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WAYNE COUNTY, ROCK REACH TENTATIVE DEAL TO BUILD CRIMINAL JUSTICE CENTER
Gratiot jail to be demolished, \$533-million criminal justice center expected in 2022

DETROIT – Wayne County **Executive Warren C. Evans** today announced a tentative agreement with Rock Ventures to build a new \$533 million criminal justice center, providing the County with four state-of-the-art buildings as a solution to its long-stalled Gratiot jail project. As part of the deal, the County would invest \$380 million with Rock covering the remaining costs and any overruns.

“We made the best of a tough situation and have a definitive path forward to address the failed jail project. It’s been an albatross for the County for far too long,” Evans said. “At the end of the project we will have an entirely new criminal justice complex, and most importantly, the County’s construction costs are capped. We now know what we are going to pay and can budget accordingly. That better positions us to tackle other facilities and infrastructure challenges beyond our jails.”

As part of the deal, the newly constructed criminal justice center will house the County’s 2,280-bed jail, sheriff and prosecutor staff and administrative offices, criminal courthouse and juvenile detention facility. The center will be completed on property bounded by the I-75 Service Drive and East Warren Avenue, which is being acquired from the City of Detroit. Key components of the deal, which now head to the County Commission and Building Authority for approval, include:

- Completion is expected in spring/summer of 2022, with Rock responsible for estimated costs of about \$153 million, as well as any cost overruns;
- If the actual cost of the criminal justice center is less than the budgeted amount, the County and Rock will share the savings based upon an agreed to schedule;
- Rock will operate and collect net parking revenues capped at \$30 million present value for various parking sites around the criminal justice center, after which the County will take over operation and collection of parking revenues. The County, however, retains complete control of 119 secured parking spaces for County use at no cost;
- Rock has agreed to invest at least \$250 million into a mixed-used development on the properties it acquires from the County, while utilizing at least 51% of Wayne County residents in the jobs required for development of the properties; and
- Rock agrees to perform outreach to County-based businesses for their participation.
- Rock will contribute \$500,000 to parks located in Wayne County and \$250,000 to support career and technical education programs for previously incarcerated citizens.



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In exchange, the County will transfer to Rock, the existing Division I and II jails, juvenile detention facility and Frank Murphy Hall of Justice. Upon approval and execution of the deal, these parcels will be leased back to the County for \$1.00 per year until the criminal justice center is complete and the County has transitioned to the use of the new facilities. Rock will also, in a separate transaction, purchase, the property where the unfinished Gratiot jail is located.

The County will pay its portion of the construction costs with remaining bond proceeds from the Gratiot failed jail project, new bonds specific to the current project and some general fund revenue. Based upon discussions with the Internal Revenue Service, Wayne County's bond counsel has advised the administration that the transactions, as structured, will satisfy applicable federal tax requirements.

"This has been an extraordinarily complex process involving over half a billion dollar development deal with land acquisition from a third party. I couldn't be prouder of my team, for all the work it took in reaching the best possible solution," Evans said. "I'm also pleased that building the new jail will allow us to close the County's three existing jails, leading to improved efficiency, cost-savings and addressing the long-standing poor conditions."

Under terms of the deal with Rock, Barton Malow will serve as the general contractor while Hellmuth, Obata & Kassabaum, Inc. will serve as the architect. The County retains the authority to approve the designs as it moves from schematics to development and finally construction. The criminal justice center must be designed and constructed in accordance with "Outline Specifications" as approved by the County.

The final purchase agreement on the land swap deal with the city of Detroit still requires approval of the Wayne County Commission and the Wayne County Land Bank, which owns the AMC property.

News, updates and related documents to the criminal justice center will be posted at **WayneCounty.Com/jail**.

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