

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
	AGY FIN REQ FY 2016-17	AGY AMD REQ FY 2016-17	AGY AMD N/R FY 2016-17	AGY AMD ANZ FY 2016-17	AGY AMD REQ FY 2016-17 OVER(UNDER) AGY FIN REQ FY 2016-17	CODES
	POS AMOUNT					
STATE COURT SYSTEM						22000000
PGM: DIST COURTS OF APPEAL						22100000
COURT OPER/APPELLATE COURT						22100600
STATE COURTS						15
STATE COURT SYSTEM						1501.00.00.00
CAPITAL IMPROVEMENT PLAN						9900000
SPECIAL PURPOSE						990S000
FIXED CAPITAL OUTLAY						080000
4TH NEW COURT BLDG DMS MGD						080071
GENERAL REVENUE FUND -STATE	4,775,757	7,309,276	7,309,276		2,533,519	1000 1

AGENCY NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE: 4TH NEW COURT BLDG DMS MGD IT COMPONENT? NO

FOURTH DISTRICT COURT OF APPEAL NEW COURTHOUSE CONSTRUCTION - DMS MGD:

The Fourth District Court of Appeal requests \$4,775,757 to complete construction of a new courthouse and a new parking garage to serve the court and seven executive branch departments currently operating on the state-owned property on which the courthouse is being constructed.

The construction will be performed over three fiscal years. The legislature provided funding for Fiscal years 2014-15 and 2015-16 in the amounts of \$7,145,763 and \$12,008,689, respectively. Fiscal year 2016-17 costs are estimated to be \$4,775,757 to complete the project.

The completion of this project will provide a new courthouse for the Fourth District Court of Appeal with a significant useful life. The current 45-year-old courthouse suffers from moisture and mold intrusion and is non-compliant with the Americans with Disabilities Act and a United States Marshals' Service security assessment. Major renovation would be costly and short-lived. The new courthouse will provide a modern and efficient location for the court's operations, provide greater security, reduce operational and maintenance costs, and provide better access to public transportation which benefits the public and court employees.

Construction of the new courthouse on the state-owned property will reduce the current available ground parking for the seven executive branch departments currently operating on the property. Therefore, construction of the new parking garage will provide secure parking for the courthouse employees while enhancing parking for the public and the departments' users.

Back-end financing of a portion of the project still is planned to occur by selling the existing courthouse property in approximately 2018. The current estimated market value of the existing courthouse property is \$3.3 million.

Construction Costs \$4,683,505
 DMS Fees \$ 92,252

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	AGY AMD N/R FY 2016-17 POS	AMOUNT	AGY AMD ANZ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	
STATE COURT SYSTEM										22000000
PGM: DIST COURTS OF APPEAL										22100000
<u>COURT OPER/APPELLATE COURT</u>										22100600
STATE COURTS										15
<u>STATE COURT SYSTEM</u>										<u>1501.00.00.00</u>
CAPITAL IMPROVEMENT PLAN										9900000
SPECIAL PURPOSE										990S000

Budget Request Total: \$4,775,757 (non-recurring)

Amended 2016-17 Narrative after December 4, 2015:

The Fourth District Court of Appeal originally requested \$4,775,757 for FY 2016-17 to complete construction of a new courthouse and Department of Management Services (DMS) parking garage to serve the court and seven executive branch departments currently operating on the state-owned property on which the courthouse will be constructed in West Palm Beach.

The court now amends its original FY 2016-17 request to seek an additional \$2,533,519, for a total and final FY 2016-17 appropriation of \$7,309,276.

Two events caused the need for this amended request:

1) Subcontractor bids exceeded the DMS-retained contractor's construction estimate by \$1,661,519, primarily due to cost escalation associated with staging construction of the project, with courthouse construction following garage construction.

2) The City of West Palm Beach, in whose jurisdiction the project is being constructed, required the DMS-retained architect to add multiple enhancements to the project to obtain the City's approval, totaling approximately \$872,000.

Neither the court, DMS, nor the DMS-retained entities were responsible for these increases to the actual cost of the project. In fact, the court, DMS, and the DMS-retained entities consistently have sought to limit the project's costs to the pre-determined construction budget.

A brief history of the project is helpful in justifying this amended request.

In 2014, the court sought funding for construction of a new courthouse. The current 46-year old courthouse suffers from moisture and mold intrusion, is non-compliant with the Americans with Disabilities Act and, according to a United States Marshals' Service security assessment, has a number of serious security deficiencies. Major renovation would have been costly and short-lived. The new courthouse would provide greater security, reduce long-term operational and maintenance costs, and be more efficient in its operation.

The 2014 Legislature, recognizing the need for a new courthouse, appropriated \$7,145,763 for FY 2014-15 as partial funding for the new courthouse.

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	AGY AMD N/R FY 2016-17 POS	AMOUNT	AGY AMD ANZ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	
STATE COURT SYSTEM										22000000
PGM: DIST COURTS OF APPEAL										22100000
COURT OPER/APPELLATE COURT										22100600
STATE COURTS										15
STATE COURT SYSTEM										<u>1501.00.00.00</u>
CAPITAL IMPROVEMENT PLAN										9900000
SPECIAL PURPOSE										990S000

Following that partial appropriation, the Court engaged DMS to commence the design of the courthouse upon state-owned property in downtown West Palm Beach. The site was selected because it is directly across the street from the commuter Tri-Rail station linking several cities between Miami and West Palm Beach, and thus would provide better transportation access for the public.

However, DMS advised the court that construction of the new courthouse on the state-owned property would displace a majority of the ground parking spaces for the seven executive branch departments currently operating on the property. Therefore, DMS required that the court seek funding not only to complete the new courthouse, but also to construct a DMS-managed garage to replace 246 displaced executive branch parking spaces and to provide 92 new courthouse parking spaces.

To minimize the parking disruption to the executive branch departments on the property, it was determined that the DMS garage would be constructed first, and the new courthouse would be constructed last. This determination would require construction of the new courthouse to be delayed by an additional six to eight months until the DMS garage was constructed.

DMS, in consultation with the court, retained an architect and contractor to design and build the project, and determined a budget amount for them to meet.

Over the next several months, the court, in partnership with DMS, the architect, and the contractor, value-engineered (cut the cost of) the exterior and interior designs of the courthouse and the DMS garage to meet the pre-determined budget. Examples of design components which the court eliminated to meet the pre-determined budget were: eliminating columns, porticos, and pediments on three sides of the new courthouse, leaving only a courthouse-style facade on the court's entrance; substituting less expensive wall and window features for the entire building exterior; and reducing the building interior to basic office features with the exception of the building's one courtroom, which is meant to be accessed by and benefit the public.

By early 2015, DMS, the contractor, and the architect determined that the project's design costs had been reduced to meet the pre-determined budget. That determination was based on informal pricing submitted by subcontractors who later would be invited to bid on the project.

Based on that determination, the court requested \$16,784,446 for FY 2015-16 to complete the funding to construct the new courthouse and the DMS garage.

The 2015 Legislature, recognizing the need for both the new courthouse and the DMS garage, appropriated \$12,008,689 for FY 2015-16 as partial funding for the courthouse and garage.

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	AGY AMD N/R FY 2016-17 POS	AMOUNT	AGY AMD ANZ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	
STATE COURT SYSTEM										22000000
PGM: DIST COURTS OF APPEAL										22100000
<u>COURT OPER/APPELLATE COURT</u>										22100600
STATE COURTS										15
<u>STATE COURT SYSTEM</u>										<u>1501.00.00.00</u>
CAPITAL IMPROVEMENT PLAN										9900000
SPECIAL PURPOSE										990S000

In June 2015, the court, in consultation with DMS, requested \$4,775,757 for FY 2016-17. That \$4,775,757 amount represented the exact difference between the \$16,784,446 that the court requested for FY 2015-16 and the \$12,008,689 that the 2015 Legislature appropriated for FY 2015-16.

However, after submitting that original FY 2016-17 request, two events occurred in late 2015 which were beyond the court's control, but which caused the court, in consultation with DMS, to submit this amended request for an additional \$2,533,519, in addition to the original \$4,775,757 request for FY 2016-17.

First, subcontractor bids exceeded the DMS-retained contractor's construction estimate by \$1,661,519. DMS and the contractor determined that this event occurred primarily due to the schedule associated with constructing the new courthouse after the garage and the delay caused by permit and other review by the City of West Palm Beach. That is, constructing the new courthouse after the DMS garage caused subcontractors to increase their bids over and above current costs, which have already seen a great deal of escalation, to estimate the market costs that would exist when the courthouse would be constructed.

Second, the City of West Palm Beach, in whose jurisdiction the project is being constructed, required the DMS-retained architect to add multiple enhancements to the project (primarily to the DMS garage's appearance) to obtain the City's approval. The court and DMS were partially successful in causing the City to withdraw some of the costly requirements which the City sought. However, the City ultimately required approximately \$872,000 in enhancements before the City would approve the project.

Based on those two events, the costs of which total \$2,533,519, the court is submitting this amended request to increase its total and final FY 2016-17 appropriation request from \$4,775,757 to \$7,309,276.

The court, in partnership with DMS, the architect, and the contractor, continues to pursue reduction of the unanticipated supplemental costs in two respects.

First, DMS has agreed to seek new subcontractor bids to construct the new courthouse and DMS garage simultaneously. It is believed that removing the time delay in constructing the new courthouse will cause subcontractors to lower their bids to some degree. Revising the schedule also will allow the contractor to reduce its fees because of the shortened project duration. However, DMS's agreement is contingent on the City of West Palm Beach providing adequate temporary parking spaces to offset the parking spaces that would be displaced during simultaneous construction of the new courthouse and DMS garage. The court and DMS actively are negotiating with the City to achieve this goal.

Second, the court and DMS actively are negotiating with the City to reduce the \$872,000 in enhancements that the City required to approve the project.

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2016-17	POS AMOUNT	AGY AMD REQ FY 2016-17	POS AMOUNT	AGY AMD N/R FY 2016-17	POS AMOUNT	AGY AMD ANZ FY 2016-17	POS AMOUNT	AGY AMD REQ FY 2016-17 OVER(UNDER)	AGY FIN REQ FY 2016-17	
STATE COURT SYSTEM										22000000
PGM: DIST COURTS OF APPEAL										22100000
COURT OPER/APPELLATE COURT										22100600
STATE COURTS										15
STATE COURT SYSTEM										<u>1501.00.00.00</u>
CAPITAL IMPROVEMENT PLAN										9900000
SPECIAL PURPOSE										990S000

However, because any savings from these two cost reduction efforts may not be realized until after the 2016 Legislature approves its budget, the court, in an abundance of caution, is submitting this amended request to increase its total and final FY 2016-17 appropriation request from \$4,775,757 to \$7,309,276 to cover the full remaining costs of the project if the cost reduction efforts are not successful.

It is important to note that DMS cannot enter into a final guaranteed maximum price contract with its retained contractor until the Legislature has appropriated the full remaining costs of the project. Any additional phasing or delay will likely result in increased cost. The court is working diligently to ensure that the \$7,309,276 sought in this amended FY 2016-17 request is the final amount required to complete the project.

It also is important to note that upon completion of the new courthouse the state may decide to sell the existing courthouse property. The 2014 estimated market value of the existing courthouse property was \$3.3 million. The 2016 estimated market value of the existing courthouse property has increased to \$3.6 million. The sale of the existing facility would provide the state additional non-recurring revenue that could offset the expense of building the new courthouse.

Construction Costs \$7,179,137
 DMS Fees \$ 130,139

Budget Request Total: \$7,309,276 (non-recurring)

Summary: The request has been amended to seek an additional \$2,533,519 to cover cost escalation and required enhancements to the project.
