

# WARREN COUNTY JUSTICE CENTER

## IMPORTANT INFORMATION FOR NOVEMBER 5, 2019 VOTE



### THE PAST

On August 7, 2018, a referendum for \$29.9 million to construct a new Law Enforcement Center and Courthouse, at the same location as the existing courthouse, was passed with 70% approval by Warren County voters. Warren County moved forward with detailed building design of the new facility and demolition of the old courthouse. Bids for the new construction project were opened in early July 2019. Overall, the bids were unfavorable to the estimated budget. With the total project exceeding the estimated budget, the Board of Supervisors rejected the building plans and the bids on August 13, 2019. Warren County is now seeking approval from the voters for an additional \$3.5 million to complete the project.

Good faith estimates at the time of the original referendum ranged from \$28.6 million to \$34 million for the project. The cost was preferred on the low end of the scale and the estimated project budget was set at \$29.9 million in bond proceeds with an additional \$1.2 million of County reserves, if needed, for a total budget of \$31.1 million. Total estimated project budget with the July 9, 2019 bid results was projected at \$37.4 million. Multiple factors contributed to the overage:

- General Market Conditions – A summer bid letting resulted in adverse market conditions. Contractors were already booked for the year, therefore, some bids were not as competitive as anticipated.
- Construction trends – The impact of additional tariffs has driven up the cost of construction materials, particularly steel.
- Exterior Cladding / Interior Finishes – The bids received for various finishes, including masonry, were unexpectedly higher than estimated.
- Project Scope – The scope of the project evolved through the design phase causing an increase to finished space.

### THE PRESENT

The Board of Supervisors contemplated multiple routes to solve the dilemma. Each possible solution had its own set of pros and cons. On September 17, 2019 a majority of the Board voted to schedule a bond referendum in order for voters to decide whether to bond for an additional \$3.5 million to complete the project on the square. If approved, these additional funds would keep the facility on the Indianola square, minimize delays in construction, and capitalize on all-time low interest rates for bonding.

## HOW DOES AN ADDITIONAL \$3.5 MILLION SOLVE THE PROBLEM?

- General Market Conditions – Anticipated bid letting for this plan is January 2020 – the optimal time to release projects such as these which should result in competitive bids.
- Construction trends – A Spring 2020 groundbreaking minimizes the impact of construction inflation. Construction inflation is estimated at 4% annually – over a million dollar increase each year that this project is delayed.
- Finishes – The revised building design committee’s objective is to isolate and eliminate elements that drove up the cost. This group is actively addressing design details for cost effectiveness.
- Project Scope – The revised building design committee intends to balance the needs of the facility users with the parameters of the budget to create appropriate spaces that will last, at minimum, the life of the bond.

## IS THE BUILDING EXPANDABLE?

- Jail -The building can accommodate 32 inmates in the booking area and up to 88 inmate housing beds in the jail with the addition of a second bunk in select cells housing units. An expansion, if needed in the future, is planned west of the structure adding 32 beds for a total of 120 housing beds in the jail.
- Courts -The revised plan has 4 finished courtrooms with unfinished space in the basement to allow for future court and courtroom needs.

## HOW WILL THIS IMPACT MY PROPERTY TAXES?

If the referendum passes, the increase to the debt levy is estimated at \$.09/\$1,000 of taxable value. The total estimated debt levy for this project is estimated at \$.97/\$1,000 of taxable value. The original tax rate estimate at the time of the 08/07/18 referendum was \$.95/\$1,000. Record low interest rates and valuation changes have driven the cost to borrow down.

Assessed Value	Est Annual Tax Increase	Est Monthly Tax Increase
Residence - \$100,000	5.12	0.43
Multi-Residential - \$100,000	6.75	0.56
Commercial - \$100,000	8.10	0.68
Agricultural - \$100,000	5.05	0.42

## BALLOT QUESTION

"Shall the County of Warren, State of Iowa, be authorized to enter into a Loan Agreement and issue its General Obligation Capital Loan Notes in an amount not exceeding the amount of \$3,500,000 for the purpose of designing, constructing, furnishing, and equipping a new Law Enforcement Center and Courthouse at the present site, to include: Sheriff’s Offices, 911 Communications, Booking and Inmate Detention, Law Enforcement and Emergency Services training facility, Emergency Management Office, County Attorney’s Offices and Iowa District Court Services; it being understood that the outcome of this referendum shall not terminate or restrict authority previously granted to enter into a Loan Agreement and issue General Obligation Capital Loan Notes in an amount not to exceed \$29,900,000 at an election held on August 7, 2018."

Vote **YES** if you **want** to allow an additional \$3.5 million for the construction of a new Law Enforcement Center and Courthouse on the Indianola square.

Vote **NO** if you **do not want** to allow an additional \$3.5 million for the construction of a new Law Enforcement Center and Courthouse on the Indianola square.