\$27,549,035	\$29,407,195

All amounts are based on the concept design presented by Venture Architects and estimates as needed for land acquisition, parking, utility relocation, etc. for this concept.

We recommend the referendum question list an amount not to exceed \$29,500,000 for the courthouse project. This is based on Option C which is an average of the estimated costs from Venture Architects and the financial information available to staff at the time of making this recommendation. In summary, staff concerns are Option A is too high for current experience in the industry; however, Option B is too low to provide adequate room for any rebounds the industry may experience before the project start date. We are most comfortable recommending a figure which takes both Option A and Option B into consideration.

The amount as listed in the referendum question is for the *total project cost* and does not indicate how the project will be financed. We can continue to move forward with the various financing options after the project cost budget has been determined.