

Chapter 3: Capital Facilities

County capital improvement needs pose a significant burden to the county's budget due to borrowing limits, debt service that impacts operations, and the competition between investments in mandatory and discretionary facilities. This puts the county in a position to choose between providing funding mandatory services or committed discretionary expenses.

This chapter identifies proximate objectives for large investment decisions, and offers guidance on how to maintain progress over time. It does not identify solutions to all the county's investment challenges, since many of these require information not yet available.

Proximate objective: an accomplishment that the organization is going after right now, and which is close enough at hand to be feasible and achievable

- Richard Rumelt, Good Strategy / Bad Strategy

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Comment [1]: Change paragraph to stronger statement on what are priorities are, put in order of priority

Statutorily Required Services

These projects are fully integrated into the core purpose of the county, and essential for supporting the effective delivery of mandatory services.

County Jail and Sheriff's Office

The current jail is out of compliance with Wisconsin Department of Corrections (DOC) administrative code, and puts the county at risk from action by DOC inspectors. The Sheriff's department continues to manage in this space and can currently perform their duties, however it's clear that action is needed to address the compliance issues.

Risk of not investing: Failure to comply with DOC requirements may eventually result in a shut-down of the jail.

Existing Options:

- Renovate and expand the existing facility – Studies published in 2013 include a Space Needs Assessment Report, Facility Condition Report, and Concept Design Synopsis and cost for the entire courthouse (Appendix C). These reports identified several structural issues with the existing building, and developed schematic plans for renovation and expansion of this facility at a cost of \$12.85 million, of which \$6.24 million was associated with the Sheriff's office and jail. This estimate *excluded* relocation costs for staff and inmates.
- Construction of a new facility – This option would require approximately 6-8 acres of land and put the county in competition with other land use demands such as business growth and housing development. This option would also require the county to consider how to reuse the existing facility. Construction of a new facility may provide partnership opportunities to co-locate other services in either the new facility or the renovated courthouse.

Estimated cost: Conservative estimates range from \$12.85 million to renovate and \$20 million for new construction.

Proximate objective: Make a determination in the next three years whether to construct a new facility or renovate the existing facility. Include an analysis of partnership opportunities in a new facility or in the vacated existing space. Also include an analysis of available land suitable for use as a jail.

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Comment [2]: Tie to workplan with deadlines

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Comment [3]: Reference statutes

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Comment [4]: Re-arrange jail to last education

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Comment [5]: Need to put in work plan deadline for plan and deadline for making decision

County-wide Emergency Radio Towers

A consultant is currently studying this project, and expected to complete their work in May. These towers are considered critical since they provide support to emergency services. Partnerships may exist to help fund this.

Risk of not investing:

- Inability to call for backup.
- Delayed response calls.

Estimated cost: \$3.2-7.7 million.

Proximate objective: Further action will come once the study is complete in May.

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Comment [6]: should we be having a discussion about not doing the ambulance garage and making it a part of possible jail build

Emergency Services Facility

Planning is underway to co-locate county emergency management services with the Richland Center Ambulance Garage.

Risk of not investing:

- Barriers to hiring due to the poor overnight facilities currently provided.

Estimated cost: The estimated expense to the county is \$600,000.

Proximate objectives:

- Begin discussion and analysis on the potential re-use opportunities for vacated space in the county courthouse.

Highway Improvement

- Develop plan for maintenance that needs to be done in order to save money in long run.
- Take data already have for road status and create plan that includes costs to implement yearly plan

Discretionary Services

The county needs to make hard decisions regarding its future discretionary spending. The project summaries below provide a series of decision-points and proximate objectives as guides to forward progress on these issues. In making decisions, the county should consider the following:

Priorities:

- Prioritize services based on county need and fiscal impact, reducing, or eliminating services as needed.
- Protect assets from disuse or disrepair to ensure long-term options remain available.
- Reduce expenses and capital investments to bare essentials during the decision-making process.

Core Values:

- Integrity – honor commitments and partnerships, even during planning for change.
- Focus on the future, planting seeds for long-term successes.
- Invest in necessary, non-mandatory services when the private market cannot support the service.

UW Richland

The County Board and county and city residents have expressed the desire for a continued post-secondary educational opportunity in the county. For this to occur, the county will need to take clear steps to work with its existing partner, while exploring other options in case the current arrangement terminates.

Goals:

- Improve the county's position relative to its relationship with the Board of Regents/UW Platteville, and its ability to make decisions about county property.
- Reduce or remove the risk that the county will unprepared for a potential closure of the UW Richland branch.
- Determine with some certainty, the probability that a UW Richland Campus will exist in two years.
- Develop scenarios for the use of these buildings in the event the relationship with UW system ends. Including a potential partnership with SWTC
- Protect the county's investment in the UW Campus facilities through selective capital improvement investments, while halting all non-urgent capital improvements until a long-term use is determined.
- Advocate to have UW-Richland to be an independent campus not satellite .
- Get county out of Food Service

Constraints and opportunities based on the current lease (Appendix D):

- The current lease extends through June 30, 2042, and "terminates automatically" if appropriations by the

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Comment [7]: •remove sand shed because already being done. Want to add create plan for highway improvement.

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legislature are insufficient to permit the continued operation, or if state legislation concerning higher education in Wisconsin involves a fundamental change in the branch campus program.

- In case of termination, the lease shall be turned over to some educational organization or to the Federal, State, or local Government.
- The county is required to pay for **utilities (except phone service)**, as well as repairs and building improvements, and is in a position to choose which investments should be made based on the long-term future use of the campus.
- All furnishings were provided by the Board of Regents. Ending the agreement with the Board of Regents would require removal or disposal of these furnishings, and would require the next user to provide their own furnishings unless an agreement could be reached with the Board of Regents.
- The county agrees to pay 50% of janitorial costs. **Should** the agreement end, the county would need to budget for 100% of these costs.

Proximate objectives:

- Separate decisions about the agricultural land from decisions about the buildings. Currently the UW system is leasing the agricultural land to a farmer, taking the profit for their use. County control of this land would provide revenue and opportunities to explore other uses.
- Determine reality and feasibility of UW remaining active on the campus. Push for candid, continual conversations. Discussions with UW should include:
 - A request for the strategy to increase enrollment at the UW Richland campus, including recruitment strategies, target populations, and distinct areas of study.
 - Options for student housing.
- Develop scenarios for alternative use of the buildings to reduce vacancy time in the event the campus closes.
- Establish a capital improvements plan for these facilities, targeted at minimal maintenance needed to keep the buildings viable until a long-term use is determined.

Symons Recreation Center

The Symons Recreation Center appears to have community support and a history of partnerships to support operations. During the planning process, some questioned whether the county needed to own and subsidize this facility or if it could continue on its own under a different ownership and operational plan.

Goals:

- Maintain break-even, or net-positive return on county operational and capital **funding**.
- Maintain facilities to ensure they stay relevant, modern, and distinct from other recreational facilities in the city.
- Evaluate the long-term liability to the county resulting from capital investments or expansion plans.

Proximate objectives:

- Evaluate whether this service could be successful if owned and managed by other partners, and make plans to divest county of ownership of this facility.
- Evaluate the impact of expansion plans future on capital and operational expenses and the county's bond rating.
- Consider assisting with marketing and membership if it can assist with the transfer of ownership.

Tri-County Airport

There was general support for maintaining the airport due to its return on investment to the county. The partnership with Sauk County also provides significant return on investment in the form of payroll from employers using the airport, with minimal investment in the facility relative to overall operational cost. The most urgent issue is to develop a flood remediation plan for the airport to ensure its continued viability.

Goals:

- Reduce or eliminate flood risk to the airport, hangers, and other facilities.

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Comment [8]: we aren't paying this???

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Comment [9]: Are we paying this?

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Comment [10]: may need to add language about county paying the employee discount

- Ensure the long-term viability of this asset to support county economic development efforts.
- Develop an evaluation process to monitor continued return on investment to the county.

Proximate objective:

- Pursue flood remediation grant funding in partnership with Sauk County.

Pine Valley Community Village

The county completed a significant renovation and expansion in 2016, making an intentional long-term investment in this facility. Support remains strong for the services provided by Pine Valley. It was noted during the planning process that the county ownership of a nursing home informed the 2018 downgrade of county general obligation rating to A3 from A2 (Appendix A).

Goals:

- Protect the county's investment through funded maintenance of an on-going capital investment plan funded by Pine Valley revenues.
- Monitor return on investment of the facility, and have revenue cover 50% of debt service tied to the 2016 improvements as per the terms of bond sale 3/1/2016.
- Develop a process for evaluating future demand, adjusted for impacts to healthcare funding, population growth, and demographic changes in the county.
- Evaluate whether management, financial, or operational changes could occur to reduce the impact of owning and operating this facility on the county's bond rating.

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Capital Facilities Performance Metrics

The county must evaluate its investments in discretionary enterprises and services to ensure it can maintain existing commitments and funding for mandatory services. Given this position, traditional performance metrics have been substituted for a summary of the proximate objectives listed above. These should serve as a guide to ensure the county continues forward progress, and they should be updated as new objectives become clear.

- Mandated facilities:
 - Jail and Sheriff's Office:
 - Determine whether the existing jail will be renovated and expanded, or if a new jail is optimal.
 - Develop a timeline for the next proximate objective to be complete, such as development of a remodel / renovation budget and timeline, or identification and acquisition of land for a new jail.
 - Emergency Services Building – prioritize timing for the construction.
 - Radio Towers – prioritize timing for the construction.
 - Salt/sand shed – identify site location, cost, and construction deadline.
- Discretionary facilities:
 - UW Richland Campus:
 - Gain control of the agricultural land and determine a long-term use for this land.
 - Acquire a 2-year plan from the UW system outlining how they will make this campus sustainable.
 - Develop scenarios for a post-UW use for the buildings.
 - Develop a minimum capital improvement plan.
 - Tri-County Airport – Secure funding to address the flooding that impacts operations at the airport.
 - Symons Center:
 - Define a distinctive service provided by Symons, compared to city facilities.

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Comment [11]: we need to create goal that uses comparison metrics with other counties on each task-how are we performing compared to other counties.

- Evaluate whether operations of this service could be managed by a private or non-profit entity, and progress towards divesting county ownership.
- Determine long-term liability impacts of facility expansion plans.
- Determine the annual return-on-investment for the facility, including capital investments.
- Pine Valley – Continue to monitor return-on-investment and funding needs.

DRAFT