

Tippecanoe County Youth Center and Financial Position Review

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February 11, 2009

Presentation Overview

- Review of the Need in Tippecanoe County
- Review of TCYC Construction Costs & Facility Layout
- Proposed Debt Structure
- Review of TCYC Operating Costs
- Review of Tippecanoe County Tax Issues

Review of the Need

- Studied extensively since 1991; Current (2008) statistics support the need for a juvenile facility to provide immediate assessment, evaluation and interventions with a focus on family, educational and supportive services involvement
- “Missouri Model” research
- Reduces the “revolving door” of incarceration
- Reduces the long-term burden on taxpayers - 44% of the 8,348 bookings in the adult jail in 2007 were younger than 25 years old
- Improves service delivery - 301 youth are awaiting intake or currently in the intake process for the Tippecanoe County Juvenile Justice System
- Reduces community damage and victimization
- Investing in our youth provides a valuable return - Between 1.7 and 2.3 million dollars (1998 dollars) in incarceration costs is spent on EVERY youthful offender across their lifetime if a front end investment in interventions proven to help young people is not provided (The Journal of Qualitative Criminology, 1998)
 - Lost wages of 20 youth per year who do not become productive members of society is \$814,420
 - Median salary in Tippecanoe County is \$40,721 (2005, STATSIndiana)

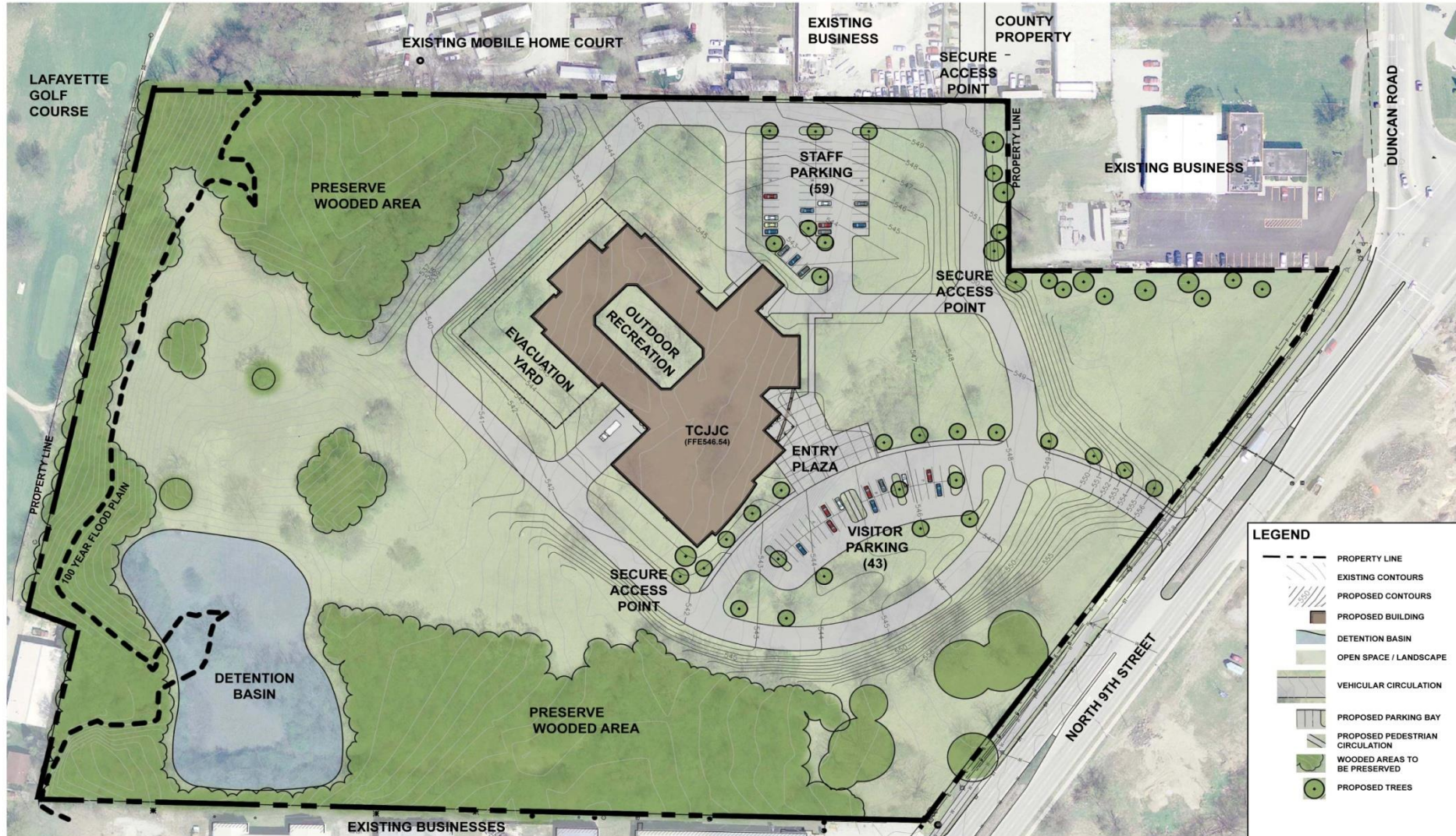
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Presentation Overview

- ✓ Review of the Need in Tippecanoe County
- Review of TCYC Construction Costs & Facility Layout

Juvenile Center Site Plan



Construction Costs

- Land
 - Acquired 11/08
- Bids
 - Received 12/08
- Contingency
 - Approximately \$900,000, or 6.5%

Construction Costs

Original Project Budget

Building Construction (Hard Costs)	\$ 14,229,234.00
Related Costs (Soft Costs)	<u>\$ 3,117,087.00*</u>
TOTAL	\$ 17,346,321.00

Actual Construction Costs

Low Base Bid Amounts	\$ 13,112,442.00
Detention Furnishings (Still to Bid)	\$ 150,000.00
Signage (Still to Bid)	\$ 50,000.00
Alternates Selected	<u>\$ 223,760.00</u>
Building Construction TOTAL	\$ 13,536,202.00

NEW PROJECT BUDGET

Building Construction (Hard Costs)	\$ 13,536,202.00
Related Costs (Soft Costs)	<u>\$ 3,253,237.00*</u>
TOTAL	\$16,789,439.00

*Does not include land purchase and financing costs

Updated 2/6/09

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- ✓ Need
- ✓ Review of TCYC Construction Costs & Facility Layout
- Proposed Debt Structure

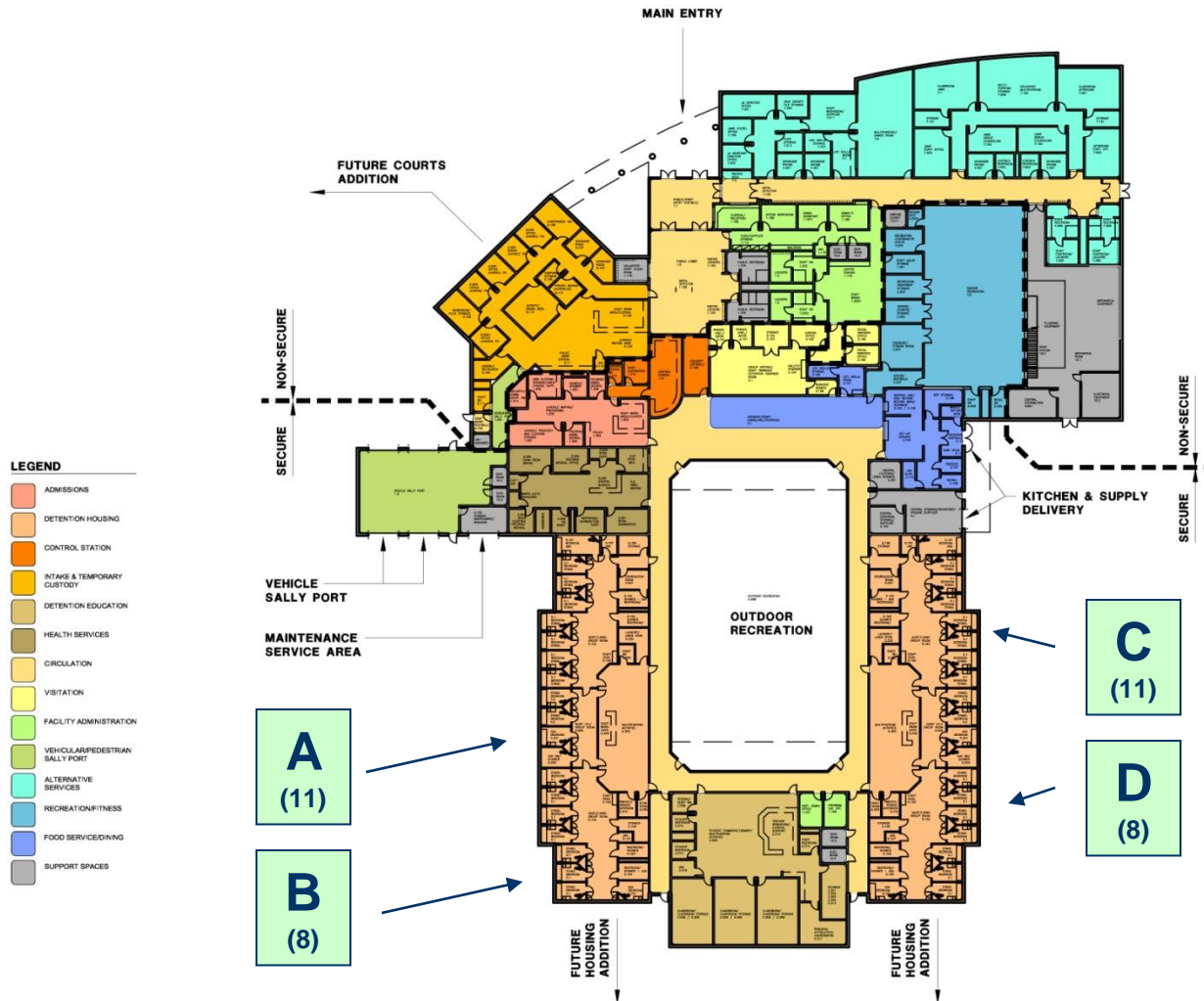
Debt Structure

- Rating (AA-)
- Interest Rate
- Debt Schedule
- Underwriting

Presentation Overview

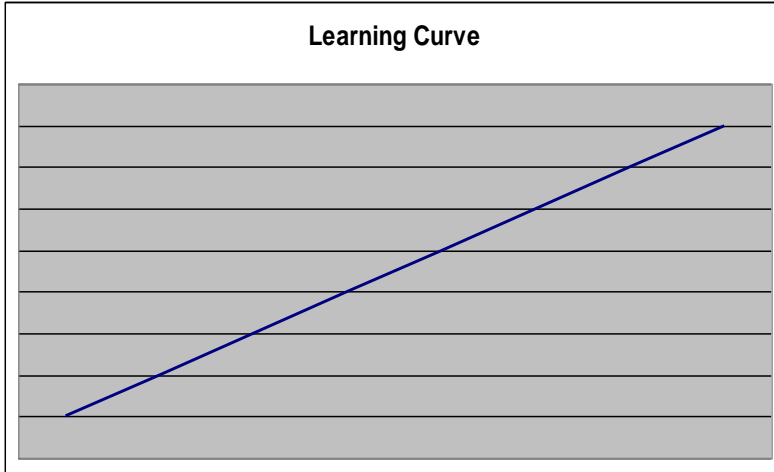
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- ✓ Proposed Debt Structure
- Review of TCYC Operating Costs

Overall Building Layout



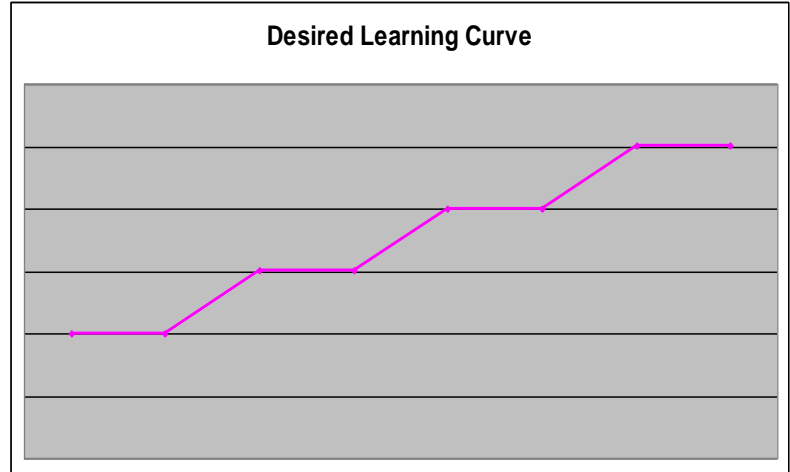
Operating Budget

Learning Curve



Expenses > Revenue

Desired Learning Curve



Phase-in Expenses
to meet Revenue

Operating Budget

- 2010 – assumes September 1 opening date at half detention capacity - \$1,059,848
- 2011 – assumes operating full year at half capacity (19 beds) - \$1,880,222
- 2012 – assumes operating full year at full capacity (38 beds) - \$2,550,331

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Other Tax Issues

- Sustainability of Income Tax Revenue
 - Income Tax analysis as it relates to Unemployment
- Sustainability of General Fund
- Sustainability of EDIT Fund
- Sustainability of Juvenile Justice Fund

Other Tax Issues

- Reimbursement of Expenses to date
\$1,100,000
- Reserves
 - EDIT Reserve \$1,204,143
 - COIT Reserve \$1,221,241
 - Rainy Day
 - General \$1,738,823
 - EDIT \$1,648,597

Presentation Overview

- ✓ Need
- ✓ Construction
- ✓ Debt
- ✓ Operating
- ✓ Other Tax Issues

Conclusion

- Questions from Commissioners and Council
- Public Comments