

WHY IS A COMPLEX BEING PROPOSED AND NOT "JUST A JAIL" - A FINANCIAL ANALYSIS

---Even though it sounds logical, it is a misconception that it would be less expensive to build a jail only, instead of the whole complex. Actually, the opposite is true.

---It will be **cheaper** to fund a complex than it would to keep the Alpine Center open due to operational inefficiencies and the huge repair costs that are required at the Alpine Center.

---It is important to note that there are many other operational efficiencies, convenience to the public, and security reasons to support the idea of a complex and not "just a jail", but this spreadsheet focuses only on the measurable **financial advantages**.

---Another important note - our current court services/courtrooms occupy approximately 29,500 sq ft of inefficient space. The proposed complex eliminates wasted space, and the court services/courtrooms are planned to occupy approximately 25,000 sq ft in the new complex - a savings of 4,500 sq ft. This is because the County's Criminal Justice System would be operating out of space designed for its intended purpose, and no longer operating out of former 83-year-old hospital rooms.

JUSTICE COMPLEX		JAIL ONLY	
Original Proposed Building Cost Total	\$33,000,000	Original Proposed Building Cost -JAIL ONLY	\$ 24,000,000
Broken Down Between Jail and Courts	\$ 9,000,000	Jail Only	
	Courts	Jail	
	\$ 24,000,000		
Pared down the building by 10%	<u>\$ (1,500,000)</u>	Pared down the building by 10%	<u>\$ (1,500,000)</u>
Pared down building cost	\$ 7,500,000	Pared down building cost - JAIL ONLY	\$ 22,500,000
Total	\$30,000,000		
Internal County Funds To Be Used	<u>(\$3,000,000)</u>	Internal County Funds To Be Used	<u>(3,000,000)</u>
Net Building Cost to Finance With Bonds	\$27,000,000	Net Building Cost	\$ 19,500,000
		<u>Additional costs we will incur if we stay in the Alpine Center:</u>	
		Utilities are double what they should be*	1,578,000
		Security staff is double what it should be*	1,980,000
		Moving downtown courtroom to Alpine Center*	1,100,000
		Necessary Alpine Center repairs	<u>10,000,000</u>
		Total Additional Costs	14,658,000
		Net Building Cost Plus Additional Costs to Finance With Bonds	\$ 34,158,000
		Increase in cost if we build "just a jail" instead of a complex	21%
Proposed Millage Rate	1.95 mills	Proposed Millage Rate	2.36 mills
Cost for Median Household:		Cost for Median Household:	
(Median Home Taxable Value in Otsego County is 50,000 per equalization dept)	8.13/month 26.7 cents/day	(Median Home Taxable Value in Otsego County is 50,000 per equalization dept)	9.83/month 32.3 cents/day

All figures, unless otherwise noted, are derived from the final feasibility study performed by Byce and Associates, available at www.otsego-county-mi.gov.

*These costs have been calculated by the County's Finance and Capital Projects Departments. Contact County Administration should you desire additional details for these calculations.