

**DE0211**  
**Judiciary – Capital**  
**Board of Public Works**

***Capital Budget Summary***

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**State-owned Capital Improvement Program**  
(\$ in Millions)

<b>Projects</b>	<b>Prior Auth.</b>	<b>2020 Request</b>	<b>2021 Est.</b>	<b>2022 Est.</b>	<b>2023 Est.</b>	<b>2024 Est.</b>	<b>Beyond CIP</b>
Shillman Building Conversion – Baltimore City District Court	\$0.985	\$2.080	\$16.390	\$16.240	\$0.000	\$0.000	\$0.000
Addition to the Washington County District Court	0.000	0.325	2.456	1.279	0.000	0.000	0.000
New Courts of Appeal Building	0.000	0.000	0.000	3.701	3.701	41.071	40.727
Harford County District Court	0.000	0.000	0.000	0.000	4.600	1.941	47.733
<b>Total</b>	<b>\$0.985</b>	<b>\$2.405</b>	<b>\$18.846</b>	<b>\$21.220</b>	<b>\$8.301</b>	<b>\$43.012</b>	<b>\$88.460</b>

<b>Fund Source</b>	<b>Prior Auth.</b>	<b>2020 Request</b>	<b>2021 Est.</b>	<b>2022 Est.</b>	<b>2023 Est.</b>	<b>2024 Est.</b>	<b>Beyond CIP</b>
GO Bonds	\$0.985	\$2.405	\$18.846	\$21.220	\$8.301	\$43.012	\$88.460
<b>Total</b>	<b>\$0.985</b>	<b>\$2.405</b>	<b>\$18.846</b>	<b>\$21.220</b>	<b>\$8.301</b>	<b>\$43.012</b>	<b>\$88.460</b>

CIP: Capital Improvement Program  
GO: general obligation

## ***Key Observations***

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***Funded Projects on Track:*** Well-justified trial court projects are advancing without delay through the development process.

***Time to Decide on Courts of Appeal Building:*** There appears to be a consensus that the Courts of Appeal building needs to be replaced. The Governor’s budget funds this project beginning in fiscal 2022, while the Judiciary would like project planning to start in fiscal 2020.

## ***Summary of Recommended Bond Actions***

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1. Addition to Washington County District Court

Approve \$325,000 in general obligation bonds for the addition to the Washington County District Court.

2. Shillman Building Conversion

Approve \$2,080,000 in general obligation bonds for the Shillman Building conversion.

## ***Summary of Updates***

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The fiscal 2020 operating budget includes a request for two new judges and staff for the new Catonsville District Courthouse.

## ***Budget Overview***

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The fiscal 2020 allowance includes \$2.4 million in general obligation (GO) bond funds for two projects: the conversion of the Shillman Building in Baltimore City into a District Courthouse; and an addition to the Washington County District Court in Hagerstown.

### **Shillman Building Conversion**

The fiscal 2020 capital budget includes \$2.1 million to finish planning and design for the conversion of the Shillman Building in downtown Baltimore into a new courthouse for the Baltimore City District Court. The current courthouse is located on Fayette Street adjacent to the War Memorial Park, City Hall, and the Baltimore City Police Department’s headquarters and is inadequate in several significant ways: severe flooding in the basement has damaged or destroyed court records;

the heating, ventilation, and air conditioning (HVAC) and electrical systems are inadequate; and there is a rodent infestation. More importantly, the building lacks secure parking, is not compliant with the Americans with Disabilities Act (ADA), and lacks adequate security to be used for criminal proceedings. The building, which is leased from Baltimore City, is functionally inadequate and cannot be cost effectively renovated for use as a modern court facility.

The Shillman Building on North Calvert Street currently houses offices of the Department of Labor, Licensing, and Regulation; the Maryland Department of Health; and the District Court commissioners. The Department of General Services (DGS) has initiated the process of relocating those offices and employees to other facilities. The project received \$985,000 to begin planning in fiscal 2019, and the remaining design funds are allocated in fiscal 2020. Construction is scheduled to begin in July 2020 with an estimated completion date of January 2022. The total estimated cost for the project is \$35.7 million, an increase of \$3.7 million over the 2018 *Capital Improvement Program* (CIP). This change is due to an increase in the estimated cost per square foot for courtroom space for the project. In as much as the design process is just getting underway, the project cost estimates are still preliminary and not informed by construction document design review. Although the fiscal 2020 funding level would fully fund the remaining design contract elements, approximately \$300,000 associated with the construction phase of the project could be deferred to fiscal 2021. However, since the amount is relatively small, the Department of Legislative Services (DLS) recommends approval of the funding level proposed by the Governor for fiscal 2020. Should the committees find a need for these funds elsewhere in the budget, these funds could be reduced without hindering the design efforts or the project schedule.

## **Washington County District Court Addition**

The fiscal 2020 allowance also includes \$325,000 for planning and design for a one-courtroom addition to the existing Washington County District Court in Hagerstown. According to the fiscal 2020 certification of need for judgeships, there is a need for a third District Court judge in Washington County, but the courthouse only contains two courtrooms. The courthouse was designed to accommodate a future addition over an adjacent parking lot that would allow for the construction of a third courtroom with minimal cost and disruption. Construction is currently scheduled to begin in early calendar 2021 and take approximately one year to complete. The total estimated cost of the project is \$4.1 million, a slight increase compared to what was programmed in the 2018 CIP. The cost estimate however is still preliminary and not informed by project design that is scheduled to get underway in October 2019.

## ***Issues***

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### **1. Judiciary Pushes for Acceleration of Courts of Appeal Building Replacement**

In its fiscal 2020 operating budget request, the Judiciary included \$3.4 million to provide initial planning funds for the new Courts of Appeal building project. DLS recommended that these funds be deleted from the operating budget because they are a capital expense and as required by § 3-601 of the

State Finance and Procurement Article, the Department of Budget and Management (DBM) is responsible for submitting the State's capital priorities each session to the General Assembly for all units of State government including the Judicial branch. As of this writing, the Judiciary has agreed to the deletion of these funds from the operating budget and should pursue the matter through the proper statutory procedures.

The current Courts of Appeal building has serious deficiencies. The condition of the building is deteriorating rapidly. An ongoing capital project to renovate the building's entrance should bring the public entrance into compliance with ADA and resolve security concerns but does nothing to address the other serious problems in the building. The Judiciary has identified additional deficiencies, including space and functional issues, ADA noncompliance in the State Law Library, and a deficient HVAC system. However, the largest problem with the building is water and mold infiltration. Water infiltration has been a problem for some time, but it became acute during the heavy rains of July 2018 that overwhelmed the building and led to severe mold growth. This has necessitated the expenditure of \$1.2 million for emergency contracts related to the remediation.

For several years, the Judiciary, DGS, and DBM have collectively and collaboratively undertaken considerable review of proposals to replace the current Courts of Appeal building, but the project has not advanced in the State's CIP as fast as the Judiciary would like; hence the attempt to circumvent the statutory process and accelerate the design phase through the inclusion of design funds in the Judiciary's fiscal 2020 budget submission. In the current CIP, the project is scheduled to receive design funding in fiscal 2022 and construction funds beginning in fiscal 2024 with a total estimated project cost of \$89.2 million. It is worth noting that despite the disagreement regarding when the project should commence, there does appear to be an agreement in principle on the scope of the project.

It is worth noting also that once the planned new Courts of Appeal building is completed and the occupants of the current facility are relocated, the existing facility will need to be evaluated for renovation given its deteriorating condition. The Judiciary has expressed a desire to renovate the facility and relocate staff from Tawes Pod A and leased space in Annapolis into the building. That rehabilitation is not included in the current CIP, and cost estimates have not been developed, but the project cost is likely to be extensive. Ultimately, any reuse of the current Courts of Appeal building will need to be considered in the broader context regarding the future of the Tawes Complex.

While DLS agrees with the assessment that the current building is deficient and that its replacement is well-justified, caution is warranted regarding the Judiciary's request to advance the project schedule due to the impact that this would have on projects currently scheduled in the CIP that would have to be moved to accommodate accelerating the construction phase currently estimated at \$82 million. Unless there is a commitment to allocate construction funds beginning in fiscal 2022 through 2023, two years earlier than currently scheduled, any efforts to advance the design phase will not result in project delivery any earlier than currently programmed and would use resources that could be allocated to other capital priorities.

## 2. District Court Facilities Plan Identifies Most Serious Needs

In the 2018 *Joint Chairman’s Report*, the committees requested that the District Court inventory its properties and provide information on the condition and adequacy of those facilities. The Judiciary submitted this report in December 2018. In addition to a number of leased spaces across the State, the District Court currently operates in 20 DGS facilities across 11 out of 12 districts (District 12, which includes Allegany and Garrett counties, uses only leased space). One of those facilities (Catonsville) will be replaced in the next year with a new DGS facility. Additionally, the conversion of the Shillman Building will add a twenty-first facility to this portfolio once completed.

As shown in **Exhibit 1**, only 2 out of 19 operating facilities (Catonsville is excluded) reported no significant deficiencies. Those two facilities are the Carter M. Hickman District Court and Multiservice Center in Queen Anne’s County and the L. Leonard Ruben District Court in Montgomery County. For the other facilities, the two most commonly reported issues were inadequate space (particularly for ancillary services) and inadequate HVAC systems. While 7 facilities reported security shortcomings, the information included in the report indicates that those deficiencies are relatively minor.

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**Exhibit 1**  
**District Court Facility Review**  
**Identified Deficiencies**  
**December 2018**

<u>Deficiency</u>	<u>Facilities</u>	<u>Percent</u>
Inadequate Space	14	73.7%
HVAC	12	63.2%
Water Infiltration	7	36.8%
Security	7	36.8%
Mold	4	21.1%
Plumbing	3	15.8%
Elevators	2	10.5%
Electrical	2	10.5%
No Identified Issues	2	10.5%

HVAC: heating, ventilation, and air conditioning

Source: Maryland Judiciary; Department of Legislative Services

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The CIP includes the replacement of 1 of these 19 facilities, the Mary E.W. Risteau District Court and Multiservice Center in Harford County. This is likely the most deficient facility in this

portfolio and, therefore, the prioritization is appropriate. In addition to more significant security issues, the building has serious water infiltration and mold issues.

It is also worth noting that the fiscal 2020 capital program includes \$3.2 million in GO bonds as part of the Facilities Renewal Fund projects list to support nine projects at six facilities. These projects are detailed in **Exhibit 2**.

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**Exhibit 2**  
**Facilities Renewal Fund**  
**District Court Projects**  
**Fiscal 2020**  
**(\$ in Thousands)**

<u>Facility</u>	<u>County</u>	<u>Project</u>	<u>Funding</u>
Robert F. Sweeney District Court	Anne Arundel	Replace Sprinklers	\$250
Towson District Court	Baltimore County	Replace Chiller	270
Towson District Court	Baltimore County	Replace Roof	210
Elkton District Court	Cecil	Restroom Renovation	350
Elkton District Court	Cecil	Replace Elevated Sidewalk	450
Mary E.W. Risteau District Court	Harford	Replace Elevators	400
Mary E.W. Risteau District Court	Harford	Replace Roof	220
Hyattsville District Court	Prince George's	Replace Chillers	500
Salisbury District Court	Wicomico	Replace Chiller	500
<b>Total</b>			<b>\$3,150</b>

Source: Fiscal 2020 Capital Improvement Plan

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## *Updates*

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### **1. Fiscal 2020 Operating Budget Includes Two Judges for New Catonsville District Courthouse**

Fiscal 2019 is the final year of construction for the Catonsville District Courthouse, which is scheduled to open in the second half of calendar 2019. One of the principal justifications for the construction of the new courthouse was a need to add courtrooms in Baltimore County so that the Judiciary could add judges based on workload demands. The Judiciary's fiscal 2020 operating budget allowance includes two judges, two clerks, and four bailiffs to utilize the increased space in the new courthouse.

## **Summary of Other Projects in the Capital Improvement Program**

The current CIP includes two projects for the Judiciary that do not receive funding in fiscal 2020: the new Courts of Appeal building; and the construction of a new District Court in Bel Air in Harford County.

The current Mary E.W. Risteau Courthouse has four courtrooms but is not large enough to conduct court business. The Judiciary and DGS report that the facility has serious deficiencies, including insufficient security, inadequate roofing, and failing climate control. The building has regularly leaked for most or all of its time in service and is infiltrated by mold. Relocation of the District Court to a new facility will also allow the State to rehabilitate the current facility and use it to expand offices for other State agencies in downtown Bel Air. The project is programmed to begin receiving planning funding in fiscal 2023, one year later than was programmed in the 2018 CIP, and has a total estimated project cost of \$54.3 million, \$3.4 million more than the previous CIP. While the project is deferred for one year, the replacement of the courthouse's roof and elevators is funded as a facilities renewal project in fiscal 2020 at a total estimated cost of \$620,000.

## ***GO Bond Recommended Actions***

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1. Approve \$325,000 in general obligation bonds for the addition to the Washington County District Court.
2. Approve \$2,080,000 in general obligation bonds for the Shillman Building conversion.