

**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>2021 Request</b>	<b>2022 Est.</b>	<b>2023 Est.</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>Beyond CIP</b>
Shillman Building Conversion – Baltimore City District Court	\$3.065	\$0.713	\$26.551	\$12.940	\$0.000	\$0.000	\$0.000
Addition to the Washington County District Court	0.325	0.000	4.575	0.000	0.000	0.000	0.000
New Courts of Appeal Building	1.900	0.000	0.000	3.752	47.843	49.306	0.000
Harford County District Court	0.000	0.000	0.000	4.600	1.987	2.428	46.465
<b>Total</b>	<b>\$5.290</b>	<b>\$0.713</b>	<b>\$31.126</b>	<b>\$21.292</b>	<b>\$49.830</b>	<b>\$51.734</b>	<b>\$46.465</b>

<b>Fund Source</b>	<b>Prior Auth.</b>	<b>2021 Request</b>	<b>2022 Est.</b>	<b>2023 Est.</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>Beyond CIP</b>
GO Bonds	\$5.290	\$0.713	\$31.126	\$21.292	\$49.830	\$51.734	\$46.465
<b>Total</b>	<b>\$5.290</b>	<b>\$0.713</b>	<b>\$31.126</b>	<b>\$21.292</b>	<b>\$49.830</b>	<b>\$51.734</b>	<b>\$46.465</b>

CIP: *Capital Improvement Program*  
GO: general obligation

## ***Key Observations***

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***Shillman Building Conversion Delayed:*** Because the schematic design process determined that the building requires higher ceilings for courtrooms, significant structural changes are needed, which extended the design process timeline and moves the start of construction to fiscal 2022.

***District Court Facilities Update:*** The Judiciary has three projects receiving a collective \$800,000 from the Facilities Renewal Fund. Overall, the agency has requested no new judgeships and, as a result, does not have any plans for additional District Court space in the near future.

***Towson District Courthouse Closed for Repairs:*** Because of failures in its equipment, ventilation systems, and roofing, the courthouse was forced to close in January 2020 and is likely to remain closed for up to six months. During this time, Towson court operations have been moved to the new Catonsville District Courthouse, which is 16 miles away.

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

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1. Shillman Building Conversion

Approve \$713,000 in general obligation bonds for the Shillman Building conversion.

## ***Budget Overview***

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### **Shillman Building Conversion**

The fiscal 2021 capital budget includes \$713,000 in general obligation (GO) bond funds to complete design for the conversion of the Shillman Building into a new, seven-room courthouse for the Baltimore City District Court.

### **Current Courthouse and Deficiencies**

The current courthouse that the Shillman Building will replace is located on East Fayette Street adjacent to City Hall, War Memorial Park, 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 HVAC systems (some of which are nearly 50 years old) and electrical systems are inadequate and have caused poor air circulation among other issues; there is also a rodent infestation. Additionally, the current building has inadequate space for court functions and, in particular, there are no separate holding areas for detainees – as a result, it is only equipped to handle civil cases, not criminal cases.

Finally, the building is not compliant with the Americans with Disabilities Act (ADA), lacks secure parking, and lacks adequate security indoors and in the parking areas for its proceedings. Overall, a basic renovation is not enough to satisfy District Court needs.

### **Shillman Conversion Benefits**

Built in 1972, the Shillman Building is located in downtown Baltimore on North Calvert Street and currently houses multiple State agencies, including the Maryland Department of Labor (MDL), the Maryland Department of Health, and the District Court commissioners. The Department of General Services (DGS) has initiated the process of relocating these offices and employees to other facilities. Overall, an expanded and fully renovated Shillman Building offers multiple benefits for the District Court, as follows.

- **Location:** The Shillman Building is close to public transportation and is within walking distance of Baltimore City’s Circuit Court.
- **Space:** Increased space will allow the District Court to adjudicate criminal and traffic offenses in addition to the currently offered civil case docket at East Fayette. The space is also more secure and ADA compliant and will have more space for judges along with seven courtrooms.
- **Infrastructure:** While conversion of the building will be complex, the basic infrastructure needs in terms of reliable HVAC, electrical systems, and telecommunications will be solved. The Maryland Electronic Courts rollout is also an issue; while the current building’s electrical systems are inadequate and would be strained by the rollout, the updated building will be able to handle the extra telecommunications load.

### **Structural Reevaluation Causes Additional Delays**

**Exhibit 1** illustrates a revised project schedule and costs for the Shillman Building. The 2019 session estimate was based on design starting in January 2020 and taking 14 months. This would have put the project on schedule for the construction funds programmed in the 2019 *Capital Improvement Program* (CIP) for fiscal 2021. However, the design award did not take place until May 2019 and is expected to take 20 months to complete. The additional design times reflect the decision to conduct a more thorough evaluation of the structural capacity of the building to accommodate the construction of an additional floor for higher courtroom ceilings. These delays move the start of construction to fiscal 2022 and form the basis for the revised schedule and cost estimate reflected in the 2020 CIP. The awarded design contract requires an additional \$1.1 million over what was programmed last session of which \$713,000 is to be funded in fiscal 2021. The rest of the design funds are programmed for fiscal 2022, which funds the construction administration portion of the design contract. The most recent estimated construction costs are \$5.5 million over what was programmed last session. This results from adjustments to the escalation rates used by the Department of Budget and Management (DBM) in the cost estimating process to better reflect the current tight construction market and adjustments to the project site and utilities costs. Overall, the project is currently estimated to cost \$43.3 million compared to the \$35.7 million 2019 CIP estimate. Since the

design process is not yet complete, the total project cost estimate is not fully informed by construction document design review and therefore, may change.

**Exhibit 1**  
**Shillman Building Funding and Timeline**  
**Comparison of 2019 and 2020 CIP Estimates**

	<u>2019 CIP</u>	<u>2020 CIP</u>	<u>Change</u>
Prior	\$985,000	\$985,000	0.0%
2020	2,080,000	2,080,000	0.0%
2021	16,390,000	713,000	-95.6%
2022	16,240,000	26,551,000	63.5%
2023	0	12,940,000	n/a
<b>Total</b>	<b>\$35,695,000</b>	<b>\$43,269,000</b>	<b>21.2%</b>

<u>Activity</u>	<u>Date</u>
Completion of Schematic Design Phase	April 1, 2020
Completion of Design Development Phase	August 1, 2020
Completion of Construction Documents Phase	April 1, 2021
Receipt of Construction Bids	May 15, 2021
Approval of the Construction Contract by BPW	July 1, 2021
Mobilization and Commencement of Construction Activity	August 1, 2021
Completion of Construction	January 1, 2023

BPW: Board of Public Works  
 CIP: *Capital Improvement Program*

Source: Department of Budget and Management; Department of General Services

## ***Issues and Updates***

### **1. District Court Facilities Update**

In December 2018, the District Court inventoried its courthouse portfolio and provided information to the budget committees regarding the facilities’ condition requested in the 2018 *Joint Chairmen’s Report*. Overall, 17 of 19 facilities reported significant deficiencies, largely attributable to inadequate space and HVAC issues. While the Shillman Building conversion project design phase has begun and the new Catonsville courthouse has been built, only one of the District Court’s remaining major facilities included in the 2020 CIP (the Harford County courthouse). Additionally, the

District Court had six facilities that received over \$3 million in funding from the Facilities Renewal Fund in fiscal 2020, as follows:

- Robert F. Sweeney District Court building in Anne Arundel County;
- Towson District Court in Baltimore County;
- Elkton District Court in Cecil County;
- Mary E.W. Risteau District Court in Harford County;
- Hyattsville District Court in Prince George’s County; and
- Salisbury District Court in Wicomico County.

In fiscal 2021, the District Court has far fewer projects in the Facilities Renewal Fund. In total, three projects receive \$800,000 collectively as shown in **Exhibit 2**.

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**Exhibit 2**  
**Facilities Renewal Fund District Court Projects**  
**Fiscal 2021**

<u>Facility</u>	<u>County</u>	<u>Project</u>	<u>Funding</u>
Courts of Appeal Building	Anne Arundel	Replace Motor Control Center	\$350,000
Leonardtown District Court	St. Mary’s	Replace Roof	200,000
Salisbury District Court	Wicomico	Replace Elevators	250,000
<b>Total</b>			<b>\$800,000</b>

Source: Department of Budget and Management

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**Towson District Courthouse Closes; Operations Relocated to New Catonsville Courthouse**

In fiscal 2020, the Towson District Courthouse was on the Board of Public Works (BPW) Facilities Renewal Fund list for two projects – chiller replacement (\$270,000) and roof repairs (\$210,000). Because of failures in its HVAC systems and roof issues, the courthouse was forced to close in January 2020 and is likely to remain closed for up to six months. During this time, Towson court operations moved to the new Catonsville District Courthouse on Rolling Cross Road, which is approximately 16 miles away. Regular court operations for the Catonsville district will continue to take place at the existing courthouse on Walker Avenue.

In preparation for this closure, the Judiciary was able to adjust its web and on-the-ground presence to alert residents. After relocating Towson staff to Catonsville, the Judiciary used signage, radio/television coverage, and public service announcements to advise the public of the new location. However, the agency has received reports of residents arriving in Towson for court and, in some cases, there have been case postponements. There is also a rotating bus service between Towson and Catonsville, which has been used by courthouse personnel, residents, and attorneys. There is no specific information available on the number of cases postponed or potentially missed. The Judiciary does report that there are no other courthouses set for closure and that the Towson repairs are on schedule. **The Judiciary should update the committees on the status of the Towson courthouse closure, the cost estimates for the repairs, and the ability of the new Catonsville courthouse to handle the increased workloads and litigants.**

### **Judgeships and Capital Project Funding**

The Judiciary annually provides a Certification of Need (CON) for additional judgeships and reports this information to the General Assembly. For fiscal 2021, the Judiciary has requested no new judges and has no specific information on its need for the following year. Lower caseloads have reduced the overall need for new judges and as a result, the Judiciary reports no plans to request the construction of additional District Court space. However, the Judiciary continues to report that existing courthouses are deficient and in need of replacement. The deficiencies include, but are not limited to, the following:

- inadequate and failing building maintenance and support (Bel Air, Elkton, Essex, and Glen Burnie);
- lack of adequate support space in courthouses for new programs/initiatives such as the Appointed Attorney Program and public defender eligibility determinations in commissioner offices; and
- lack of space for support agencies that provide assistance with landlord/tenant issues, domestic violence, and self-represented litigants.

## ***Operating Budget Impact Statement***

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### **Executive’s Operating Budget Impact Statement – State-owned Projects Fiscal 2021-2025 (\$ in Millions)**

	2021	2022	2023	2024	2025
<b>Shillman Building Conversion</b>					
Estimated Operating Cost	\$0.00	\$0.27	\$0.19	\$0.00	\$0.00
Estimated Staffing	0.00	0.00	0.00	0.00	0.00

For the Shillman Building project, the operating impacts listed in the 2020 CIP are costs associated with the transfer and setup of telephone service for MDL and various court staff.

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

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The current CIP includes three projects for the Judiciary that do not have funding requests in fiscal 2021: the Washington County District Court addition; the new Courts of Appeal Building in Annapolis; and the new District Court facility in Harford County.

### **Washington County District Court Addition**

According to the fiscal 2020 CON for judgeships, there is a need for a third District Court judge in Washington County, but the courthouse only contains two courtrooms. As a result, this project will add a third courtroom and office space for a third judge and staff, and once the project commences and is completed in fiscal 2022, the agency will time its judgeship request to coincide with this project.

The 2020 CIP has \$4.6 million in funds slated for this project, beginning in fiscal 2022, and the project previously received \$325,000 for planning and design. The total estimated cost of the project is \$4.9 million, an increase of \$800,000 over what was programmed in the 2019 CIP. This is due to increases in costs per square foot and higher structural expenses including asbestos removal and utilities costs.

Despite receiving design funds in fiscal 2020, the design is not expected to begin until March 2020 at the earliest. DGS advises that a design firm has been selected and fee negotiations are underway. The Department of Legislative Services is concerned about the amount of time that it has taken to bring the design contract to BPW for approval. This unfortunately will delay the start of construction to fiscal 2022 rather than 2021 as was programmed in the 2019 CIP. **DGS should be**

prepared to address the lengthy design procurement and an explanation as to why it believes the design phase will take 12 months to complete for what is a fairly modest project scope.

## New Courts of Appeal Building Design Funding Moved

The construction of a new Courts of Appeal Building remains unchanged from what was programmed in the 2019 CIP, despite the Judiciary’s attempt to accelerate the project schedule by including funds to start the design phase in its fiscal 2019 operating budget submission. Although a portion of the funds requested (\$1.9 million) was authorized in the 2019 session with GO bond funds, the project schedule remains unchanged and is still scheduled for fiscal 2024 and 2025.

### Previous Funding and Current Status

**Exhibit 3** illustrates the changes in funding for the Courts of Appeal Building project that incorporates revised DBM escalation rates.

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**Exhibit 3**  
**Courts of Appeal Building Funding Changes**  
**Fiscal 2021-2025**

<u>Fiscal Year</u>	<u>2019 CIP</u>	<u>2020 CIP</u>	<u>Change</u>
Prior	\$0	\$1,900,000	
2021	0	0	0.0%
2022	3,701,000	0	100.0%
2023	3,701,000	3,752,000	1.4%
2024	41,071,000	47,843,000	16.5%
2025	40,727,000	49,306,000	21.1%
<b>Total</b>	<b>\$89,200,000</b>	<b>\$102,801,000</b>	<b>15.2%</b>

CIP: *Capital Improvement Program*

Source: Department of Budget and Management

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### Future Steps

After the Courts of Appeal Building project is complete and the occupants of the current facility are relocated, the older facility will need to be evaluated for renovation, given its deteriorating condition. While the Judiciary is considering renovating the building and repurposing it as additional office space for its Judicial Information Systems division, the costs for this initiative are not included in the current CIP.

## Harford County District Court

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 continues to have serious deficiencies, including insufficient security, inadequate roofing, and failing climate control systems. The building has regularly leaked for most of its time in service and is infiltrated by mold. Construction of a new seven-courtroom building will allow the courts to expand offices for other court-related agencies in downtown Bel Air and will allow the vacated space in the current building to be backfilled by other State agencies in the area. The project is programmed to receive planning funding in fiscal 2023 and has a total estimated project cost of \$55.5 million, \$1.2 million more than the previous CIP.

## Projects Deferred in Fiscal 2021

The Washington County District courthouse, slated for \$2.5 million in funding in the previous year’s CIP, has been deferred until fiscal 2022, due to delays in the design process, as shown in **Exhibit 4**. The total allocation is \$4.6 million.

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### Exhibit 4 Projects Deferred Fiscal 2021

<u>Project</u>	<u>Description</u>	<u>Reason for Deferral</u>
Addition to the Washington County District Court	Added courtroom space for a third judge and office staff.	Design-associated delays necessitate rescheduling the project.

Source: Department of Budget and Management

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

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1. Approve \$713,000 in general obligation bonds for the Shillman Building conversion.