

Administration

Projects Summary

(\$ in thousands)

| Project Title | Rank | Fund | Project Requests for State Funds | | | Gov's Rec | Gov's Planning Estimates | |
|---|------|------|----------------------------------|----------------|---------------|---------------|--------------------------|--------------|
| | | | 2016 | 2018 | 2020 | 2016 | 2018 | 2020 |
| Centennial Parking Ramp Structural Repairs | 1 | GO | 10,878 | 0 | 0 | 10,878 | 0 | 0 |
| Visitor and Staff Parking Facilities | 2 | GO | 66,676 | 0 | 0 | 6,000 | 0 | 0 |
| State Office Building Design and Construction | 3 | GO | 12,006 | 110,565 | 0 | 0 | 0 | 0 |
| Statewide Capital Asset Preservation and Replacement Account | 4 | GO | 7,500 | 5,000 | 5,000 | 2,500 | 2,500 | 2,500 |
| Capitol Complex Monuments and Memorials Repairs and Restoration | 5 | GO | 3,515 | 0 | 0 | 350 | 0 | 0 |
| Strategic Plan for Enterprise Facilities | 6 | GF | 1,500 | 0 | 0 | 0 | 0 | 0 |
| Agency Relocation | 7 | GF | 1,500 | 1,500 | 1,500 | 1,500 | 0 | 0 |
| Enterprise Asset Preservation | 8 | GO | 32,000 | 32,000 | 32,000 | 0 | 0 | 0 |
| Centennial Office Building Repair | 9 | GO | 0 | 161,628 | 0 | 0 | 0 | 0 |
| Total Project Requests | | | 135,575 | 310,693 | 38,500 | 21,228 | 2,500 | 2,500 |
| General Obligation Bonds (GO) Total | | | 132,575 | 309,193 | 37,000 | 19,728 | 2,500 | 2,500 |
| General Fund Cash (GF) Total | | | 3,000 | 1,500 | 1,500 | 1,500 | 0 | 0 |

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AT A GLANCE

- 460 employees
- Overseeing the first comprehensive restoration of Minnesota State Capitol Building
- Negotiated over \$49 million in contract savings for government entities in FY 2013 and FY 2014
- Reduced energy consumption by 21.3 percent in the 22 buildings it operates and maintains since 2008
- Manage more than 280 construction projects and 700 property leases
- Oversee a fleet of more than 1,800 vehicles
- Trained more than 1,200 public officials and stakeholders last year on complying with and navigating open government laws
- Provided direct training and informational resources to more than 6,600 individuals with developmental disabilities or family members in the last year

PURPOSE

The Department of Administration is a core central service agency for the executive branch serving the Governor, legislature, state agencies, local governments, and the public. Our mission is to *provide the best value in government administrative services*. That mission is achieved by focusing on three strategies: customer satisfaction, continuous improvement, and employee engagement.

We provide a broad range of business and professional services so agencies can achieve their missions and have a lead role in ensuring the efficient organization of state government. We help agencies get the best value in purchasing goods and services. We oversee the construction and leasing of state facilities. We provide property, liability, and workers compensation insurance coverage for state operations. We set policy for state grants administration. And, we make sure the Capitol Complex buildings run efficiently and keep the Capitol grounds beautiful.

In addition to providing vital services to agencies, we provide key services to the public. On an individual level we ensure that citizens understand their rights to access information kept by government. We provide opportunities for those with developmental disabilities and their families to advocate for their rights to education, work, and participation in their communities. And, we provide assistive technology so those with physical disabilities can lead more independent and productive lives. Our community oriented services help to ensure that grants are distributed efficiently and fairly as well as provide essential population data through our demographic services.

By ensuring that Minnesota's executive agencies receive the best value in government administrative services, Admin contributes to the statewide outcome of: **Efficient and accountable government services**. By providing persons with disabilities assistive technology to help them be productive and involved in their communities, Admin contributes to the statewide outcomes of: **Minnesotans have the education and skills needed to achieve their goals; and Strong and stable families and communities**.

STRATEGIES

We utilize multiple strategies and service delivery models to support the statewide outcomes of efficient and accountable government services and ensure the best value in government administrative services. These include:

- Procurement services that use an enterprise approach to achieve the best value by developing contracts for use by multiple government units; standardizing and consolidating purchases; and

aggressively negotiating contract terms and pricing. Promotes the state's commitment to diversity and inclusion by ensuring that all Minnesotans have access to the public procurement process

- Facilities management services, such as maintenance, engineering, and energy retrofits that provide well-maintained facilities necessary for the daily operations of the state's executive, legislative, and judicial branches.
- Construction and space leasing services, such as serving as the State's leasing agent and owner's representative on construction projects, that provide efficient and effective oversight and management of capital construction projects, ensure facility solutions that cost-effectively meet state agencies' space needs, establishing a data system to assist policymakers in prioritizing capital investments, and facilitate effective management and use of state real property assets.
- Government-to-Government Services, such as advising on and providing business services, that provide small agency financial and human resource assistance, continuous improvement (Lean) training, workers compensation, archeological services, and vehicle fleet services.
- Government management services that advise agencies on achieving energy reduction goals, complying with open government requirements, reducing workers' compensation costs, helping small agencies follow state human resources and financial policies and procedures, and reducing the state's reliance on gasoline.
- Citizen services that include assistive technology, demographic services, resources for citizens with developmental disabilities, and the promotion of the public's access by granting permits to stage public rallies or educating citizens on their rights to government data.

The Department of Administration's legal authority comes from:

- M.S. 13 (<https://www.revisor.mn.gov/statutes/?id=13>),
- M.S. 16B (<https://www.revisor.mn.gov/statutes/?id=16B>),
- M.S. 16C (<https://www.revisor.mn.gov/statutes/?id=16C>),
- M.S. 4A.02 (<https://www.revisor.mn.gov/statutes/?id=4a.02>),
- M.S. 176.541 (<https://www.revisor.mn.gov/statutes/?id=176.541>),
- M.S. 138.31-138.42 (<https://www.revisor.mn.gov/statutes/?id=138.31>),
- M.S. 307.08 (<https://www.revisor.mn.gov/statutes/?id=307.08>).

At A Glance

- Provide enterprise real estate and construction services for state agencies.
- Administer an Enterprise Real Property Program that provides real-time condition assessments on state facilities and allows for prioritizing and targeting limited asset preservation funds.
- Provide direction and guidance on sustainable construction and retrofitting through partnerships with other state agencies, the University of Minnesota and local governments.
- Provide consultative services on optimal office design to most efficiently and effectively maximize space and reduce real estate costs.
- Leverage opportunities for efficient acquisition and disposition of property at the lowest possible cost.
- Operate and maintain 24 buildings, 23 memorials, 1 tribute and 26 parking facilities.

Factors Impacting Facilities or Capital Programs

The Department of Administration (Admin) provides enterprise leadership for state agencies' real estate needs. The department contracts for the construction, repair and leases of facilities on behalf of state agencies, manages construction and repair projects, and plays a key role in advancing energy conservation and clean energy. Additionally, Admin operates and maintains multiple building, monuments and parking facilities.

Admin facilitates key enterprise programs and tools are administered resulting in a coordinated data-driven strategy to the state-owned property portfolio. Admin advises agencies by continually assessing the conditions of existing facilities through an enterprise real estate forecasting system, Enterprise Real Property Program (ERPP). The ERPP catalogs facility conditions for more than 31 million square feet of real estate across 5,500 state buildings.

Admin assists 19 state agencies in determining capital improvement priorities by utilizing real-world, objective, fact-based assessments of building conditions. Leveraging this data will allow the Department, in collaboration with other state agencies, to determine high-value asset preservation projects that will extend the viable life of state owned facilities and ensure a high return on investment for taxpayers.

Admin's capital budget requests, including facilities under the department's custodial control, have an enterprise focus impacting multiple agencies. In determining agency priorities, the following factors are identified and used to assist in selecting projects:

- Deteriorating and/or failing infrastructure
- Enterprise-wide needs and opportunities
- Life/safety and code compliance
- Public access to the Capitol Complex
- Sustainability and energy efficiency
- Space/program requirements
- Emergency repair and hazardous materials abatement
- Capitol Complex land availability and optimum use

Self-Assessment of Agency Facilities and Assets

Admin operates and maintains 24 buildings, 23 memorials, 1 tribute and 26 parking facilities, located primarily in Saint Paul. Deferred maintenance at these facilities, based on the current data available to the ERPP, is estimated to be in excess of \$188 million.

Of particular concern for the department are:

The **Centennial Parking Ramp** houses 1489 parking stalls in a prime location in the Capitol Complex. During a recent facility assessment, it was identified that one level of the ramp was in imminent need of repair to damaged post-tension cables. This required the closure of the ground floor of the ramp to shore up the second story. Additionally, it is known that the park on the roof of the facility is leaking onto other floors and is at risk of further damaging floors if it is not repaired. Currently, a comprehensive assessment of all floors of the ramp is underway.

The **State Office Building**, now approaching its 80th year, is also in need of substantial renovation/restoration as evidenced by a recent facility condition assessment and predesign study (2012). The systems identified as “currently critical” and “potentially critical” account for \$7.5 million of total cost.

With the Minnesota State Capitol Restoration Project set to finish in 2017, there are still a number of **Capitol Complex Monuments and Memorials** on the Mall that are in need of restoration. Currently, full restoration of existing monuments is estimated to cost \$3.5 million. These are monuments are a legacy to Minnesota’s heritage experienced by the 200,000 visitors annually to the Capitol.

The **Capital Asset Preservation and Replacement Account (CAPRA)** is in need of replenishment. The fund’s balance is currently less than \$500,000. CAPRA funds emergency repairs and abatement needs for state agencies.

Agency Process for Determining Capital Requests

Admin’s mission is to provide the best value in government administrative services; helping our state-agency customers succeed in fulfilling their diverse missions of serving citizens. Among the department’s strategic objectives are:

- Ensuring the wise use and maintenance of existing structures;
- Supporting sustainable investment in new facilities to maintain and extend the life of state owned assets;
- Leveraging technology to improve the planning, management, and decision-making;
- Conserving natural and economic resources through
 - waste reduction
 - wise use of energy
 - sustainable design
 - rightsizing state facilities to handle agency needs both today and into the future

Admin’s work extends beyond the properties over which it manages and maintains custodial control. Admin provides other agencies with expert services with respect to design, contracting, and construction of their facilities while assisting agencies in evaluating the quality of their facilities.

Prioritizing and targeting limited asset preservation funds will be achieved by leveraging the data collected from other agencies by the ERPP. By utilizing the facility conditions data, Admin expects to be able to assist state agencies and MMB in selecting projects that will have a high return on investment and increase the viable life of state buildings.

Finally, Admin continuously evaluates life/safety and security needs throughout the Capitol Complex. When combined with data gathered by the ERPP, the department prioritizes projects that will address

critical vulnerabilities, provide safe environments for state employees and the public, and ensure well maintained facilities are available for state agencies during normal operations and during times of crisis. These efforts support the Governor's Executive Order on Continuity of Governance and Continuity of Operations planning.

Major Capital Projects Authorized in 2014 & 2015

Admin Capital Projects Authorized in 2014

Capitol Renovation and Restoration Continued - \$126.3 million

Minnesota Hmong-Lao Veterans Memorial - \$450,000

Minnesota Worker's Memorial - \$250,000

Admin Capital Projects Authorized in 2015

Capitol Restoration Out-of-Scope Items - \$26.724 million

Capitol Site Security Enhancements - \$6.2 million

Centennial Parking Ramp Structural Repairs**AT A GLANCE****2016 Request Amount:** \$10,878**Priority Ranking:** 1**Project Summary:** \$10.878 is requested to repair damaged post-tension cables on the Centennial Parking Ramp, which is located on the Capitol Complex. The Centennial Ramp is a 5 level parking ramp with 1,489 stalls in a prime location in the Capitol Complex, neighboring the Centennial, Judicial, Freeman and Agriculture/Health Laboratory Buildings.**Project Description**

24% of the Centennial Office Building ramp is currently closed due to unsafe conditions. The project will remove the concrete deck in critical areas on the Blue Level of the ramp to expose the post-tension cables. Broken cables will be removed, new cables will be installed, damaged cable casings will be repaired and the removed portions of the concrete deck will be replaced. The project will also apply a new urethane protective wearing surface on all decks to guard against future deterioration of structural steel and provide for future repairs on the structural components of the facility.

Repairs to the top level of the ramp will be determined by the ongoing plaza study but we have included a contingency for this in this request.

The project will also install a new storm water retention system to capture parking ramp runoff.

The remaining funds will pay for design and project administration and cover inflation.

Project Rationale

During recent scheduled preventative maintenance, it was discovered that many of the post-tension reinforcing cables that support the parking decks had been broken or severely damaged. These cables are critical to the structural stability (integrity) of the ramp. If the broken cables are not replaced, and the damaged cables are not repaired and protected from the elements, future deterioration will cause more of the ramp to become unsafe and could result in its total closure or collapse.

In addition, there is water drainage from green space on the top level of the ramp that results in almost continual run-off, which is a significant factor in the ongoing deterioration of the parking levels below. Rehabilitation is completed each year to maintain the structural integrity of this ramp; however, major repairs are needed. Funds from this capital budget request will be used to complete needed repairs. Additionally, a storm water retention system is needed in order to limit run-off and improve water quality within the St. Paul watershed district.

Other Considerations

Although the ramp is currently safe, failure to make these repairs will render the parking ramp unsafe

over time and could result in catastrophic failure.

Impact on Agency Operating Budgets

Admin recommends that repair costs be funded with general obligation bonds. While many parking projects have been fully user-financed in the past, diminished land availability and increased demand have resulted in the need for higher cost parking ramps. If this project is user-financed, the cost of debt service would be paid by the parking fund over 20 years and be in addition to parking rates that have increased substantially in recent years to fund \$2.3 million annually for debt service on two newly constructed parking facilities. Any additional debt service would further push up parking rates for contract holders.

Description of Previous Appropriations

Laws of 1992, Chapter 558, Section 12, Subd. 3 and Laws of 2005, Chapter 20, Section 13, Subd. 4

Project Contact Person

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Capitol Area Architectural and Planning Board Review

This parking structure has the largest capacity of any ramp in the Capitol Area. As this is not new construction and thus no new impact other than improved safety with repair of an existing structure, the CAAPB fully supports this request. Furthermore, given the pressure on the parking supply in the area, we fully acknowledge the urgency of this request.

Governor's Recommendation

The Governor recommends \$10.878 million in general obligation bonds for this request.

Administration

Project Detail

(\$ in thousands)

Centennial Parking Ramp Structural Repairs

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|--------------------------------|-----------------|------------------|-------------|-------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 0 | \$ 10,878 | \$ 0 | \$ 0 |
| Funds Already Committed | | | | |
| Other State Funds | \$ 2,500 | \$ 0 | \$ 0 | \$ 0 |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 2,500 | \$ 10,878 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|-------------------------|-----------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 800 | \$ 0 | \$ 0 |
| Project Management | \$ 32 | \$ 8 | \$ 0 | \$ 0 |
| Construction | \$ 2,468 | \$ 9,085 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 985 | \$ 0 | \$ 0 |
| TOTAL | \$ 2,500 | \$ 10,878 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2016 | FY 2018 | FY 2020 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|-----------|------------------|
| General Fund | \$ 10,878 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) | Yes |
| M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration) | |
| Does this request include funding for predesign? | No |
| Has the predesign been submitted to the Department of Administration? | No |
| Has the predesign been approved by the Department of Administration? | No |
| M.S. 16B.325(1): Sustainable Building Guidelines Met | N/A |
| M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines | |
| Do the project designs meet the guidelines? | N/A |
| Does the project demonstrate compliance with the standards? | N/A |
| M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT) | N/A |
| M.S. 16A.695: Public Ownership Required | Yes |
| M.S. 16A.695(2): Use Agreement Required | N/A |
| M.S. 16A.695(5): Program Funding Review Required (by granting agency) | N/A |
| M.S. 16A.86 (4b): Matching Funds Required | N/A |
| M.S. 16A. 642: Project Cancellation in 2021 | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Visitor and Staff Parking Facilities

AT A GLANCE

| | |
|-----------------------------|--|
| 2016 Request Amount: | \$66,676 |
| Priority Ranking: | 2 |
| Project Summary: | \$66.67 million in general obligation bond funds to acquire property, demolish existing structures, and complete site-work and paving to provide additional visitor parking for the Capitol Complex. |

Project Description

This project will include the predesign, design, and construction for a new multi-level parking ramp (a total of approximately 1,700 spaces) to be located on the State Capitol Complex to replace 500 leased spaces currently provided under agreement with Sears and Block 19. It will also accommodate the influx of state employees (800 spaces) and the displacement of spaces (400 spaces) in the future construction sites.

Two parcels of non-state owned property in the Capitol Complex are currently available for sale. The parcels are strategically located in a way that would provide for high demand visitor parking in close proximity to the State Capitol and State Office buildings. \$6 million of requested funding would be used to acquire property, demolish existing structures, and complete site-work and paving.

Project Rationale

There is a parking shortage on the Capitol Complex and parking demand is anticipated to increase in the coming years. Admin currently leases 300 surface parking spaces at Sears and 200 spaces at Block 19 in Downtown St. Paul. The spaces at Sears will no longer be available after August of 2018 and the costs to lease the spaces at the Block 19 facility continue to increase significantly from \$70 in 2012 to \$115 in 2015, making the Parking Fund's ability to continue leasing the spaces cost prohibitive. In addition, the population on the Capitol Complex continues to grow as state agencies have optimized space to relocate employees from leased space into owned space.

Visitor parking resources are also strained. Each day during the legislative session hundreds to thousands of visitors come to the Capitol and legislative office buildings. There are only 563 visitor spaces and only 44 public disabled spaces. These new parcels would help ease the burden for visitors, many of whom now park on neighborhood side-streets, often several blocks away from their destination.

The state has historically provided for approximately 11% of its total parking on the Capitol Complex under long term (five year) leases with Sears (Lot X). In 2014, the State completed construction of a new parking ramp on the west side of the Transportation Building which created 417 additional parking spaces. The State has also recently completed the garage under the new Minnesota Senate Building. The garage replaces the surface parking spaces along Aurora Boulevard and in Lot O. Conversion of parking to the new garage resulted in a loss of 58 contract spaces. There was a net gain of 359 contract parking spaces from the two new facilities. This gain reduced lease exposure to 9%. Current demand still requires a lease for 300 spaces at the Sears site. The lease

was recently amended to extend the lease for a term of only three years with a clause that states that the Tenant (State) shall not have any additional options to renew or extend the term of the Lease beyond August 31, 2018. Additionally, Sears can terminate the lease upon 90 days' notice in the event that they sell, lease, or assign the property in its entirety.

Other Considerations

Monthly contract demand continues to grow each year and the more popular parking ramps/lots routinely have a waiting list. The impending loss of over 300 parking spaces within the next three years and being subject to the loss of an additional 200 spaces in downtown St Paul, without replacement will reduce the inventory of spaces available for contract to 5,276. These losses coupled with the increased occupancy on the Capitol Complex will cause a significant shortage of parking. Lack of parking could impact state government's ability to hire and retain staff due to the added commuting times and/or costs to park in private facilities off of the Capitol Complex.

This expected loss of parking spaces represents 4% and 7% of the current year-round parking population on the Capitol Complex. When we factor in the expected population growth of the Capitol Complex the percentage grows to approximately 18%.

While the impact of the Central Corridor Light Rail operation on demand for vehicular parking on the Capitol Complex is difficult to quantify, it is unlikely that it could represent an alternative for over 1,300 employees not already using other forms of public transportation.

Visitor parking space counts and location may be impacted by this project depending upon the site chosen for the new parking ramp. In the event of such impact, every effort will be made in the design to provide as many visitor parking spaces as possible.

Impact on Agency Operating Budgets

Admin recommends that repair costs be funded with general obligation bonds. While many parking projects have been fully user-financed in the past, diminished land availability and increased demand have resulted in the need for higher cost parking ramps. If this project is user-financed, the cost of debt service would be paid by the parking fund over 20 years and be in addition to parking rates that have increased substantially in recent years to fund \$2.3 million annually for debt service on two newly constructed parking facilities. Any additional debt service would further increase parking rates for contract holders.

Description of Previous Appropriations

N/A

Project Contact Person

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Capitol Area Architectural and Planning Board Review

The CAAPB acknowledges an increasing demand for visitor and staff parking in the area; and in the

past, has identified redevelopment sites appropriate to work with Administration in any design phase to assure that in key locations, “liner buildings” at street level might be included to make for a more pedestrian – friendly experience on approaches to the State Capitol Building. At the same time, given the level of need, the limited sites available and concerns for traffic impacts on our roads, the CAAPB would encourage a stronger State commitment to transit subsidies for employees; be it for ride-share, vanpools or ideally a greater subsidy of the Metro-Pass (in order to make use of transit at least cheaper than parking and thus more attractive), similar to what other local businesses have moved to as an alternative to simply building more and more parking at increasing costs. Depending on the level of site and design work required, the CAAPB may need to access a small amount of the funding for any extraordinary Board review beyond the normal level.

Governor's Recommendation

The Governor recommends \$6 million in general obligation bonds for the land acquisition component of this request.

Administration

Project Detail

(\$ in thousands)

Visitor and Staff Parking Facilities

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|--------------------------------|-------------|------------------|-------------|-------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 0 | \$ 66,676 | \$ 0 | \$ 0 |
| Funds Already Committed | | | | |
| | | | | |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 0 | \$ 66,676 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|-------------------------|-------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 3,000 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 60 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 4,700 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 360 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 46,000 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 3,000 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 9,556 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 66,676 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2016 | FY 2018 | FY 2020 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|-----------|------------------|
| General Fund | \$ 66,676 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) | Yes |
| M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration) | |
| Does this request include funding for predesign? | Yes |
| Has the predesign been submitted to the Department of Administration? | No |
| Has the predesign been approved by the Department of Administration? | No |
| M.S. 16B.325(1): Sustainable Building Guidelines Met | Yes |
| M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines | |
| Do the project designs meet the guidelines? | Yes |
| Does the project demonstrate compliance with the standards? | Yes |
| M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT) | N/A |
| M.S. 16A.695: Public Ownership Required | Yes |
| M.S. 16A.695(2): Use Agreement Required | N/A |
| M.S. 16A.695(5): Program Funding Review Required (by granting agency) | N/A |
| M.S. 16A.86 (4b): Matching Funds Required | N/A |
| M.S. 16A. 642: Project Cancellation in 2021 | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

State Office Building Design and Construction

AT A GLANCE**2016 Request Amount:** \$12,006**Priority Ranking:** 3

Project Summary: \$12.006 million is requested for the design of the renovation of the State Office Building located on the Capitol Complex in St. Paul. The project will address building systems that are beyond their useful life and other deficiencies in the building and adjacent parking ramp. These needs are identified in the Facility Condition Assessment prepared in 2011 and in the Predesign Report prepared in December of 2012.

Project Description

This project request will complete repair, replacement, and renewal needs specific to the State Office Building and Parking Ramp. Funding this request will enable the department to prepare a design to comprehensively address deferred maintenance including but not limited to:

- Safety hazards and code compliance issues
- Major mechanical, electrical and structural deficiencies
- Tuck pointing and other building envelope work
- Elevator repairs/upgrades/replacements
- Security issues
- Energy conservation & sustainability

A major renovation on the building was last completed in 1985. Since then only routine maintenance and repairs have occurred. Consequently, the plumbing, mechanical, controls, and air distribution systems are at the end of their rated useful life, causing higher operating and repair costs and risking shut down in the event of a total system failure. The lighting system is outdated and inadequate and the windows and skylights do not meet today's energy codes. Additionally, the emergency power, emergency lighting and fire alarm systems are well beyond their rated life and may be inadequate in the event of an emergency. This project will provide a comprehensive approach for the restoration and preservation of the building.

The proposed funding and implementation plan is as follows:

- 2016 - \$12,006,000 for design, pre-construction services, and swing space construction
- 2018 - \$110,565,000 construction and occupancy costs

Project Rationale

Based on the findings of the Facility Condition Assessment and Predesign Report, the comprehensive

renovation of the State Office Building has been identified as a priority.

Other Considerations

N/A

Impact on Agency Operating Budgets

Improvements to building systems, such as the replacement of obsolete mechanical systems will result in energy and cost savings. However, bringing spaces up to compliance with modern standards of lighting and air quality will also impact costs. To avoid unsustainable rent costs for tenants in the State Office Building, it is recommended that the debt service associated with this project be waived. Absent a legislative waiver similar to the Capitol Restoration (Laws of Minnesota 2013, Chapter 136, Section 18 provided the following: Notwithstanding M.S. 16B.24, Subd. 5, para. (d), the commissioner of administration shall not collect rent to recover bond interest costs or building depreciation costs for any appropriations utilized in the restoration of the State Capitol, between calendar years 2012 and 2017), the cost of bond interest over 20 years and depreciation over 30 years will be recovered through lease rates to building tenants.

Description of Previous Appropriations

Predesign funded from the 2011 Capital Budget asset preservation appropriation.

Project Contact Person

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Capitol Area Architectural and Planning Board Review

As a repair and renovation following on the predesign of an existing building, with no negative impact on the surrounding area and as a positive step toward sustaining a historic building, the CAAPB fully supports this request as a cost-effective, timely and necessary project.

Governor's Recommendation

The Governor does not recommend capital funding for this request.

Administration

Project Detail

(\$ in thousands)

State Office Building Design and Construction

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|--------------------------------|---------------|------------------|-------------------|-------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 225 | \$ 12,006 | \$ 110,565 | \$ 0 |
| Funds Already Committed | | | | |
| | | | | |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 225 | \$ 12,006 | \$ 110,565 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|-------------------------|---------------|------------------|-------------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 225 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 6,365 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 2,919 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 0 | \$ 64,969 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 5,300 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 16,430 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 2,722 | \$ 23,866 | \$ 0 |
| TOTAL | \$ 225 | \$ 12,006 | \$ 110,565 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2016 | FY 2018 | FY 2020 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|-----------|------------------|
| General Fund | \$ 12,006 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) | Yes |
| M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration) | |
| Does this request include funding for predesign? | No |
| Has the predesign been submitted to the Department of Administration? | No |
| Has the predesign been approved by the Department of Administration? | No |
| M.S. 16B.325(1): Sustainable Building Guidelines Met | Yes |
| M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines | |
| Do the project designs meet the guidelines? | Yes |
| Does the project demonstrate compliance with the standards? | Yes |
| M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT) | No |
| M.S. 16A.695: Public Ownership Required | Yes |
| M.S. 16A.695(2): Use Agreement Required | N/A |
| M.S. 16A.695(5): Program Funding Review Required (by granting agency) | N/A |
| M.S. 16A.86 (4b): Matching Funds Required | N/A |
| M.S. 16A. 642: Project Cancellation in 2021 | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Statewide Capital Asset Preservation and Replacement Account**AT A GLANCE****2016 Request Amount:** \$7,500**Priority Ranking:** 4**Project Summary:** \$7.5 million in general obligation bond funds is requested for the Statewide Capital Asset Preservation and Replacement Account (CAPRA). CAPRA supports emergency repairs and unanticipated hazardous material abatement needs for state-owned facilities throughout Minnesota.**Project Description**

Statewide Capital Asset Preservation and Replacement Account (CAPRA), established under M.S. 16A.632, is a statewide fund centrally managed by Admin for use by all state agencies. CAPRA funds support emergency repairs and unanticipated hazardous material abatement needs for state agency facilities.

State agencies served by the CAPRA program in the past include Corrections, Employment and Economic Development, Human Services, Military Affairs, Minnesota Historical Society, Minnesota State Academies, Minnesota Zoological Gardens, Natural Resources, Perpich Center for Arts Education, Veteran Affairs, Iron Range Resources, Minnesota Amateur Sports Commission, and Admin.

Project Rationale

As revised and narrowed in 2003, CAPRA is an emergency funding source that provides rapid financial assistance to state agencies to help in disasters and to address urgent and unanticipated facility needs. It provides assistance for the unexpected failure of key components, systems as well as unexpected deficiencies discovered at state-owned buildings. Examples of its past use include asbestos and lead abatement; emergency roof, pipe, and structural repairs; fire and water damage repairs; replacement of failed air conditioning, boiler, and water heater units, and life-safety systems repairs (e.g. fire sprinkler protection, fire alarm/detection systems, emergency generators). Asset Preservation (AP) funding across the enterprise continues to be a significant need, and inadequate funding for asset preservation tends to increase the likely need for emergency requests for CAPRA funding. Prior to 2003, CAPRA provided general asset preservation funds to meet needs.

Other Considerations

Asset preservation continues to be an issue. Adequately maintaining state facilities is imperative to support the efficient and effective delivery of services and programs to our customers, the taxpayers and people of Minnesota. To the degree that agency Asset Preservation requests are underfunded, there will likely be increased emergency requests for CAPRA funding.

Impact on Agency Operating Budgets

CAPRA funding provides rapid financial assistance to state agencies to help address emergencies and unanticipated abatement needs. The program helps to minimize the impact on the delivery of services and programs from unanticipated emergencies and to prevent or reduce additional damage to state facilities.

Description of Previous Appropriations

Since 2005, \$17,230,000 has been appropriated for CAPRA projects through state bonding bills, including \$1,000,000 in the 2014 bonding bill.

As of October 15, 2015, the current available balance is approximately \$500,000.

Project Contact Person

Alice Roberts-Davis
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Governor's Recommendation

The Governor recommends \$2.5 million in general obligation bonds for this request. Also included are budget estimates of \$2.5 million for each planning period for 2018 and 2020.

Administration

Project Detail

(\$ in thousands)

Statewide Capital Asset Preservation and Replacement Account

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 1,000 | \$ 7,500 | \$ 5,000 | \$ 5,000 |
| Funds Already Committed | | | | |
| | | | | |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 1,000 | \$ 7,500 | \$ 5,000 | \$ 5,000 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 100 | \$ 1,100 | \$ 500 | \$ 500 |
| Project Management | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Construction | \$ 900 | \$ 6,400 | \$ 4,500 | \$ 4,500 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 1,000 | \$ 7,500 | \$ 5,000 | \$ 5,000 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2016 | FY 2018 | FY 2020 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|----------|------------------|
| General Fund | \$ 7,500 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) | No |
| M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration) | |
| Does this request include funding for predesign? | N/A |
| Has the predesign been submitted to the Department of Administration? | N/A |
| Has the predesign been approved by the Department of Administration? | N/A |
| M.S. 16B.325(1): Sustainable Building Guidelines Met | N/A |
| M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines | |
| Do the project designs meet the guidelines? | N/A |
| Does the project demonstrate compliance with the standards? | N/A |
| M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT) | N/A |
| M.S. 16A.695: Public Ownership Required | Yes |
| M.S. 16A.695(2): Use Agreement Required | N/A |
| M.S. 16A.695(5): Program Funding Review Required (by granting agency) | N/A |
| M.S. 16A.86 (4b): Matching Funds Required | N/A |
| M.S. 16A. 642: Project Cancellation in 2021 | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Capitol Complex Monuments and Memorials Repairs and Restoration**AT A GLANCE****2016 Request Amount:** \$3,515**Priority Ranking:** 5**Project Summary:** \$3.515 million is requested for repairs to memorials and monuments on the capitol complex.**Project Description**

The Minnesota State Capitol Complex has 23 memorials and monuments and one tribute located throughout its ceremonial grounds and public spaces. These monuments range in age from over 100 years (John A. Johnson) to new (Minnesota Military Families Tribute – dedicated June 2015). All of these monuments were donated by citizen groups and other private organizations from across the state.

Beginning in 2006, all new monuments were required to establish maintenance funds. These funds are raised by the sponsoring group and transferred to Admin at the dedication and set aside in a maintenance perpetuity account. The majority of the monuments (16) have no maintenance and repair accounts and are left to the State to maintain. Over the years, the normal weathering process has taken its toll on memorials to the point that they are beginning to deteriorate rapidly. If significant repairs are not made soon they will begin to fall apart or have to be dismantled in order to eliminate the safety hazards. This project will provide the stabilization, stone and joint repairs, statue and plaque refinishing, landscape rejuvenation and other elements necessary to restore them.

Each year an estimated 230,000 people visit the Capitol Grounds. These monuments provide history and education about the State's heroes, leaders, visionaries and others who have had significant influence on our State. These monuments and memorials represent the contributions and valor of the people of this State, and the State has a responsibility to maintain them for current and future generations.

Project Rationale

The memorials and monuments located throughout the ceremonial grounds and public spaces of the Capitol Complex are in a varying range of conditions. The monuments for repair were identified as urgent in the 2013 Monument Condition Study. The normal weathering process has taken a toll on many of them, to the point they are beginning to deteriorate rapidly. If significant repairs are not made soon, they will begin to fall apart or have to be dismantled in order to eliminate the safety hazards that will result as they become unstable.

Other Considerations

N/A

Impact on Agency Operating Budgets

If this request is funded, the Department of Administration will seek an annual increase of \$124,000 to the In Lieu of Rent appropriation to pay for ongoing maintenance and to prevent deterioration of these monuments, memorials, and tributes after being repaired.

Description of Previous Appropriations

The agency received \$55,000 in 2012 for repairs to the Peace Officers Memorial.

Project Contact Person

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Capitol Area Architectural and Planning Board Review

The CAAPB, along with the Minnesota Historical Society, worked with the Department of Administration in the 2013 Predesign that comprehensively addressed the need to restore all memorials, monuments and statuary on the Capitol Mall in an effort to protect the investment made over the past 100 years in these many pieces of artwork. In numerous cases, the repairs are needed for life-safety purposes or to protect the integrity of the spaces visited by many people each day. For this and other reasons, this request was made in each of the past two years with our support and the CAAPB was prepared to carry this very important request this year but deferred again to the Department. If successfully funded this year, the resulting restoration can be accomplished in coordination with the restoration of the Capitol Mall and the re-opening of the Capitol Building in 2017.

Governor's Recommendation

The Governor recommends \$350,000 in general obligation bonds to repair and restore the Peace Officers Memorial and the Roy Wilkins Memorial.

Administration

Project Detail

(\$ in thousands)

Capitol Complex Monuments and Memorials Repairs and Restoration

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|--------------------------------|-------------|-----------------|-------------|-------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 0 | \$ 3,515 | \$ 0 | \$ 0 |
| Funds Already Committed | | | | |
| | | | | |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 0 | \$ 3,515 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|-------------------------|-------------|-----------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 252 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 3 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 2,942 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 318 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 3,515 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2016 | FY 2018 | FY 2020 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|----------|------------------|
| General Fund | \$ 3,515 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) | No |
| M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration) | |
| Does this request include funding for predesign? | N/A |
| Has the predesign been submitted to the Department of Administration? | N/A |
| Has the predesign been approved by the Department of Administration? | N/A |
| M.S. 16B.325(1): Sustainable Building Guidelines Met | N/A |
| M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines | |
| Do the project designs meet the guidelines? | N/A |
| Does the project demonstrate compliance with the standards? | N/A |
| M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT) | N/A |
| M.S. 16A.695: Public Ownership Required | Yes |
| M.S. 16A.695(2): Use Agreement Required | N/A |
| M.S. 16A.695(5): Program Funding Review Required (by granting agency) | N/A |
| M.S. 16A.86 (4b): Matching Funds Required | N/A |
| M.S. 16A. 642: Project Cancellation in 2021 | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Strategic Plan for Enterprise Facilities

AT A GLANCE**2016 Request Amount:** \$1,500**Priority Ranking:** 6**Project Summary:** \$1.5 million in general funds is requested to commission an update to the Strategic Plan for Locating State Agencies.**Project Description**

The last strategic plan was drafted in 1993. Statutes require the Commissioner of Administration to regularly update the strategic plan. The current plan is built around development principles and strategies rather than development plans. Many recommendations have been implemented, but an updated plan is needed to focus on three geographical areas and location strategies:

- **Capitol Area:** for agencies with a high degree of interaction with the Legislature, Judicial, the Governor and elected officials, or that have a prior facility investment
- **Capitol City:** for agencies with a high degree of interaction with the public and business community or which provide support services
- **Capitol Region and throughout the state:** for state government service centers consolidating over-the-counter services at locations near customers

Having a contemporary plan is an effective tool to efficiently manage state property and save taxpayer money. Many of the key operational recommendations in the plan, such as achieving a balance between state-owned and leased space, and those related to property acquisition, design quality and flexibility, parking and transportation management, and energy cost/benefit analyses, have been considered in the Department of Administration's plans and processes. Examples of significant changes since the last strategic plan was completed are:

- Vacating and disposition of: Capitol Square Building (1999), Duluth Government Services Center (2003), 625/635/390 North Robert Buildings (2004), MDH Building on the U of M Campus (2005)
- Acquisition and construction of: Stassen Building(1997), 321 Grove Buildings (1997), Ely Revenue Building(1998), Retirement Systems Building (1999), Bemidji (2001), BCA Building (2003), Andersen, Freeman, and State Lab Buildings (2004), and the Minnesota Senate Building (set to open in 2016).

The principal criteria in the plan for determining where an agency should be located are:

- Agency preference (Capitol Area, City, or Region)
- Agency mission
- Frequency with which it interacts with other state agencies or levels of government and the public
- Specific space requirements
- Recent investments in a major facility

- Potential for telecommuting or adoption of a mobile work environment

Utilizing these criteria, this funding request will be used to:

- Engage appropriate professional and technical services to survey and compile current and projected state agency program, facility, and space needs and requirement
- Assess current space utilization
- Update and re-evaluate specific project recommendation
- Assess opportunities for better or different locations and/or space assignments for agencies based on current programmatic plan
- Provide recommendations on priorities
- Provide budget planning cost estimates for recommended projects

Project Rationale

The 1993 Strategic Plan for Locating State Agencies established a plan for meeting agencies' space needs during the next 20 years. While the core principles of the plan remain relevant and are still used by the department in decision-making, changes in the operating environment of Minnesota state government and changes in the way we "office" need to be evaluated and incorporated in the context of creating a strategic facilities master plan for the next 20 years. The strategic plan has not been formally reviewed and updated since 1995. An updated plan will provide critical data and information to decision makers as they consider future state facility development, occupancies, and investment.

Other Considerations

Among other things, under §16B.24 the Commissioner of Administration is authorized to:

- Maintain and operate the State Capitol Building and grounds and all other buildings, cafeterias, and grounds in state-owned buildings in the Capitol Area, and when advisable and practicable, any other building or premises owned or rented by the state for the use of a state agency
- Assign and reassign office space in the Capitol and state buildings
- Regularly update the long-range strategic plan for locating agencies and follow the plan in assigning and reassigning space to agencies
- Sell, demolish, or dispose of state-owned buildings upon request from head of agency with control or as needed
- Rent out state property that is not needed for public use
- Lease space in state-owned buildings under Admin's control to state agencies and judicial branch and charge rent based on square footage occupied
- Lease land and other premises when necessary for state purposes

Impact on Agency Operating Budgets

N/A

Description of Previous Appropriations

Legislation (Chapter 558, Section 12, Subdivision 6) was passed in 1992 appropriating \$420,000 from the general fund to complete strategic long-range planning for state agency office space in the metropolitan area.

Project Contact Person

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Capitol Area Architectural and Planning Board Review

This request is both timely and a prudent move to establish the game plan for the Administration Department at a time when the CAAPB is about to start laying the groundwork for an update of the Comprehensive Plan for the Minnesota State Capitol Area. In fact, if funded, it may help clarify some outstanding questions our office would need to address in such a planning update, so the timing is very appropriate.

Governor's Recommendation

The Governor does not recommend capital funding for this request.

Administration

Project Detail

(\$ in thousands)

Strategic Plan for Enterprise Facilities

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|--------------------------------|-------------|-----------------|-------------|-------------|
| State Funds Requested | | | | |
| General Fund Cash | \$ 0 | \$ 1,500 | \$ 0 | \$ 0 |
| Funds Already Committed | | | | |
| | | | | |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 0 | \$ 1,500 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|-------------------------|-------------|-----------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 1,500 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 1,500 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2016 | FY 2018 | FY 2020 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|--------|------------------|
| General Fund | \$ 0 | |
| User Financing | \$ 0 | |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) | No |
| M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration) | |
| Does this request include funding for predesign? | N/A |
| Has the predesign been submitted to the Department of Administration? | N/A |
| Has the predesign been approved by the Department of Administration? | N/A |
| M.S. 16B.325(1): Sustainable Building Guidelines Met | N/A |
| M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines | |
| Do the project designs meet the guidelines? | N/A |
| Does the project demonstrate compliance with the standards? | N/A |
| M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT) | N/A |
| M.S. 16A.695: Public Ownership Required | N/A |
| M.S. 16A.695(2): Use Agreement Required | N/A |
| M.S. 16A.695(5): Program Funding Review Required (by granting agency) | N/A |
| M.S. 16A.86 (4b): Matching Funds Required | N/A |
| M.S. 16A. 642: Project Cancellation in 2021 | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Agency Relocation

AT A GLANCE**2016 Request Amount:** \$1,500**Priority Ranking:** 7

Project Summary: \$1.5 million in general funds is requested for agency relocation funding to facilitate moves of state operations from existing locations when doing so improves agency operations, yields cost savings, and/or facilitates better customer service. This funding is also needed to optimize the use of state-owned facilities and backfill pockets of vacant space when agencies downsize or adjust their operations, or vacate space. This request is for needs not covered under other capital requests.

Project Description

Relocation funding is needed when an unanticipated situation occurs that requires relocation such as a landlord not renewing an agency's lease at its expiration, a facility is sold, an agency needs to reduce space, reorganization needs to be implemented, remodeling needs to be accomplished, or when an agency has an opportunity to substantially reduce its rent.

Because these events are typically of an unforeseen nature for which the agency or the enterprise has not programmed funds, the lack of access to relocation funding can create a disincentive to beneficial moves. Relocation funding is used to cover costs incurred to facilitate relocations, including moving and/or installing furniture and equipment, along with voice and data services.

The data center consolidation is an example of an initiative that creates pockets of vacant space in state facilities. Relocation funding will aid in re-purposing the spaces for other uses. Another example might be an office building with underutilized space where a re-stacking or reconfiguration of the existing floors and layouts would allow greater densities and other space efficiencies.

Project Rationale

Events that trigger the need for agency moves can arise at any time and are often unexpected. The key to making sure the most is made of these opportunities is ready access to funding to facilitate the projects. Lack of readily available funding either prevents the opportunities from being realized, or requires a reallocation of internal resources.

Other Considerations

The Commissioner of Administration is charged by statute, M.S. Sec. 16B.24, to lease office space for state agencies in either state-owned or non-state-owned facilities. When contractual arrangements dictate the need for an agency to relocate, or when the agency believes it must relocate for other reasons, the costs of relocating can be funded in one of three basic ways:

1. Agency Reallocations within Existing Base

2. Capital Budget
3. Biennial (Operating) Budget

The distinction between the three methods is whether or not an appropriation is requested from the Legislature and the timing of that request. Relocation costs include expenses of the move, as well as any permanent differential between the rental expense of the old and new locations.

Impact on Agency Operating Budgets

If relocation funds are not available, agencies may not be able to reduce space, fully implement reorganization initiatives, accomplish needed remodeling to more effectively and efficiently deliver services, or reduce their rent.

Description of Previous Appropriations

The following are the most recent appropriations to Admin: 1) 2002 - \$1,500,000; 2) 2003 - \$500,000; and 3) 2005 - \$9,829,000. The majority of the funding in 2005 was to relocate the Departments of Agriculture, Health and Human Services to new facilities on the Capitol campus. In addition, funds were appropriated in 2013 and 2015 for relocations related to restoration of the State Capitol Building.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$1.5 million in general fund cash for this request.

Administration

Project Detail

(\$ in thousands)

Agency Relocation

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|--------------------------------|-------------|-----------------|-----------------|-----------------|
| State Funds Requested | | | | |
| General Fund Cash | \$ 0 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| Funds Already Committed | | | | |
| | | | | |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 0 | \$ 1,500 | \$ 1,500 | \$ 1,500 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|-------------------------|-------------|-----------------|-----------------|-----------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 1,500 | \$ 1,500 | \$ 1,500 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2016 | FY 2018 | FY 2020 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|--------|------------------|
| General Fund | \$ 0 | |
| User Financing | \$ 0 | |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) | N/A |
| M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration) | |
| Does this request include funding for predesign? | N/A |
| Has the predesign been submitted to the Department of Administration? | N/A |
| Has the predesign been approved by the Department of Administration? | N/A |
| M.S. 16B.325(1): Sustainable Building Guidelines Met | N/A |
| M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines | |
| Do the project designs meet the guidelines? | N/A |
| Does the project demonstrate compliance with the standards? | N/A |
| M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT) | N/A |
| M.S. 16A.695: Public Ownership Required | N/A |
| M.S. 16A.695(2): Use Agreement Required | N/A |
| M.S. 16A.695(5): Program Funding Review Required (by granting agency) | N/A |
| M.S. 16A.86 (4b): Matching Funds Required | N/A |
| M.S. 16A. 642: Project Cancellation in 2021 | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Enterprise Asset Preservation

AT A GLANCE

2016 Request Amount: \$32,000

Priority Ranking: 8

Project Summary: \$32 million in state funds is requested to address unmet enterprise asset preservation needs in collaboration with other state agencies. Executive Branch agencies manage 5,494 state-owned buildings with a total of 29.2 million square feet. Centralized state data reveals that the enterprise has more than \$160 million in deferred maintenance that is deemed at crisis level condition. This appropriation request is based on 20 percent of deferred maintenance at the critical level.

Project Description

Enterprise asset preservation funding will help agencies reduce the backlog of the critical deferred maintenance on state-owned facilities. The projects are identified by the state agencies with custodial control of the facilities and their priority will be based upon the data.

Project Rationale

Asset Preservation funding is generally considered on a case-by-case basis without the context of an enterprise perspective regarding the totality of need. The development and consistent utilization of the Enterprise Real Property (ERP) system provides a better understanding of the scope of the state's critical maintenance needs.

The agency has identified more than \$1.3 billion in deferred maintenance costs among state agencies (80% of state-owned buildings have been assessed). Roughly \$520 million in deferred maintenance is classified as at the crisis or poor levels.

M.S. §16A.633, Subdivision 1 requires state agencies to report facility condition assessments to the Commissioner of Administration. Reporting of this data is necessary in order for agencies to receive capital funding. A condition assessment provides detailed information about current building deficiencies, and the data helps to inform the development of asset preservation projects. It also assists agencies in planning and prioritizing which facility assets need to be repaired or replaced.

Condition Assessments will estimate the costs associated with renewal, repair, and code compliance issues, and determine both the immediate and long-term cost liabilities for building component lifecycle renewal, deferred maintenance, and functional inadequacies, based on industry-standard cost databases such as RSMeans. This information allows agencies to not only address current operational requirements, but also improve facility renewal forecasting and capital funding scenarios for capital project planning efforts.

Other Considerations

Failure to maintain state facilities and make necessary repairs will render buildings unsafe and

exacerbate the cost and scope of asset preservation projects.

M.S. §16A.633, Subdivision 1 requires state agencies to report facility conditions assessments to the Commissioner of Administration. M.S. §16A.11 Subd. 6 requires that the detailed operating budget and capital budget must include amounts necessary to maintain and better state buildings. The commissioner of management and budget, in consultation with the commissioner of administration, the Board of Trustees of the Minnesota State Colleges and Universities, and the regents of the University of Minnesota, shall establish budget guidelines for building maintenance and betterment appropriations. Unless otherwise provided by the commissioner of management and budget, the combined amount to be budgeted each year for building maintenance and betterment in the operating budget and capital budget is one percent.

Impact on Agency Operating Budgets

N/A

Description of Previous Appropriations

N/A

Project Contact Person

Alice Roberts-Davis
Assistant Commissioner
651-201-2601
alice.roberts-davis@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

Administration

Project Detail

(\$ in thousands)

Enterprise Asset Preservation

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|--------------------------------|-------------|------------------|------------------|------------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 0 | \$ 32,000 | \$ 32,000 | \$ 32,000 |
| Funds Already Committed | | | | |
| | | | | |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 0 | \$ 32,000 | \$ 32,000 | \$ 32,000 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2016 | FY 2018 | FY 2020 |
|-------------------------|-------------|------------------|------------------|------------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| Project Management | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 28,000 | \$ 28,000 | \$ 28,000 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 32,000 | \$ 32,000 | \$ 32,000 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2016 | FY 2018 | FY 2020 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|-----------|------------------|
| General Fund | \$ 32,000 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) | No |
| M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration) | |
| Does this request include funding for predesign? | N/A |
| Has the predesign been submitted to the Department of Administration? | N/A |
| Has the predesign been approved by the Department of Administration? | N/A |
| M.S. 16B.325(1): Sustainable Building Guidelines Met | Yes |
| M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines | |
| Do the project designs meet the guidelines? | Yes |
| Does the project demonstrate compliance with the standards? | N/A |
| M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT) | N/A |
| M.S. 16A.695: Public Ownership Required | Yes |
| M.S. 16A.695(2): Use Agreement Required | N/A |
| M.S. 16A.695(5): Program Funding Review Required (by granting agency) | N/A |
| M.S. 16A.86 (4b): Matching Funds Required | N/A |
| M.S. 16A. 642: Project Cancellation in 2021 | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |