($ in Thousands)

Project Title	Agency Priority	Strategic Score	Funding Source	Agency Request 2004	Agency Request 2006	Agency Request 2008	Governor's Rec 2004	Governor's Planning Estimates 2006	Governor's Planning Estimates 2008
DOT Exterior	1	445	THB	$8,683	$0	$0	$8,683	$0	$0
Statewide CAPRA	2	470	GO	5,000	5,000	5,000	4,000	4,000	4,000
Agency Relocation	3	295	GF	10,444	3,000	3,000	10,444	1,500	1,500
Asset Preservation - Admin Properties	4	435	GO	6,893	6,600	6,600	6,600	6,600	6,600
Ford Building Demolition	5	230	GO	1,176	0	0	1,176	0	0
Energy Retrofit Funding	6	239	GF	3,000	4,000	4,000	0	0	0
Parking	7	305	GO/UF	1,724	35	5,600	1,724	0	0
Strategic Planning	8	170	GF	521	0	0	0	0	0
Facility Development	9	130	GO	700	40,000	0	0	0	0
Property Acquisition	10	165	GO	5,000	5,000	2,000	0	0	0
Build-out of Stassen Building Basement Space	11	85	GO	4,851	0	0	0	0	0
Stassen/Freeman Tunnel	12	105	GO	1,798	0	0	0	0	0
Cooperative Local Facilities Grants	GOV-1		GO	15,000	15,000	15,000	15,000	15,000	15,000
New State Building			GO	0	500	50,000	0	0	0
Cedar Street Armory Demolition			GO	0	0	2,000	0	0	0

Project Total	$64,790	$79,135	$93,200	$47,627	$27,100	$27,100
General Obligation Bonding (GO)	$40,505	$72,100	$80,600	$26,863	$25,600	$25,600
User Finance Bonding (UF)	$1,637	$35	$5,600	$1,637	$0	$0
General Fund Projects (GF)	$13,965	$7,000	$7,000	$10,444	$1,500	$1,500
Trunk Hwy Fund Bonding (THB)	$8,683	$0	$0	$8,683	$0	$0

Funding Sources:	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

Agency Profile At A Glance

- Operates North Star, the state of Minnesota internet portal.
- Oversees more than $1 billion annually in state government purchasing.
- Coordinates strategic investments in information and communications technology.
- Manages over 525 construction projects with a total value of $260 million.
- Manages 1,000 state leases and four million usable square feet of leased space.
- Facilitates an average of 350 municipal boundary adjustments annually.
- Administers the state building codes.
- Provides population statistics, pyramids, and maps through the Datanet online information service.
- Provides around-the-clock information technology services to Minnesota's public sector.
- Processes 31 million pieces of mail and five million warrants and checks annually.

Agency Purpose

"Service First" to Minnesota and its citizens is the goal of the Department of Administration (Admin), expressed in its mission of serving citizens by enhancing the quality and productivity of Minnesota government. Admin strives to accomplish its mission through providing high quality services, facilities and infrastructure that will assist agencies in achieving their organizational and strategic goals. Admin is also leading efforts that will result in increased collaboration and cooperation among agencies for improving efficiency in their internal operations and their effectiveness in delivering services to citizens.

Core Functions

Admin provides a diverse range of business management, administrative and professional services and a variety of resources to government agencies and the public. The department strives to assure that its customers have the facilities, tools, resources and information necessary for achieving their objectives.

Operations

Admin serves state agencies and constitutional officers, political subdivisions, the Legislature, government employees, and citizens. The department's operations are categorized into four general areas:

⇒ ***Technology Services*** include strategic planning, policies and coordination of information technology and telecommunications across Minnesota state government. InterTechnologies Group is the state's electronic nerve center and provider of information technology services, voice, data, and video telecommunications network services. The Office of Technology provides statewide leadership and direction on technology policy and the development, integration and implementation of technology services, including electronic government services, and also manages *North Star*, the state's internet portal.

⇒ ***State Facilities Services*** include management of the state's real property, comprising land, buildings and physical plant; provides services related to the construction, maintenance and repair of about 30 million square feet of state-owned building space; leases buildings; manages parking; coordinates recycling and energy conservation efforts; administers the State Building Code; and serves as the State Architect.

⇒ ***State and Community Services*** include a variety of services and information to state and local governments, educators, the business community, and the public. These include vehicle leasing and fleet management; risk management; information policy analysis; demographic and census information; strategic and long-range planning; geographic information systems; municipal boundary adjustments; local planning assistance; mail and document management services; the State Archaeologist; Minnesota's Bookstore; and administrative support for the Environmental Quality Board.

State and Agency Services include Materials Management, responsible for goods and services purchasing, professional and technical contracting oversight, surplus property acquisition and disposal, and the state's office supply operation; Management Analysis Division, state government's inhouse business consultant; the Governor's Council on Developmental Disabilities; the STAR program, which coordinates efforts toward assistive technology for persons with physical disabilities; Financial Management and Reporting and fiscal agent functions; and Human Resources.

Budget

The Department of Administration is funded through a variety of sources including general, special revenue, federal, agency, gift, and internal services/enterprise funds.

⇒ General Funds are primarily used for operations with statewide significance, including functions such as procurement, energy management, resource recovery, building construction, information policy analysis, coordination and documentation of geographic data, and pass through grants. The Minnesota Legislature appropriates these funds.

⇒ Special Revenue Funds are fee based and include building codes permits and surcharges for plan reviews, inspections and licenses, land management information services, and assessments on utilities that support the power plant siting program.

⇒ The Developmental Disabilities Council and the STAR Program secure federal funds through the U.S. Department of Health and Human Services, and the U.S. Department of Education. Gift funds are donations accepted for the Governor's Residence Council.

⇒ Agency funds are pass-through funds from state agencies for postage and from state employees for bus cards.

⇒ Internal service/enterprise funds are the largest source of funds for the agency. Internal service funds come through fees charged to state agencies for internal support services including insurance, fleet management, consulting, computer services, telecommunications, and leasing of facilities under the custodial control of Admin. These activities prepare annual business plans and develop rate structures for product and service offerings. Enterprise funds come through fees charged to governmental entities, citizens and business through the bookstore, surplus property, and cooperative purchasing products and services.

Admin faces many challenges with hiring and maintaining a highly qualified staff to operate the many and varied divisions of the agency. Staffing numbers are constantly changing, and in FY 2004, the agency had 859 employees.

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For information on how this agency measures whether it is meeting its statewide goals, please refer to www.departmentresults.state.mn.us.

At A Glance: Agency Long-Range Strategic Goals

- Improve the quality and productivity of Minnesota government.
- Provide facilities and space that serve customers, employees, and the people of Minnesota in a cost-effective manner over the life of the facility.
- Provide functional, effective, and energy efficient work environments that supports employee productivity, encourages agency co-location, and maximizes opportunities to share space.
- Balance facility ownership with leased space.
- Maximize state ownership of land within the Capitol Complex.
- Enhance information technology in state buildings and bring state facilities into compliance with all building and life-safety codes.

The mission of Minnesota's Department of Administration (Admin) is "to improve the quality and productivity of Minnesota government." Strategically, Admin strives to be customer focused, a good employer, and a leader in technology, operations, and facility management and planning. Within the department, Facility Management Services' vision is "to provide efficient state facilities that serve customers, employees and the people of Minnesota in a cost-effective manner over the life of the program." It is Admin's responsibility to provide appropriate, cost-effective space for the operations of much of the core activities of state government both in the metro area and out-state Minnesota.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

Admin is focusing on an expanded leadership role in facility planning and development for state facilities. Significant issues to consider include:

- maintenance requirements for the 21 buildings managed by the department,
- customer service from a statewide perspective, sustainability,
- space/program requirements,
- life safety,
- location, service delivery,
- community partnerships,
- cost effectiveness, and
- shared services.

Where government services are delivered is important. Several years ago the department, along with the state planning office and the Department of Finance, developed a report called *Criteria for Locating State Offices and Agencies* to assist agencies when making facility decisions. Admin is also working with agencies regarding the disposition of properties no longer needed for state purposes. Sometimes this involves the sale of land or demolition of buildings. In other cases, Admin works with the local community to look at development opportunities.

Facilities provided for state agencies by Admin are either owned by the state or leased from other public or private parties. From a functional view, it is important that the state have a balanced portfolio of both leased and owned facilities so the short-term flexibility of leasing and the long-term stability and economy of ownership can be realized. Whether it is more beneficial to lease or own a particular building for an agency must be analyzed on a case by case basis, and depends on many factors including market conditions, location, and the long-term horizon.

As budgets shrink, there is an even greater emphasis on providing cost-effective, efficient space for state government operations. Whether in a leased or state-owned facility, Admin is encouraging state agencies to make a cultural change in how space is viewed. The old standard equating office size and amenities to one's position within an organization needs to be replaced with a focus on providing efficient space that supports job functions and the sharing of space.

In addition to the amount of space an agency needs, Admin is focusing on the suitability of space. Studies show that employee absenteeism and turnover drop when spaces they occupy have natural light, good indoor air quality, and appropriate thermal comfort. Office layouts with open cubes toward the window and enclosed offices along the interior provide natural light to more people, and allow for better air movement and even temperature distribution.

Once a space program has been defined, thought must be given to insuring its cost effectiveness over time. Building systems and materials must be selected that balance initial cost with ongoing operation and maintenance expenses, and the physical structure has to be able to accommodate technological improvements. Space layouts are rarely static, and the ability to manage change in an economical manner is a must.

Energy reduction is another key issue. New facilities are being designed to use 30% less energy than required by code, and Admin continues to seek ways to make energy retrofits in existing facilities.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

Admin's Plant Management Division manages over 3.6 million gross square feet in 20 state-owned buildings as well as the Capitol Grounds, 21 monuments/memorials, and 34 parking facilities. In addition, Admin manages more than 700 commercial leases, with over four million square feet of space in non-state owned facilities. Most of the state-owned facilities managed by Admin are located in the Capitol Complex and metro area. The Bureau of Criminal Apprehension facility in Bemidji and the Revenue facility in Ely are the exceptions. Non-state owned space consists largely of office space located throughout the state.

The physical condition of the 20 buildings noted above, as identified in a facility condition audit, range from good to poor. Admin is addressing the most critical needs of the buildings with capital budget requests for the Transportation Building exterior, the Capital Asset Preservation and Repair Account (CAPRA), and agency relocation costs.

Agency Process Used to Arrive at These Capital Requests

Admin's assistant commissioner of Facility Management Services requested submission of projects for consideration from the agency's Services Division and reviewed the department's CAPRA request with affected agencies and key legislators.

Projects were ranked based on the following priorities:

- facilities where significant life-safety concerns exist,
- facilities the state currently owns that are in need of repair or maintenance,
- requests that support past capital appropriations, and
- requests that support Admin's strategic plan.

As a result, Admin has placed the repair of the exterior façade of the Minnesota Department of Transportation (MNDOT) building as its highest priority. The condition of the system that anchors the 1,200-pound granite panels to the exterior façade continues to deteriorate. Left unrepaired, they will eventually begin to fall. Recognizing the department's responsibility to assist agencies statewide with emergency repairs and unexpected abatement needs, Admin's second request is for CAPRA funding.

Relocation funding is requested to assist the departments of Agriculture, Health, and Human Services move into their new facilities, support the temporary relocation of those in the Veterans Service and Administration Buildings to accommodate abatement and maintenance projects, and to provide funds to assist agencies with unanticipated moves. This request is Admin's third priority.

Energy Retrofit funding would allow agencies to make cost saving improvements to electrical and mechanical systems, and funding the parking request would provide needed additional parking stalls on the complex in an economical manner.

The remainder of projects requested is consistent with Admin's strategic plan, and reflect the need to provide suitable facilities to support the operations of state government in a cost-effective manner.

Major Capital Projects Authorized in 2002 and 2003

There were no Admin projects appropriated in 2003.

Admin projects appropriated in 2002 include:

- Statewide CAPRA
- Capitol Complex Electrical Work
- Laboratory for the Departments of Agriculture and Health

Admin projects authorized in 2002 include:

- Permission to enter into a lease-purchase agreement with the St. Paul Port Authority for an office building for the departments of Agriculture and Health.
- Permission to enter into a lease-purchase agreement with the St. Paul Port Authority for an office building for the Department of Human Services (DHS).
- Permission to enter into a lease-purchase agreement with the St. Paul Port Authority for a 468-stall parking ramp associated with the new DHS office building above.

2004 STATE APPROPRIATION REQUEST: $8,683,000

AGENCY PROJECT PRIORITY: 1 of 12

PROJECT LOCATION: Capitol Complex, St. Paul

Project At A Glance

- $8.683 million in general obligation bond funds to repair the anchoring system for the exterior cladding of the Minnesota Department of Transportation (DOT) Building located at 395 John Ireland Boulevard in St. Paul.

Project Description

While in the process of tuck-pointing the building several years ago, workers discovered significant rusting of the shelf angles and retaining clips supporting the exterior granite panels. The original angles were 3/8 inch thick. In some cases, the rusting has caused the angles to expand to almost an inch thick. This expansion is lifting each of the granite panels to the top of its retaining slot, impacting both the sill above and, more importantly, the ability of the slot to hold the panel to the wall. In addition to the expansion, it is estimated that up to 30% of the load bearing capability of the angles has been lost.

Work to repair and secure the panels would involve removing them, replacing the angles and clips, installing additional flashing and weeps, repairing damage caused by the movement to adjacent sills and metal panels, and reinstalling the panels.

The biggest cost item would be the removal and reinstallation of the three-inch thick, 1,200-pound panels. In an effort to minimize this, the Department of Administration (Admin) reviewed a number of options, including working with the panels in place, cutting them in half to reduce the weight, and replacing them with another type of panel and recycling or selling the granite. Unfortunately, none of these options have proved to be more cost effective or feasible.

The state needs to do this work in the near future before the panels begin to fall. Each year of additional rusting and resulting shifting of the panels increases the risk they will fall. When originally requested in FY 2002, Admin anticipated requesting funding in three phases, one in each of the next bonding sessions. Considering the escalating deterioration and increasing risks, Admin is requesting all of the funding in FY 2004.

Additional analysis of this project has revealed some costs savings since the time when the department submitted its original request in 2002. If this request was fully funded at $8.683 million, there would be no requirement for additional phases of work.

Impact on Agency Operating Budgets (Facilities Notes)

In as much as the Transportation Building is structurally sound and significant interior improvements have been made, the retention and preservation of this asset is appropriate stewardship of state resources.

The cost of the DOT exterior stabilization, based upon a bond-financed appropriation, would be collected through the established rent process, with interest recovered over 20 years and depreciation over 30 years. It is estimated that the lease rate would increase by $2.07 per square foot.

Previous Appropriations for this Project

There has been considerable renovation work done to the interior of the DOT building. This request is the first specifically designated for the exterior.

Other Considerations

Local fire/safety codes citations in the 1980s prompted significant appropriations for renovation of the Transportation Building over the past decade. Subsequent interior renovations have now corrected the infractions. Once these life/safety issues were addressed, the state legislature appropriated funding in FY 1998 to tuck-point the exterior. It was during the course of this work that workers discovered the problems to be addressed by this request.

The condition of the angles continues to deteriorate. If the work contained in this request is not done in the near future, either an angle will fail, or water freezing behind the panels will push one of them off of its retaining slot. In either case, a 1,200-pound panel will fall.

The Transportation Building is a significant presence on the Capitol Complex. Its preservation is in keeping with the long-range strategic plan of both Admin and the Capitol Area Architectural and Planning Board. It is anticipated that completion of this work would allow the continued use of the building for the next 30 years.

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Governor's Recommendations

The Governor recommends trunk highway bonding of $8.683 million for this project.

DOT Exterior | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	65	0	0	65
4. Project Management	0	99	0	0	99
5. Construction Costs	44,108	8,153	0	0	52,261
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	366	0	0	366
TOTAL	**44,108**	**8,683**	**0**	**0**	**52,791**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	0	0	0	0
Trunk Highway Fund	44,108	0	0	0	44,108
Trunk Hwy Fund Bonding	0	8,683	0	0	8,683
State Funds Subtotal	44,108	8,683	0	0	52,791
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**44,108**	**8,683**	**0**	**0**	**52,791**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	1,069	1,069
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	1,069	1,069
Revenue Offsets	0	0	0	0
TOTAL	0	0	1,069	1,069
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	105
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	445

2004 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 2 of 12

PROJECT LOCATION: State Agency Facilities throughout Minnesota

Project At A Glance

- $5 million in general obligation bond funds to support the emergency and unanticipated abatement facility needs portion of the Capital Asset Preservation and Replacement Account (CAPRA) program.
- CAPRA funds previously requested by the Department of Administration (Admin) for known agency maintenance projects will now be included in each individual agency's asset preservation capital budget requests.

Project Description

CAPRA, established under M.S. 16A.632, is a statewide fund, centrally managed by Admin for use by state agencies. The Higher Education Asset Preservation and Replacement (HEAPR) funding is requested separately by the Minnesota State Colleges and Universities and the University of Minnesota, and should not be confused with this request. Asset preservation capital budget requests that are requested by individual state agencies to address the known facility repair and maintenance needs of the facilities under their custodial control, should also not be confused with this request.

Projects that have typically received CAPRA funding have fallen into three categories: emergencies of all kinds, hazardous material abatement, and non-recurring, small repair and maintenance projects ranging in cost from $25,000 to $350,000.

As facility repair and maintenance needs outgrew the ability to be adequately funded by CAPRA, individual agencies began making capital budget requests for asset preservation. Projects done with these asset preservation funds were the same types of projects done with CAPRA funds, but generally had project costs of over $350,000.

Given the parallel nature of the asset preservation and CAPRA programs, and the need to more efficiently plan, manage, and complete projects, a decision was made to reduce the amount of funding requested for CAPRA, and increase the amount of funding requested by agencies for asset preservation in FY 2004. The CAPRA program will fund emergencies and unanticipated hazardous material abatements, while agency asset preservation requests will fund known repair and maintenance projects.

State agencies served by this request in the past include Administration, Corrections, Economic Security, Human Services, Military Affairs, Minnesota Historical Society, Natural Resources, Perpich Center for Arts Education, State Residential Academies, Veterans Homes Board, and the Minnesota Zoological Society.

Impact on Agency Operating Budgets (Facilities Notes)

CAPRA funding provides rapid financial assistance to agencies for emergencies and unanticipated abatement needs. This keeps agency funds available for ongoing operations and helps mitigate additional damage.

Previous Appropriations for this Project

Since the program was created in 1990, $72.9 million has been appropriated for CAPRA projects through state bonding bills.

Other Considerations

This CAPRA request does not fund known agency repair and maintenance projects, making it imperative that agency asset preservation requests be funded. Deferred maintenance continues to be an issue, and adequately maintaining state facilities is imperative to support the delivery of service to our customers, the taxpayers and citizens of Minnesota.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of $4 million for this project. Also included are budget planning estimates of $4 million in 2006 and $4 million in 2008.

Statewide CAPRA | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	63,900	5,000	5,000	5,000	78,900
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**63,900**	**5,000**	**5,000**	**5,000**	**78,900**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	63,900	5,000	5,000	5,000	78,900
State Funds Subtotal	63,900	5,000	5,000	5,000	78,900
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**63,900**	**5,000**	**5,000**	**5,000**	**78,900**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	**FY 2006-07**	**FY 2008-09**	**TOTAL**
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	470

2004 STATE APPROPRIATION REQUEST: $10,444,000

AGENCY PROJECT PRIORITY: 3 of 12

PROJECT LOCATION: Primarily in St. Paul

Project At A Glance

- $10.444 million in general fund dollars for agency relocation funding to move state operations from their existing locations, either on a temporary or permanent basis. These requests are for needs not covered under other capital requests.

Project Description

Departments of Agriculture, Health and Human Services: 2002 Laws of Minnesota, Chapter 393, Section 13, Subd. 6 appropriated $60 million to design, furnish, and equip a joint laboratory facility in St. Paul for the departments of Agriculture and Health. Minnesota Laws 2002, Ch. 393, Sec. 13, Subd. 7, authorized the state to enter into one or more long-term lease-purchase agreements with the St. Paul Port Authority for terms of up to 25 years for the development of office facilities in the city of St. Paul for the departments of Health, Agriculture, and Human Services. Minnesota Laws 2002, Ch. 393, Sec. 13, Subd. 8 authorized the state to provide state-owned land that will be the subject of such a long-term lease-purchase agreement by leasing such land for a term equal to the term of the long-term lease-purchase agreement.

Three state-owned sites in the Capitol Complex were chosen for the construction of the facilities authorized. The departments of Agriculture and Health office facility, named the "Orville L. Freeman Building" by the 2003 legislature, is being constructed on the site located between the Stassen Building and the Central Park Ramp (Centennial Building). The departments of Agriculture and Health laboratory facility is being constructed on the site to the east of the St. Paul National Guard Armory. The Department of Human Services office facility is being constructed on the former Capitol Square Building site on Cedar Avenue. The facilities will be completed in the fall of 2005.

This request is for funds to relocate the departments from their current locations to the newly constructed facilities upon completion, and includes move, furniture, and equipment costs.

Veterans Service Building Abatement and Renovation: The first phase of abatement and renovation has been implemented on the third and fourth floors of the Veterans Service Building with relocation funds appropriated in FY 2002. Relocation funds are now needed to move tenants off of the first floor to allow abatement on that floor, and then to move tenants from the first and second floor back. The work on these floors would occur from 7-1-04 through 6-30-06.

Administration Building First Floor Abatement and Renovation: As noted in the Admin Asset Preservation Capital Budget Request, relocation funding is required to support this work.

390 N. Robert St. Building: Funding is requested to allow the Department of Administration (Admin) to secure and minimally maintain this building between vacation by the current tenant and sale of the building. The federal government constructed this building for use by the Minnesota Department of Economic Security (DES). DES has merged with the Department of Trade and Economic Development, forming the new Department of Employment and Economic Development (DEED), and will be vacating the building in the summer of 2004. Although the state holds the title for this building, the equity resides with the Federal Department of Labor (DOL). Admin is working on the disposition of this building with DOL and expects the building will be sold. It is anticipated that there may be a period of six to 12 months between the vacation of the building and the sale. During that time, it will be Admin's responsibility for security, maintenance, and operating costs.

Unanticipated Moves: Relocation funds are needed to relocate agencies where an unanticipated situation has occurred such as a landlord not renewing an agency's lease at its expiration, an agency that needs to reduce its space, or an agency that needs to move due to reorganization.

Table 1 summarizes these requests, Table 2 addresses the changes in lease rates for the agencies should these projects be funded; Table 3 identifies the impact of the furniture lease purchase and move to the new facilities on the agency operating budgets.

Table 1. Summary of Requests
($ in thousands)

Agency	F&E Move	Telecom (voice & data)	F&E Lease-Purchase	Transition Rent	Total
Agriculture	$704	*	$314 off** $235 lab**	$511	$1,764
Health	$1,311	* $28 backfills	$547 off** $175 lab**	$260	$2,321
Human Services	$1,215	* $126 backfills	$1,284**	$1,286	$3,911
Vets Service Bldg	$200	$300	$0	$0	$500
Admin	$144	$216	$0	$18 PMD rent loss	$378
390 North Robert St	$0	$0	$0	$300 ***	$300
Unanticipated moves	$1,270	$0	$0	$0	$1,270
Total	*$4,844*	*$670*	*$2,555*	*$2,375*	*$10,444*

* Included in project costs for new buildings
** These numbers represent two FY 2006 payments. FY 2007 through FY 2010 payments are to be paid from agency operating budgets.
*** Operating costs during vacancy.

Table 2. Changes in Lease Rates

Agency Location	Rate per sf as of Move	Estimated Rate per sf	Tentative Move Schedule
Agriculture 90 W Plato Blvd 155 S Wabasha	 $19.00 – Office $39.00 – Lab $17.85 - Office	 $35.83 – Office $27.42 - Lab	 Fall 2005
Health 717 Delaware 121 E 7th Place	 $18.84 – Off/Lab $20.50 – Office $18.00 - Office	 $35.83 – Office $27.42 - Lab	 Fall 2005
Human Services 800 Minnehaha 444 Pine St 444 Lafayette 2284 Highcrest 121 E 7th Place 8 E 4th St	 $20.15 $20.20 $20.94 $17.50 (est) $23.00 $20.00	 $35.23 - Office	 Fall 2005
Vets Service Bldg	$16.70	$16.70	FY05/06
Admin Bldg	$14.68	$14.68	Summer 2005

Table 3. Increased Biennial Operating Costs for Furniture Lease-Purchase (F) and Building Lease-Purchase Rent (R) Payments

($ in thousands)

Agency	FY 2006-07 F/R	FY 2008-09 F/R
Agriculture	$549 / $5,049	$1,098 / $6,239
Health	$722 / $7,297	$1,444 / $8,978
Human Services	$1,284 / $9,404	$2,568 / $12,777

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Governor's Recommendations

The Governor recommends a general fund appropriation of $10.444 million for this request. Also included are budget planning estimates of $1.5 million in 2006 and $1.5 million in 2008 for additional, unrelated relocations.

Agency Relocation | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	10,444	3,000	3,000	16,444
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**10,444**	**3,000**	**3,000**	**16,444**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
General Fund Projects	0	10,444	3,000	3,000	16,444
State Funds Subtotal	0	10,444	3,000	3,000	16,444
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**10,444**	**3,000**	**3,000**	**16,444**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	2,555	5,110	7,665
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	2,561	3,034	5,595
Nonstate-Owned Lease Expenses	0	19,560	24,104	43,664
Expenditure Subtotal	0	24,676	32,248	56,924
Revenue Offsets	0	<2,664>	<2,991>	<5,655>
TOTAL	0	22,012	29,257	51,269
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	295

2004 STATE APPROPRIATION REQUEST: $6,893,000

AGENCY PROJECT PRIORITY: 4 of 12

PROJECT LOCATION: Capitol Complex, St. Paul

Project At A Glance

- $6.893 million in general obligation bond funds for asset preservation projects in properties managed by the Department of Administration (Admin).

Admin has identified key projects that must be completed in the near future to ensure the safety and well being of building tenants and visitors and the preservation of state facility assets. The projects noted below represent only the most critical items on a long list of repair and maintenance work required to keep the 21 buildings managed by the Plant Management Division (PMD) operating in a manner that preserves them and provides suitable space to support agency operations.

Project Description

Funding would be used to preserve and maintain state facilities managed by the Admin. Admin's deferred maintenance needs total almost $52 million for the 3.6 million square feet of space maintained by the PMD. Regular and continued provision of funds for asset preservation is required to prevent further deterioration of facilities.

Admin has reviewed its list of high priority projects, and identified the projects noted below as needing immediate attention. Negative consequences of not doing the work include deterioration of indoor air quality (IAQ), the continued inability to bring buildings up to current safety standards, further building deterioration and structural decay, rapidly escalating repair or emergency repair costs.

Veterans Service Building – First Floor and Basement Abatement and Renovation* ($2.66 million): Renovation of floors 2-4 of Veterans Service Building renovation is currently underway using funding from the Facility Repair and Replacement account (FR&R). Abatement and renovation of these last two floors needs to be completed to prevent major asbestos and IAQ problems from occurring, to address mechanical, technical and code changes, and for efficient operation of the building.

The department estimates that the lease rates would increase by $7.04 per square foot ($3.09/sf - FR&R, and $3.95/sf – 2004 asset preservation) in FY 2008, and would affect state agency and In-Lieu-of-Rent appropriations.

Administration Building Abatement and Renovation* ($1.902 million): Asbestos is present in the fireproofing, insulation, and floor tile. Many areas in the building have already been abated and renovated. These funds would be used to abate and renovate portions of first floor, the southeast end of third floor, the penthouse, and other small areas in the building. Removal of the asbestos would allow the building to be properly serviced and maintained, and would allow installation of the sprinkler system to be completed.

The cost of the abatement and renovation would be collected through the established rent process, with interest recovered over 20 years and depreciation over 30 years. It is estimated that the lease rate would increase by $2.11 per square foot.

State Office Building Exterior Step Stabilization and Repair ($500,000): The steps on the east side of the State Office Building have sub-structural deterioration that prevents proper sealing, maintenance, and drainage. This continues to worsen as water seeps under the stairs, is trapped, and then freezes. The stairs were caulked two years ago. However, due to movement many joints have opened up again and will need to be caulked the fall of 2003. In addition, as the steps move, they become unaligned with adjacent steps, becoming tripping hazards. The cost of not doing the work would be twofold: Admin will continue to spend $10,000 every other year to replace the sealant, and water will start to get into the occupied space below, thus increasing the project scope, cost, schedule, and disruption factor for building tenants.

The cost of step stabilization will be collected through the established rent process, with interest recovered over 20 years and depreciation over 30 years. It is estimated that the lease rate would increase by $0.16 per square foot in FY 2008, and would affect state agency and In-Lieu-of-Rent appropriations.

History Center Roof Replacement ($1.331 million): The roof is nearing the end of its useful life, and timely replacement is critical to prevent water damage to the building, historical artifacts, and the archives of the state. This rubber membrane roof is 12 years old, and significant repairs have been made under the warranty, which expired in 2001. Biannual inspection reports have identified needed repairs. These have been completed, but a full replacement is recommended.

The cost of the roof replacement would be collected through the established rent process, with interest recovered over 20 years and depreciation over 17 years. It is estimated that the lease rate would increase by $0.41 per square foot.

Centennial Building Air Handler Replacement ($500,000): The main building supply and return air distribution systems have been replaced over the last four years using FR&R funds. The remaining perimeter air handling units (1958) contain an asbestos mastic that has been scraped and coated, so they are not currently a health hazard. This is not a permanent solution, however, and the only way to remove the asbestos is to remove the air handler. Replacement would have the additional benefit of improving efficiency, air quality, and air distribution.

Admin estimates that the lease rates would increase by $0.43 per square foot ($0.28/sf - FR&R, and $0.15/sf – 2004 asset preservation) in FY 2008, and would affect state agency and In-Lieu-of-Rent appropriations.

*Admin's "Agency Relocation" capital budget request includes funding for the relocation required for this project.

Impact on Agency Operating Budgets (Facilities Notes)

Changes in state operating costs due to lease rate increases as noted above by project:

Project	FY 2006-07	FY 2008-09	Total
Veterans Bldg	NA	$327	$327
Admin Bldg	NA	$234	$234
SOB	NA	$ 62	$ 62
History Center	NA	$244	$244
COB	NA	$ 62	$ 62
Total	NA	*$929*	*$929*

Not addressing the most critical asset preservation issues now would increase maintenance and temporary repair cost, and would ultimately result in far higher costs.

Previous Appropriations for these Projects

There have been no previous appropriations for any of these projects. Funds used for asset preservation in the last biennium came from the depreciation collected as part of lease rates, which were put into the account referred to as FR&R.

Other Considerations

In 1997, the legislature authorized Admin to use Capital Asset Preservation and Replacement Account (CAPRA) and statewide building access (Americans with Disability Act) depreciation and bond interest dollars recovered through rent for asset preservation projects. In 1999, the legislature expanded this, and allowed the department to use depreciation dollars recovered through rent for asset preservation effective 7-1-01. Funds collected in the FR&R account come from projects funded by bond proceeds under the custodial control of Admin and not projects funded by general fund cash. Prior to these law changes, (MS 16B.24, Subd. 5 (e)), these dollars were credited to the general fund.

The FR&R account helps Admin preserve the state's assets by funding repair and maintenance projects building's managed by PMD. The department has identified high priority deferred maintenance projects of over $67 million. The account collects about $6.6 million annually, and funds are used to address projects with the highest priority. The availability of these funds reduced the department's need to request other sources of asset preservation funding. Admin did not make an asset preservation capital budget request in the FY 2002 legislative session, and used only $40,000 in CAPRA funds, thus leaving more asset preservation dollars available for use by other state agencies.

During the FY 2003 Special Session, the legislature reduced the funding to the FR&R account. Laws 2003, 1st Special Session, Chapter 1, Article 1, Section 11, Subd. 4, authorizes the one-time transfer of $2.050 million in FY 2004 and $2.050 million in FY 2005 to the general fund. Laws 2003, 1st Special Session Chapter 1, Article 2, Section 39 transfers 50% of the amount credited to the FR&R account each fiscal year to the general fund. This reduces the funding in the FR&R account by about $5.350 million in each of the next two fiscal years, and $3.3 million each fiscal year thereafter, which leaves Admin with many planned and necessary projects unfunded.

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Governor's Recommendations

The Governor recommends general obligation bonding of $6.6 million for this request. Also included are budget planning estimates of $6.6 million in 2006 and $6.6 million in 2008 for additional, unrelated asset preservation projects.

Asset Preservation - Admin Properties | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	271	0	0	271
4. Project Management	0	0	0	0	0
5. Construction Costs	0	6,203	6,600	6,600	19,403
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	60	0	0	60
9. Inflation	0	359	0	0	359
TOTAL	**0**	**6,893**	**6,600**	**6,600**	**20,093**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,893	6,600	6,600	20,093
State Funds Subtotal	0	6,893	6,600	6,600	20,093
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**6,893**	**6,600**	**6,600**	**20,093**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	929	929
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	929	929
Revenue Offsets	0	0	0	0
TOTAL	0	0	929	929
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,893	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	435

2004 STATE APPROPRIATION REQUEST: $1,176,000

AGENCY PROJECT PRIORITY: 5 of 12

PROJECT LOCATION: 117 University Ave., St. Paul

Project At A Glance

- $1.17 million in general obligation bond funds for the demolition of the Ford Building, and subsequent paving, striping, and landscaping the vacated area for inclusion in the Lot C parking lot.

Project Description

The Ford Building, located at 117 University Avenue, is currently empty, and in need of major structural, mechanical, electrical, interior, and exterior repairs. To evaluate the most cost-effective future use for the building, the Department of Administration (Admin) commissioned a study in 2001 to assess the condition of the Ford Building, and suggested renovation and reuse options for the building and site. The study presented nine scenarios, including renovation of the existing facility, renovation and additions to the existing facility, a new facility with parking needs met on site, and a new facility with offsite parking. Upon review, Admin determined the most cost-effective solution to be demolition of the building.

The Ford Motor Company constructed the Ford Building in about 1910 for use as a showroom and repair shop. It is not on the National Register of Historic Places, but recognizing that it has some historical interest there is $5,000 included in this request for historical documentation.

The Ford Building is located at the southern end of parking Lot C. This lot will be expanded upon demolition to include the area formerly occupied by the building, for an addition of about 50 parking stalls. The building is currently on the Complex tunnel system. This request also includes funding for the construction of a small building similar to the roundhouse on Lot B, which would provide parkers in Lot C access to the tunnel.

Impact on Agency Operating Budgets (Facilities Notes)

Due to its size, age of systems, condition and use, the Ford Building was a costly building to operate. Funds spent to renovate the building are collected in subsequent lease rates as depreciation over 30 years. Renovation of the existing facility had the lowest cost of the nine scenarios noted above with an estimated project cost of $10.762 million. However, lease rates upon the completion of the renovation would increase by $15.46 a square foot, resulting in a total rate of about $36.21 a square foot, which would be well beyond standard market rates, and leave us unable to lease the building.

Previous Appropriations for this Project

There have been no other funds appropriated for this project.

Other Considerations

The demolition of this building is in keeping with Admin's *1993 Strategic Plan for Locating State Agencies*. The plan indicates a new, undesignated state office building on this site. The 2001 study of the site indicated an option for a 492,000 gross square foot five story building without parking, and an option for a 150,000 gross square foot five story building with a three level parking ramp for about 324 stalls. While a predesign is required to determine the size and tenancy of a new building, studies by the Capitol Area Architectural Planning Board have shown a need for additional legislative space and hearing rooms close to the Capitol and the State Office Building, the Historical Society is in need of space for a visitor center, and several state agencies have requested space near the Complex.

The funding noted for a new building for this site is noted in the future request under "New State Office Building."

Consideration was given to incorporating the front façade of the Ford Building into the new building, but to do so would require Admin to maintain the existing building for a minimum of four to six years at an annual estimated cost of $23,000**.** This is not a cost-effective or safe option.

Ford Building Demolition

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Governor's Recommendations

The Governor recommends general obligation bonding of $1.176 million for this project.

Ford Building Demolition — ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	64	0	0	64
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,097	0	0	1,097
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	5	0	0	5
9. Inflation	0	10	0	0	10
TOTAL	**0**	**1,176**	**0**	**0**	**1,176**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,176	0	0	1,176
State Funds Subtotal	0	1,176	0	0	1,176
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**1,176**	**0**	**0**	**1,176**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	**FY 2006-07**	**FY 2008-09**	**TOTAL**
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,176	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Ford Building Demolition

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	0
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	230

2004 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 6 of 12

PROJECT LOCATION: State Agency Facilities Throughout Minnesota

Project At A Glance

- $3 million from the general fund for an energy retrofit program that provides state agencies with the needed capital to make energy improvements in their buildings at 0% interest.

The Department of Administration (Admin) would establish a 15-year loan pool of $11 million to implement energy efficiency improvements in state-owned buildings. The participating state agencies would repay the loans within a ten-year period from the savings that result from lower energy costs. The repayment from the energy savings would go back into the loan pool for additional projects. At the end of the 15th year, the commissioner of Admin would return $7 million to the state general fund. The balance of $4 million would be kept as a revolving loan pool to implement energy efficiency improvements in state agencies due to technology changes.

Project Description

Funding from this request would provide no-interest loans to state agencies for energy retrofit projects in nine to 12 million square feet of state-owned buildings resulting in lower energy costs and therefore operational savings to the agencies. Examples of work to be done include changing lighting systems from T12 lamps and magnetic ballasts to energy efficient lamps and electronic ballasts, upgrading burner and burner controls to more efficient devices, and upgrading energy management systems so that comfort control units run on an as-needed basis as opposed to being operated continuously.

Funding is requested of $3 million in FY 2005 capital budget cycle and $4 million in each of the following two capital budget cycles. The funding requested would provide for energy saving opportunities in the nine to 12 million square feet of state-owned buildings utilizing staffing availability in Energy Management Services (EMS), the state program manager. Cost per project would mostly range from $150,000 to $300,000, with paybacks in the seven to eight year range, and in no case longer than 10 years.

Implementing this program would provide energy retrofit capital to state agencies not served by previous retrofit programs at 0% interest and would ensure that $7 million would be returned to the general fund and that a revolving loan pool of $4 million would be maintained by Admin for energy efficiency improvements in state agencies due to technology changes. Utility costs for the affected buildings would be the same or less during the period of loan repayment. After loan repayment, the lower utility costs resulting from the energy retrofit accrue to the benefit of the affected state agency (and state taxpayers).

Impact on Agency Operating Budgets (Facilities Notes)

There would be no impact on the operating budget of Admin. However, there would be the positive impact of reduced utility costs and healthier, more energy efficient buildings for the state agencies participating in the program.

Previous Appropriations for this Project

There have been no previous appropriations for this work, but funding has been available from the following sources:

⇒ As required by M.S. 16B.32 Subd. 2, Northern States Power (NSP) (now Xcel Energy) deposited $3 million per year for five years into a loan pool for agencies served by NSP for electric related projects. Participating agencies borrowed money from the pool to implement electrical related energy retrofit projects at 0% interest. In addition, NSP deposited $1.6 million per year for five years for natural gas related energy retrofit projects. This pool sunsets 12-30-06, when all loans must be repaid.

⇒ Minnegasco (now Center Point Energy) provided $580,000 to Admin as a grant to implement natural gas energy retrofits in state facilities served by Minnegasco.

⇒ M.S. 16C.14 allows Admin to enter into contracts where the vendor provides the financing for energy retrofit projects.

⇒ M.S. 16C.144 allows Admin to enter into guaranteed energy saving contracts using third-party financing.

Other Considerations

Funding from Xcel and Minnegasco for projects, as noted above, is available only to customers of Xcel and Minnegasco, and funds obtained through the contracts allowed by M.S. 16C.14 and 16C.144 include interest rates that increase the cost of the projects. Having a state supplied pool of funds for energy retrofit projects is cost effective, and would allow smaller projects in locations throughout the state to proceed.

Assisting state agencies with energy retrofit projects is consistent with:

⇒ The mission of EMS - To identify problems in the use of energy, creatively design solutions to these problems, and implement appropriate corrective measures.

⇒ The mission of Facility Management Services - To provide efficient state facilities that serve customers, employees, and the people of Minnesota in a cost effective manner.

⇒ The strategic goals of Admin - To provide leadership in facilities and operations management.

⇒ The Department's *Strategic Plan for Locating State Agencies* goal - To take a leadership role in environmental concerns and sound regional growth.

Energy retrofit work also has the additional benefits of increasing occupant comfort, improving indoor air quality, increasing the life expectancy of building systems, conserving natural resources, and decreasing the state's reliance on foreign oil.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

Energy Retrofit Funding — ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	3,000	4,000	4,000	11,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**3,000**	**4,000**	**4,000**	**11,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	0	0	0	0
General Fund Projects	0	3,000	4,000	4,000	11,000
State Funds Subtotal	0	3,000	4,000	4,000	11,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**3,000**	**4,000**	**4,000**	**11,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	0
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	64
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	20
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	239

2004 STATE APPROPRIATION REQUEST: $1,724,000

AGENCY PROJECT PRIORITY: 7 of 12

PROJECT LOCATION: Capitol Complex, St. Paul

Project At A Glance

The Department of Administration (Admin) requests $1.724 million in general obligation bond funds for the following:

- Renovation of the Central Park parking ramp (aka COB ramp), located east of the Centennial Office Building (COB), so it can accommodate about 246 additional parking stalls
- Expansion of Lot Q, located at Cedar Street and Sherburne Avenue, so it can accommodate about 106 additional parking stalls
- Stabilization of Cass Gilbert Park to the east of Lot Q

Project Description

Central Park Ramp ($1,456,000): The Central Park Ramp is located adjacent to the new Orville L. Freeman Building, and close to the new lab building, under construction for the departments of Agriculture and Health. These buildings will be completed in the fall of 2005. There will be a total of about 1,000 employees in the new buildings, and the parking provided by this request would address a portion of those needs.

Currently, this ramp has grassy parks located on the southern ends of three of the levels. The project anticipates replacing the park features with paving for an additional 246 parking stalls. Note that the top deck would remain as a park.

Lot Q ($182,000): Extension of surface parking to the least of Lot Q is a low-cost opportunity to increase the amount of parking on the Complex in preparation for the opening of the new Orville L. Freeman Building and Ag/Health lab. It is anticipated this project would add about 106 new parking stalls.

Stabilization of Cass Gilbert Park to the east of Lot Q ($86,000): Houses previously occupied the site where Lot Q is now located, and stone steps, retaining walls, and debris remain along Robert Street and Capitol Heights Boulevard. As the condition of these elements deteriorate, they become more hazardous and pose a greater liability to the state. Removal of these hazards can most economically be done at the same time as work on Lot Q.

Impact on Agency Operating Budgets (Facilities Notes)

The parking portions of this request are user financed; user receipts derived from the additional parking stalls would pay for the debt service on the bonds sold to finance the project. Because all of the project costs would be entirely offset by the increased parking contracts, the parking costs and related rates in the Capitol Complex would not increase as a result of funding the debt service on this capital budget request. The soil stabilization portion of this request would be done with state general obligation bonds and would increase the In-Lieu-of Rent appropriation.

Previous Appropriations for this Project

There have been no previous appropriations for these projects.

Other Considerations

Both of the parking projects represent a cost-effective way to provide some of the additional parking that will be required on the Complex by fall 2005. The construction cost per stall for a ramp runs between $13,000 and $15,000; the cost at Lot Q is estimated to be $1,500 per stall, and at the Central Park ramp about $4,634.

Since it is unlikely that, due to vacations, sick leave, and off-site meetings, everyone parking in a given lot or ramp will be there at the same time, it is common practice among managers of parking facilities to have more parking contracts than actual stalls available. This varies by location and type of usage, but Plant Management Division (PMD) has found that it is reasonable to oversell parking in Lot Q and the COB ramp by 15%. Therefore, construction of 352 parking stalls would provide the Complex with an additional 405 parking contracts.

The parking expansion is in keeping with both the Admin's *Strategic Plan for Locating State Agencies* as well as the Capitol Area Architectural Planning Board's (CAAPB) *Comprehensive Plan*. Admin's plan calls for cost-effective parking increases balanced with alternative transportation options, and the CAAPB Plan directs additional parking be located off of the Mall area.

The parking ramp located adjacent to the Administration Building is reaching the end of its life expectancy. Without annual repairs, expected to be about $100,000 each year, replacement will be required in five years. Costs associated with planning for a new ramp are shown on the Project Cost Page for FY 2006-07, with construction funding noted in FY 2008-09.

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Governor's Recommendations

The Governor recommends general obligation bonding of $1.724 million for this project, of which 95% ($1.637 million) would be user financed derived from parking receipts.

Parking | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	35	0	35
3. Design Fees	0	109	0	0	109
4. Project Management	0	22	0	0	22
5. Construction Costs	0	1,471	0	5,600	7,071
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	40	0	0	40
9. Inflation	0	82	0	0	82
TOTAL	**0**	**1,724**	**35**	**5,600**	**7,359**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,724	35	5,600	7,359
State Funds Subtotal	0	1,724	35	5,600	7,359
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**1,724**	**35**	**5,600**	**7,359**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	10	10
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	10	10
Revenue Offsets	0	0	0	0
TOTAL	0	0	10	10
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	86	5.0%
User Financing	1638	95.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	95
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	305

2004 STATE APPROPRIATION REQUEST: $521,000

AGENCY PROJECT PRIORITY: 8 of 12

PROJECT LOCATION: Statewide

Project At A Glance

- $521,000 from the general fund to develop a strategic planning process that would build on the *1993 Strategic Plan for Locating State Agencies* and provide the department with a new plan around which to base future facility decisions. M.S. 16B.24, subd.1, requires the commissioner of Administration (Admin) to produce a regular update to the long-range strategic plan, and the last update occurred in 1995.

Project Description

Unlike long-range planning, strategic planning is based on an anticipated future. A good strategic plan relies on thoughtful input from a number of stakeholders about where an organization wants to be in the future, what items need to be considered along the way, and what guidelines will frame decisions. The plan needs to be flexible, and have a process by which change can be accommodated.

In the existing plan, key recommendations were made, and a sequential plan of new construction over the next 15 years outlined. Many of the recommendations were not implemented, however, and little of the construction took place as planned. The key goal of achieving 70% state ownership by the year 2013 is not on course to be met, and the only construction done was the renovation of the Minnesota Department of Transportation building. Other buildings have been constructed or renovated that were not in the original plan. This plan also focused on the Capitol Complex, Capitol City, and Capitol Area, giving little direction regarding facility planning in the rest of the state.

Many activities over the recent years have provided Admin with partial components for a strategic plan. Several years ago, the department met with representatives from state agencies to discuss facility needs. This group developed four tenets to be considered when making facility decisions:

- location and construction decisions should be made in a manner that supports the wise and sustainable use of land and natural resources, uses or compliments existing infrastructure, and enhances the community;
- leasing/ownership decisions should be made in a manner that balances the flexibility of short-term leasing to accommodate fluctuations in agency space needs and the ability to be responsive to opportunities in the rental market with the cost benefits of building ownership;
- cost decisions should be made in a manner that balances initial construction costs, life-cycle operating costs, and long-term serviceability; and
- decisions regarding facility needs should be made in accordance with an agency's six year capital plan.

Among the many factors that must be considered when making facility decisions are location, condition, suitability, and energy efficiency of the current facility, whether leasing or owning is most cost effective, and what adjacencies should be considered. Admin has partial access to some of the tools needed to develop answers to the above factors, but does not have the funds to completely develop, administer, and process them into a new strategic plan.

Impact on Agency Operating Budgets (Facilities Notes)

Access to information around which to base facility decisions would allow all state agencies to make informed and cost-effective facility decisions and plans.

Previous Appropriations for this Project

The legislature funded the original strategic plan during the FY 1992 session.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

Strategic Planning | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	420	500	0	0	920
9. Inflation	0	21	0	0	21
TOTAL	**420**	**521**	**0**	**0**	**941**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
General Fund Projects	420	521	0	0	941
State Funds Subtotal	420	521	0	0	941
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**420**	**521**	**0**	**0**	**941**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	0
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	170

2004 STATE APPROPRIATION REQUEST: $700,000

AGENCY PROJECT PRIORITY: 9 of 12

PROJECT LOCATION: Greater Minnesota

Project At A Glance

- $700,000 in general obligation bond funding for a predesign to determine the location and components of a new state building in greater Minnesota.

Project Description

Most state agencies provide services in locations beyond the seven county metro area. Offices are often in leased space, and located separately from other state agencies in the same city or area. Counties and cities also have office and support space, and are usually in different buildings. The Department of Administration (Admin) believes services can be delivered faster, cheaper, and better by co-locating the similar functions of state, county and city government together, and is requesting predesign funding to explore and define where such opportunities exist.

There are increasing demands being placed on all sectors of society to produce efficient delivery of services and to find the optimum blend of human and technological resources for the delivery of services. By identifying opportunities for collaborative relationships between state agencies, and between state, county, and city programs, the quality of service delivery to the citizens of Minnesota can be enhanced, and cost of such services be reduced.

Items to be reviewed include the location and condition of current facilities, agency programmatic needs and the suitability of available space, the cost and lease terms of existing space, current and future demographics, existing infrastructure, technology, and transportation support, adjacency synergies, energy usage, and partnering opportunities with local units of government.

Impact on Agency Operating Budgets (Facilities Notes)

Information gathered in the predesign would identify where co-location synergies exist that, if executed, would result in enhanced service delivery at a reduced long-term cost.

Previous Appropriations for this Project

There have been no previous appropriations for this project.

Other Considerations

Three greater Minnesota counties, Stearns, Blue Earth, and St. Louis, have over 2,000 state employees working in each of them, and another 16, including Olmstead, Lyon, Douglas, Beltrami and Crow Wing, have 500 to 2,000 each. Using the recently completed criteria for locating state offices and agencies, energy information from development of sustainable building guidelines and energy benchmarks for state buildings (aka the B3 project), and technology connectivity maps, staff can identify potential locations for new buildings. Upon completion of the predesign, Admin will request funding for the construction of one or more new buildings or the renovation of an existing building in the FY 2006 capital budget.

This request is in keeping with the department's mission and is consistent with the next evolution of Admin's strategic plan. This request was noted in the six-year capital budget plan for FY 2002 under the title "New State Buildings."

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

Facility Development | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	700	0	0	700
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	40,000	0	40,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**700**	**40,000**	**0**	**40,700**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	700	40,000	0	40,700
State Funds Subtotal	0	700	40,000	0	40,700
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**700**	**40,000**	**0**	**40,700**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	700	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	0
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	130

2004 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 10 of 12

PROJECT LOCATION: Metro

Project At A Glance

- The Department of Administration (Admin) requests $5 million in general obligation bond funds to purchase available properties that meet existing needs and/or that can be used for future state development and consolidation.

Project Description

The land available for development in and around the Capitol area is limited. In addition, there is typically only a small window of opportunity to purchase a property once it becomes available in the market. Having funds available is the only way to take advantage of such opportunities as they arise in the market. There is currently a significant parcel of property within the Complex that would be in the best interest of the state to own for parking and long-term development.

The funding would also allow the state to perform due diligence activities (i.e. appraisal, environmental, title, and inspections) on potential sites and have the ability to purchase options to hold property until the department received funding to complete the purchase.

Impact on Agency Operating Budgets (Facilities Notes)

Without property acquisition funds, the state is at a considerable disadvantage and in most situations unable to pursue any property that would be advantageous for the state to own.

Funds totaling $2.8 million were appropriated in the Laws of 1998, Chapter 404, Section 13, Subd. 10, for acquisition of land and to purchase options in order to hold properties than meet state development needs. In addition, funds totaling $1 million were appropriated in Laws of 2000, Chapter 492, Article 1, Subd. 12, for due diligence expenses, acquisition of land, and to purchase options in order to hold properties that meet state development needs.

Other Considerations

This request supports one of the key recommendations of the *Strategic Plan for Locating State Agencies* which directs Admin to "acquire property to meet the state's current needs and to ensure land is available at the lowest cost possible to meet future needs."

Any property acquisition opportunities that may arise in or adjacent to the Capitol Area would provide sites for the development of state facilities and/or parking, and further help consolidate appropriate government functions to the Capitol Area.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

Property Acquisition — ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	3,800	5,000	5,000	2,000	15,800
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**3,800**	**5,000**	**5,000**	**2,000**	**15,800**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,800	5,000	5,000	2,000	15,800
State Funds Subtotal	3,800	5,000	5,000	2,000	15,800
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**3,800**	**5,000**	**5,000**	**2,000**	**15,800**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Property Acquisition

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	165

Build-out of Stassen Building Basement Space

2004 STATE APPROPRIATION REQUEST: $4,851,000

AGENCY PROJECT PRIORITY: 11 of 12

PROJECT LOCATION: Capitol Complex, St. Paul

Project At A Glance

- The Department of Administration (Admin) requests $4.851 million in general obligation bond funding to finish the lower level space in the Stassen Building and renovate vacated space on the second floor.

Project Description

The Department of Revenue (DOR) currently has a large paper filing area on the second floor of the Stassen Building that they would like to move to the basement. The resulting vacated space on the second floor (about 16,000 square feet), coupled with an additional 13,150 square feet vacated by DOR as the result of internal moves, would be renovated to accommodate another state agency.

The basement space to be finished consists of 34,604 square feet of unfinished dirt floor space that was restricted when the building was constructed and is now available to be finished. Work includes pouring a floor, adding ventilation, and a complete interior build-out.

Impact on Agency Operating Budgets (Facilities Notes)

While it has not been determined which agency would move into the Stassen Building, it would be an agency whose operation is compatible with the current occupants of the building, the DOR, whose space needs match that available, and whose overall operation costs would be reduced by the move. As an example, the Minnesota State Lottery currently has two Metro locations, one in Roseville, and one in Eagan. Due to staffing reductions, they no longer need all of their space, and would be a candidate for moving into the Stassen Building. Lease savings that would be garnered by the Lottery would be about $1.2 million over the course of the biennium.

The cost of the Stassen project would be collected through the established rent process, with interest recovered over 20 years and depreciation over 30 years. It is estimated that the lease rate would increase by $0.79 per square foot.

Previous Appropriations for this Project

In the 1997 bonding bill, the legislature appropriated $74.95 million in general obligation bond funds for the design and construction of the Stassen Building.

Other Considerations

Build-out of the space in the basement of the Stassen Building would completely finish all spaces in this building, and allow Admin to increase the amount of state-owned space on the Capitol Complex for a cost lower than new construction. Although the Stassen Building was built for the DOR, it is a state office building, with the expectation that as space need of agencies change, occupancy will move from a single tenant to several. This work is consistent with the strategic plan of both Admin and the Capitol Area Architectural and Planning Board.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

Build-out of Stassen Building Basement Space | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	16	0	0	16
3. Design Fees	0	330	0	0	330
4. Project Management	0	12	0	0	12
5. Construction Costs	0	3,578	0	0	3,578
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	675	0	0	675
9. Inflation	0	240	0	0	240
TOTAL	**0**	**4,851**	**0**	**0**	**4,851**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,851	0	0	4,851
State Funds Subtotal	0	4,851	0	0	4,851
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**4,851**	**0**	**0**	**4,851**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,851	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	0
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	85

2004 STATE APPROPRIATION REQUEST: $1,798,000

AGENCY PROJECT PRIORITY: 12 of 12

PROJECT LOCATION: Capitol Complex, St. Paul

Project At A Glance

- $1.798 million in general obligation bond funds to construct a tunnel connecting the Stassen Building and the 14th Street Ramp to the Capitol Complex. The new tunnel would run under Robert Street, and connect the 14th Street Ramp to the Orville L. Freeman Building. The ramp is, in turn, connected by an existing tunnel to the Stassen Building.

Project Description

When the Stassen Building was constructed in 1998, there was not an appropriate building near enough for a tunnel connection to the Capitol Complex. Laws 2002, Sec. 13, Subd. 6 and 7, allowed the Department of Administration (Admin) to enter into a 25-year lease-purchase agreement for the construction of an office building for the departments of Agriculture and Health. This facility, named the Orville L. Freeman Building, is currently under construction across Robert Street from the Stassen Building, and will be connected by tunnel to the Complex. This in turn allows the Stassen Building to be connected to the Complex in an economical manner.

Connecting the Stassen Building to the Complex will put it on the tunnel system that links the buildings, providing ease of access to all. Weather-protected connections are especially important in the winter and for those wishing barrier free travel routes. They also encourage sharing of facilities such as conference rooms and cafeterias.

Impact on Agency Operating Budgets (Facilities Notes)

The cost of tunnel construction would be collected through the established rent process for all buildings connected to the tunnel system, with interest recovered over 20 years and depreciation over 30 years. It is estimated that the lease rate would increase by $0.06 per square foot.

Previous Appropriations for this Project

There have been no previous appropriations for this project.

Other Considerations

Connection of this building to the Capitol Complex loop is in keeping with Admin's *Strategic Plan for Locating State Agencies*, which identifies extension of the tunnel system to all new buildings and parking facilities on the complex. The tunnel is in keeping with the *Comprehensive Plan* of the Capital Area Architectural Planning Board (CAAPB) also.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

Stassen/Freeman Tunnel | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	195	0	0	195
4. Project Management	0	19	0	0	19
5. Construction Costs	0	1,495	0	0	1,495
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	89	0	0	89
TOTAL	**0**	**1,798**	**0**	**0**	**1,798**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,798	0	0	1,798
State Funds Subtotal	0	1,798	0	0	1,798
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**1,798**	**0**	**0**	**1,798**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	221	221
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	221	221
Revenue Offsets	0	0	0	0
TOTAL	0	0	221	221
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,798	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Stassen/Freeman Tunnel

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	0
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	105

2004 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 1 of 1 (Governor's Request)

PROJECT LOCATION: Statewide Grants

Project At A Glance

- The Cooperative Local Facility Grant Program would be established to encourage, enable, and support local units of government to develop innovative methods to deliver public services better, faster and cheaper through increased cooperation and consolidation.
- $15 million in state grants would help fund construction or renovation of shared facilities and bondable infrastructure.

Project Description

To qualify for a Cooperative Local Facility Grant, local units of government would need to demonstrate a significant level of increased cooperation or consolidation as measured by one or more of the following criteria:

- fundamental change in the organization of how services are delivered;
- substantial operating cost savings;
- positive return on investment over the life of the facility; and
- improved quality, access, transparency or level of service for citizens.

Local units of government must be recognized in state statute to qualify. This would include cities and counties. An application by a city, county, or group of cities or counties could include cooperation with other types of local governments such as townships or school districts.

This grant program of $15 million in state general obligation bonds would leverage a minimum of $22.5 million in local matching funds. The program would require a 60% local share to receive a 40% state match, with a $2 million maximum state grant for any particular project.

Local units of government would submit proposals to the Department of Administration, which would administer the program. The commissioner of Administration would make the selection of grantees in consultation with the commissioner of Finance and the commissioners of other state departments, as appropriate.

Impact on Agency Operating Budgets (Facilities Notes)

This request does not include funding for any new or additional state operating costs. Administrative costs associated with the program are expected to be incidental and would be paid from the agency's existing operating resources.

Previous Appropriations for this Project

None. This is a request for a new grant program.

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Governor's Recommendation

The Governor recommends general obligation bonding of $15 million for this project. Also included are budget planning estimates of $15 million in 2006 and $15 million in 2008.

Cooperative Local Facilities Grants | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	37,500	37,500	37,500	112,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**37,500**	**37,500**	**37,500**	**112,500**

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	15,000	15,000	15,000	45,000
State Funds Subtotal	0	15,000	15,000	15,000	45,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	22,500	22,500	22,500	67,500
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**37,500**	**37,500**	**37,500**	**112,500**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	15,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Cooperative Local Facilities Grants

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	0
Agency Priority	0/25/50/75/100	0
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	0