

**REPORT OF THE
DEPARTMENT OF CORRECTIONS**

**Plan to Finance, Construct and Operate
Additional Correctional Facilities**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 79

**COMMONWEALTH OF VIRGINIA
RICHMOND
2005**



COMMONWEALTH of VIRGINIA

GENE M. JOHNSON
DIRECTOR

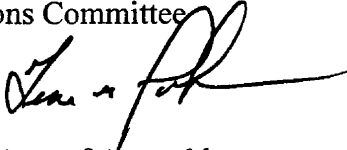
Department of Corrections
October 15, 2005

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MEMORANDUM

TO: The Honorable John H. Chichester, Chairman
Senate Finance Committee

The Honorable Vincent F. Callahan, Jr., Chairman
House Appropriations Committee

FROM: Gene M. Johnson 

SUBJECT: Item 410 I.2, 2005 Acts of Assembly
Plan to Finance, Construct, Operate Additional Correctional Facilities

Background

Item 410 I.2 of the 2005 Acts of Assembly requires the Department of Corrections to develop a plan to finance, construct, and operate additional correctional facilities in order to meet bed space needs through fiscal year 2011. The legislature further directed that the plan include as a first priority, a facility to be located in the Mount Rogers Planning District, and as a second priority, a facility to be located in Charlotte County.

Need

The October 2005 State Responsible Inmate Population Forecast is down from the prior year, however, the need for the Mount Rogers facility still exists. The new Master Plan based on the October forecast has not yet been finalized, however, the draft of that document indicates a bed space shortage of approximately 2,000 by the end of FY2010, and almost 3,000 by the end of FY2011. It is anticipated the bed space shortages indicated in the draft version of the Master Plan will change very little when finalized. While funding for construction is not needed this session, the land acquisition and design portion of the project should be dealt with during the 2006 legislative session in order to bring beds on line before the shortage reaches 3,000 beds.

Current Status

The Department previously received proposals under the Public-private Education and Infrastructure Act (PPEA) for both the Mount Rogers and Charlotte County facilities. These proposals have been evaluated and a recommendation made to move forward to a detailed proposal submission relative to the Mount Rogers location only. Assuming we are granted permission to move forward under the active PPEA process on November 1,

2005, construction of the Mount Rogers facility would be complete in mid FY2010, assuming the initial site proposed proves to be acceptable both publicly and in terms of its subsurface and environmental characteristics. If a new site must be identified, tested, and accepted publicly, the delivery time may slide to the end of FY 2010, or possibly into FY2011.

Plan and Construction Schedule

A schedule is attached showing the activities and time frames that will occur between November 1st and construction completion in FY2010. A major activity involves identification, testing, evaluation, public acceptance, and acquisition of a prison site. Prison siting activities can be accomplished much more effectively under the active PPEA proposal. Authorizing language and an appropriation of approximately \$9 million this session will allow the project to move fully through site investigation and land acquisition, and also finalize the facility design (site adaptation).

Financing

It is anticipated the facility will be financed through VPBA during the 2007 session. The cost estimate submitted in the Department's 2006 Capital Budget Request is \$86 million for the Mount Rogers facility. This estimate was based on a delivery date in FY2009. Costs will increase due to inflation for a delivery date a year later in FY2010. Assuming \$9 million is appropriated this session, we will request the remainder next session.

Operating Costs

Operating costs for a similar facility are estimated at \$22.8 million inflated through FY2008, however, this figure will also increase by FY2010 when the facility opens.

Plan for Next Facility

Need for the Charlotte County facility is now expected to be no earlier than FY2011 and possibly into FY2012. The October 2005 SR forecast does not support moving forward with the active PPEA proposal(s) for that facility at this time. We do anticipate proceeding with the Charlotte County facility under a future solicited or unsolicited PPEA or other procurement method when the forecast supports the action. It is likely the facility will be privately operated. Estimated costs on the Charlotte County facility are so far into the future they would not be very accurate, therefore, no estimate of construction or operating costs is being made at this time.

c: The Honorable John Marshall , Secretary of Public Safety

GMJ/kcl

