

# Administration

# Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2018	2020	2022	2018	2020	2022
Enterprise Asset Preservation	1	GO	100,000	0	0	0	0	0
Real Estate Strategic Plan	2	GF	1,500	0	0	0	0	0
Building Efficiency Loan Fund	3	GF	10,000	0	0	0	0	0
Capitol Complex Access Controls	4	GO	16,859	0	0	0	0	0
Centennial Office Building Repair and Renovation	5	GO	3,165	50,961	64,644	3,165	0	0
		GF	0	4,240	4,240	0	0	0
Capitol Complex Monument Repairs	6	GO	3,200	0	0	3,200	0	0
Capitol Complex Security Upgrades	7	GO	24,346	0	0	0	0	0
		GF	9,135	0	0	0	0	0
Acquisition of Lot AA	8	GO	2,000	0	0	0	0	0
State Agency Relocation	9	GF	1,500	0	0	0	0	0
CAPRA (Capital Asset Preservation and Replacement Account)	10	GO	5,000	5,000	5,000	5,000	5,000	5,000
State Office Building Renovation Design	11	GO	20,056	257,106	0	0	0	0
		GF	0	2,250	0	0	0	0
<b>Total Project Requests</b>			<b>196,761</b>	<b>319,557</b>	<b>73,884</b>	<b>11,365</b>	<b>5,000</b>	<b>5,000</b>
<b>General Obligation Bonds (GO) Total</b>			<b>174,626</b>	<b>313,067</b>	<b>69,644</b>	<b>11,365</b>	<b>5,000</b>	<b>5,000</b>
<b>General Fund Cash (GF) Total</b>			<b>22,135</b>	<b>6,490</b>	<b>4,240</b>	<b>0</b>	<b>0</b>	<b>0</b>

<http://www.mn.gov/admin>

### AT A GLANCE

- 489 employees in FY17
- Overseeing restoration of Minnesota State Capitol
- Oversee nearly \$3.2 billion in state procurement annually, including negotiating more than \$32 million in contract savings for government entities and increasing purchasing from diverse businesses
- Reduced energy consumption by 25 percent in 23 Capitol complex buildings since 2008
- Manage more than 280 construction projects and 750 commercial property leases
- Oversee a fleet of more than 1,800 vehicles, increasing use of electric and fuel efficient vehicles
- Trained more than 1,200 public officials and stakeholders about open government laws in 2016
- Provided direct training and informational resources to more than 10,000 individuals with developmental disabilities or family members in FY16

### PURPOSE

The Department of Administration is a core central service agency for the executive branch serving the Governor, legislature, state agencies, local governments, and the public. Our mission is to benefit all Minnesotans by leading innovation, creating solutions, and providing exceptional services. That mission is achieved by focusing on diversity and inclusion, customer satisfaction, technology optimization, sustainability, employee engagement, and best value.

We provide enterprise leadership and coordination to a broad range of business and professional services so agencies can achieve their missions. Our ability to provide core administrative services centrally allows us to get a better value for state agencies by leveraging economies of scale, ensure open and fair competition through standardized processes, and improve transparency to state operations and purchasing.

Our lead role in ensuring the efficient organization of state government includes overseeing real property and

sustainable state operations. We help agencies get the best value in purchasing goods, services, and vehicle fleets. We oversee state facilities' construction and leasing. We provide property, liability, and workers compensation insurance coverage for state operations. We set policy for state grants administration. And, we make sure the Capitol Complex buildings run efficiently and keep the Capitol grounds beautiful.

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

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

### STRATEGIES

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

- Sustainable services that leverage our enterprise expertise in fleet, leasing, construction, facilities, and purchasing services, and the expertise of our partner agencies to advance environmentally sustainable operations and reduce the State's carbon footprint.
- Real property services that provide a single, enterprise-wide inventory of facility conditions necessary to strategically plan for asset preservation, workforce, and citizen service investments.

- Procurement services that leverages bulk purchasing opportunities to achieve best value by developing contracts for use by multiple government units; standardizing and consolidating purchases; and aggressively negotiating contract terms and pricing.
- Facilities management services such as maintenance, engineering, and energy retrofits that provide well-maintained facilities necessary for the daily operations of the state's executive, legislative, and judicial branches.
- Construction and space leasing services such as serving as the state's leasing agent and owner's representative on construction projects. We provide efficient and effective oversight of capital construction projects, ensure facility solutions that meet the space needs of state agencies and their customers, and facilitate effective management and optimal use of state real property assets.
- Government-to-Government shared services that provide financial and human resource services to small agencies, boards and commissions, continuous improvement (Lean) training, workers compensation, archeological services, and vehicle fleet services.
- Government management services that advise agencies on achieving energy reduction goals, complying with open government requirements, reducing workers' compensation costs, helping small agencies follow state human resources and financial policies and procedures, and reducing the state's reliance on gasoline.
- Citizen services that include assistive technology, demographic services, and resources for citizens with developmental disabilities. We also facilitate the public's access to state government by educating citizens on their rights to government data, granting permits to stage public rallies, and administering public spaces in the State Capitol building.

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The Department of Administration's legal authority comes from

M.S. 13 (<https://www.revisor.mn.gov/statutes/?id=13>)

16B (<https://www.revisor.mn.gov/statutes/?id=16B>)

16C (<https://www.revisor.mn.gov/statutes/?id=16C>)

4A.02 (<https://www.revisor.mn.gov/statutes/?id=4a.02>)

176.541 (<https://www.revisor.mn.gov/statutes/?id=176.541>)

138.31-138.42 (<https://www.revisor.mn.gov/statutes/?id=138.31>)

307.08 (<https://www.revisor.mn.gov/statutes/?id=307.08>)

### At A Glance

- Provide enterprise real estate and construction services for state agencies, and assist with the capital investment budget development (M.S. 16A.056, subd. 6 and 16A.632).
- Administer an Enterprise Real Property Program that provides enterprise-wide, real-time condition assessments on state facilities to assist with prioritizing limited asset preservation funds (M.S. 16A.633).
- Help state agencies to make choices that will improve sustainability outcomes by implementing best practices and strategic improvements to reduce energy usage.
- Coordinate sustainability efforts across state government.
- Provide consultative services on optimal office design to most efficiently and effectively maximize space and reduce real estate costs.
- Leverage opportunities for efficient acquisition and disposition of property. Maintain a strategic plan for state agency space needs and locating state agencies.
- Operate and maintain 24 buildings, 23 memorials, 1 tribute and 26 parking facilities.

### Factors Impacting Facilities or Capital Programs

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

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

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

Admin also oversees the Office of Enterprise Sustainability (OES). This office mimics the best practices of Minnesota's private sector businesses and is responsible for helping all state agencies achieve their sustainability goals in accordance with Executive Order 11-13 and the Sustainability Steering Team. Focus areas include greenhouse gas emissions, energy efficiency, utilization of renewable energy sources, procurement, water, waste, and fleet.

M.S. 16B.24 requires the Commissioner to "regularly update the long-range strategic plan for locating agencies." The most recent strategic plan was completed in 1993 and updated in 1995. That plan was heavily relied upon to guide development of the Capitol complex, including the additions of the Stassen, Freeman, and Anderson buildings that relocated state agencies from leased to more appropriate, cost-effective state-owned space. However, significant changes in the marketplace over time, as well as evolving transit options and living patterns for newer employees make that strategic plan no longer relevant.

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

- Deteriorating and/or failing infrastructure
- Enterprise-wide needs and opportunities
- Life/safety and code compliance

- Public access to the Capitol Complex
- Sustainability and energy efficiency
- Space/program requirements
- Emergency repair and hazardous materials abatement
- Capitol Complex land availability and optimum use

## Self-Assessment of Agency Facilities and Assets

Admin operates and maintains 24 buildings, 23 memorials, 1 tribute and 26 parking facilities, located primarily in Saint Paul. Deferred maintenance at these facilities, based on the current data available to the ERPP, is estimated to be in excess of \$196 million.

Of particular concern for the department are:

Admin manages the Enterprise Real Property Program that has identified more than \$1.4 billion in deferred building maintenance enterprise-wide, and more than \$160 million to Admin operated buildings alone. Many of these buildings are deemed at crisis level condition. The recent Minnesota State Capitol Restoration Project brought attention to the costs of repairing existing state facilities that have been allowed to languish. While not all asset preservation projects may be as popular as the State Capitol, the state is similarly responsible for maintaining all state buildings, many of which are in as bad or worse condition than was the State Capitol. To assist agencies in reducing this maintenance backlog, Admin is requesting \$100,000,000 in **Enterprise Asset Preservation** funding. These funds will be spent on projects identified in consultation with state agencies using the Facility Condition Assessments as a tool, and the existing Facility Condition Assessment Continuous Improvement Work Group. Addressing these past due maintenance needs will extend the service life of the state's assets and reduce ongoing maintenance costs.

Section 16B.24 requires the Commissioner of Administration to **regularly** update the long-range strategic plan for locating agencies. Admin is requesting \$1,500,000 to update the **Real Estate Strategic Plan**, last drafted nearly 25 years ago in 1993. The current Strategic Plan has been substantially implemented and lacks information accommodating a modern workforce. A new Strategic Plan would guide the State with information about agency locations, ideas on agency co-location, facilitate employee telecommuting, assess and provide recommendations on transit infrastructure (including light rail), and project the needs for future government employees and services throughout the state. This document provides the foundation for decisions related to building, owning, and renting facilities for government operations.

Since its inception, the Office of Enterprise Sustainability has engaged state agencies to determine baseline data, develop goals, and document best practices for sustainable operation of facilities. The Office also participates in the Sustainable Growth Coalition, a public-private partnership. As state assets continue to age, agencies are often forced to choose between maintenance and energy efficiency efforts. Maintenance is almost always the higher priority. To help improve energy efficiency in state owned facilities, and to help agencies meet their sustainability goals while reducing long-term operating costs, Admin proposes a \$10,000,000 appropriation from the General Fund for an **Energy Efficiency Revolving Fund**. This fund will allow agencies to make improvements and pay back the fund with savings derived from those improvements. Funding from this appropriation will first focus on retrocommissioning state facilities, which typical yields 7% annual savings with an average payback of two years. After retrocommissioning is complete, the program will focus on projects with an ROI of 5 years or less. Examples include LED lighting conversion to interior and exterior facility lighting, installation of digital controls for heating and cooling, updating thermostats, installation of variable speed fans that adjusts the speed to provide only the appropriate heating and cooling amount, door and window replacement to improve seals, door sweeps, limited insulation installations to prevent heating and cooling loss. It is anticipated that all projects will utilize utility rebates to accelerate payback times to increase the speed at which funds turn over and return to the fund to be used on the next project.

The **Capital Asset Preservation and Replacement Account (CAPRA)** CAPRA funds emergency repairs and abatement needs for state agencies. In recent years, Admin has seen an increase in requests for funding from the CAPRA account due to the increasing age of state facilities and the lack of regular bonding bills. This program ensures that state facilities stay open following unanticipated emergencies and that construction projects are completed without compromising scope when hazardous materials are discovered during a renovation.

While newer Capitol **Complex Monuments and Memorials located** on the Mall have established maintenance funds, most do not and are in need of significant repairs and preservation. Currently, full restoration of existing monuments is estimated to cost \$3.2 million. These monuments are a legacy to Minnesota's heritage and a key part of the educational experience for approximately 200,000 visitors annually to the Capitol.

Currently on the Capitol Complex, the **State Office Building, Centennial Office Building, and the Ford Building** are in need of significant repairs or replacement. Facility Condition Assessments support this conclusion.

## **Agency Process for Determining Capital Requests**

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

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

Admin's statutory responsibilities extends beyond the properties it directly manages. Admin provides other agencies with expert services with respect to design, contracting, and construction of state facilities while assisting agencies in evaluating the quality and sustainability of their facilities.

Currently this process is directed by an outdated 25 year old strategic plan. Over the past 20 years, Admin used the plan to make decisions ranging which properties to rent, build, or own and where those properties should be located. The current plan does not account for technological modernizations, improved transit connections and light rail, enterprise needs throughout the state, or projects about the future size of state government.

## **Major Capital Projects Authorized in 2016 and 2017**

### **Admin Capital Project Authorized in 2017**

Centennial Parking Ramp - \$10.878 million

Statewide CAPRA - \$5 million

State Capitol Police Memorial Repair - \$350,000

## Enterprise Asset Preservation

**AT A GLANCE****2018 Request Amount:** \$100,000**Priority Ranking:** 1

**Project Summary:** A significant increase in state-wide asset preservation funding is required to reverse the growing deferred maintenance backlog in state-owned buildings. Executive branch agencies manage 5,494 state-owned buildings with a total of 29.2 million square feet. Enterprise data reveals \$1.5 billion in deferred maintenance, including more than \$500 million in poor and crisis level conditions. This appropriation request is 20% of the deferred maintenance for buildings in poor and crisis condition.

**Project Description**

Enterprise asset preservation funding will help agencies reduce the deferred maintenance backlog by mitigating funding imbalances across agencies, and prioritizing repairs to the most dilapidated buildings based on uniform criteria. Funds will be allocated to projects in collaboration with property-owning state agencies consistent with established best practices.

**Project Rationale**

This request is supplemental to individual agency requests for Asset Preservation and reflects that a substantial increase in total AP funding is needed to reduce the deferred maintenance backlog. Asset Preservation funding is generally considered without the context of an enterprise perspective on the totality of the need.

By utilizing the Enterprise Real Property (ERP) data, these funds would be strategically allocated to address holistic building maintenance including the overall structural integrity of the building, maintaining the building envelope, addressing unsafe conditions, and enhancing ADA compliance.

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

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

Investing in an Enterprise Asset Preservation fund will allow the State to address:

- Growing Need: Greater investment in asset preservation is needed to take care of our state's

infrastructure to keep it in a safe and usable condition. Failure to adequately fund asset preservation has resulted in a growing deferred maintenance backlog.

- Cheaper to Fix it First: Investments in asset preservation extend the useful life of our infrastructure. Failing to keep up with the growing need will result in higher costs down the road.
- Protect State Investments: Over the years, the State has made significant investments in structures of many kinds. We need to protect the State's investment by not allowing our facilities to fall into disrepair.

### **Project Timeline**

Projects will be identified and completed on various schedules depending on project scope.

### **Other Considerations**

None.

### **Impact on Agency Operating Budgets**

This appropriation will be beneficial to agency operating budgets as they will not be forced to choose between funding asset preservation projects and administering agency programs.

### **Description of Previous Appropriations**

N/A

### **Project Contact Person**

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### **Capitol Area Architectural and Planning Board Review**

The Capitol Area Architectural and Planning Board (CAAPB) fully supports this state-wide request to address the backlog of needed investments in deferred maintenance work that continues to escalate in both scope and cost.

### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Administration

# Project Detail

(\$ in thousands)

## Enterprise Asset Preservation

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 100,000	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 13,500	\$ 0	\$ 0
Project Management	\$ 0	\$ 1,500	\$ 0	\$ 0
Construction	\$ 0	\$ 85,000	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

## STATUTORY REQUIREMENTS

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	Yes
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	N/A
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	N/A
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

## Real Estate Strategic Plan

**AT A GLANCE****2018 Request Amount:** \$1,500**Priority Ranking:** 2

**Project Summary:** Funds are needed to complete a modern, relevant Strategic Plan for locating state agencies. Statutes require the Commissioner of Administration to regularly update the plan (M.S.16B.24). The last strategic plan was a 20 year plan drafted in 1993 that no longer provides relevant guidance related to building locations, agency co-location opportunities, lease vs. own strategies, transit, etc.

**Project Description**

Minnesota Statute 16B.24 requires the Commissioner of Administration to regularly update the Strategic Plan. The current plan, completed in 1993, is built around development principles and strategies rather than development plans.

Many recommendations have been implemented:

- Vacation and Disposition of Capitol Square Building (1999)
- Duluth Government Services Center (2003)
- 625/635/390 North Robert Buildings (2004)
- MDH Building on the U of M campus (2005)

Acquisition and construction of:

- Stassen Building (1997)
- 321 Grove Buildings (1997)
- Ely Revenue Building (1998)
- Retirement Systems Building (1999)
- Bemidji (2001)
- BCA Building (2003)
- Andersen Building (2004)
- Freeman Building (2004)
- State Lab Buildings (2004)
- Minnesota Senate Building (2016)

However, an updated plan is needed to focus on three geographical areas and location strategies:

- Capitol Area: for agencies with a high degree of interaction with legislators, the Governor or the judicial branch, or those that have a prior facility investment.
- Capitol City: for agencies with a high degree of interaction with the public and business community or which provide support services.

- Capitol Region: for agencies throughout the state that offer State government service, consolidating over-the-counter services at locations near customers.

### **Project Rationale**

The 1993 Strategic Plan for Locating State Agencies established a plan for meeting agencies' space needs during the next 20 years. The Plan exceeded its useful life in 2013. Statutory requirements of having a regularly updated plan are not being met. While the core principles of the plan remain relevant and are still used by the department in decision-making, changes in the operating environment of Minnesota State Government and changes in the way we "office" need to be re-evaluated and incorporated in the context of creating a strategic facilities master plan for the next 20 years. The strategic plan has not been formally reviewed and updated since 1995. An updated plan will provide critical data and information to decision makers as they consider future state facility development, operations, occupancy and investment.

### **Project Timeline**

It will take roughly 12 to 18 months to research and produce a new Strategic Plan.

### **Other Considerations**

Under Minnesota Statute Section 16B.24 the Commissioner of Administration is, among other duties, authorized to:

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

### **Impact on Agency Operating Budgets**

No long term impacts on Operating Budgets are expected.

### **Description of Previous Appropriations**

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

### **Project Contact Person**

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### **Capitol Area Architectural and Planning Board Review**

The Capitol Area Architectural and Planning Board (CAAPB) fully supports this request as part of our coordinated efforts with Administration, especially as CAAPB moves forward with an update and revision to the statutorily required Comprehensive Plan for the Minnesota State Capitol Area. The timing of the Real Estate Strategic Plan would be ideal in that it would allow coordination with the CAAPB's planning, which is examining the impact of changing technologies and anticipated changes in the state workforce over the coming years.

### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Administration

# Project Detail

(\$ in thousands)

## Real Estate Strategic Plan

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Fund Cash	\$ 0	\$ 1,500	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 1,500</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 1,500	\$ 0	\$ 0
Construction	\$ 0	\$ 0	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 1,500</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

## STATUTORY REQUIREMENTS

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	N/A
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	N/A
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	N/A
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

**Building Efficiency Loan Fund****AT A GLANCE****2018 Request Amount:** \$10,000**Priority Ranking:** 3**Project Summary:** This request establishes a Building Efficiency Loan Fund to improve energy efficiency in State facilities. Loans would be repaid to the fund from the operational savings generated.**Project Description**

Minnesota Statutes 16B.86 and 16B.87 establish a Productivity Loan Account. This request would fund the loan account which would be used to improve energy efficiency in state facilities. All cabinet level agencies would be eligible to apply for funding for building efficiency projects. Project submissions would be reviewed and validated by the Department of Administration staff to ensure they meet the requirements established by the Productivity Loan Committee (PLC). The PLC will approve prioritized lists of projects bi-annually. A loan document will be produced and signed by the relevant parties to the agreement. Collection of funding will be made by Admin based on the terms of the loan. All loans will not exceed five years in accordance with statute 16B.87 Subd. 2.

**Project Rationale**

There are numerous opportunities in State facilities to make improvements to facilities or operations that will improve energy efficiency and save money in the long term. However, agencies do not have access to the upfront resources needed to make the capital improvements. The Building Efficiency Loan Fund will allow agencies to "borrow" from the fund to make strategic investments to meet sustainability outcomes. As energy efficiencies result in savings, the agency will make payments to replenish the fund. This will replenish the fund and allow ongoing distribution of resources.

**Project Timeline**

We expect that demand for these funds will be well beyond the funds available and that all of the funding will be in service during the first two years. Each project will have a different ROI which will allow for repayment of funds over several years which will ensure that new funds are available every 6 months for distribution. We anticipate that the fund will turn over every three years on average.

Once funds become available, we anticipate loan disbursements every six months.

**Other Considerations**

Similar to improvements being made in the private sector and the University of Minnesota, the increased energy efficiency of buildings of the State of Minnesota will help reduce the State's energy consumption and greenhouse gas emissions.

**Impact on Agency Operating Budgets**

Long term, this will decrease energy costs for agencies as they implement more energy efficiencies within their facilities.

**Description of Previous Appropriations**

There have been no previous appropriations.

**Project Contact Person**

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

**Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Administration

# Project Detail

(\$ in thousands)

## Building Efficiency Loan Fund

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Fund Cash	\$ 0	\$ 10,000	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 1,500	\$ 0	\$ 0
Project Management	\$ 0	\$ 500	\$ 0	\$ 0
Construction	\$ 0	\$ 8,000	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

**STATUTORY REQUIREMENTS**

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	Yes
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	N/A
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	N/A
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	N/A
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

**Capitol Complex Access Controls****AT A GLANCE****2018 Request Amount:** \$16,859**Priority Ranking:** 4

**Project Summary:** The Department of Administration will design and install parking access controls at all 32 parking facilities on the Capitol Complex that do not already have automatic access controls (i.e. gates or parking arms). Parkers will use their State issued employee identification badge to access their parking facility. Data collected with the modern controls will enable optimal use of available parking stalls, leading to lower parking costs over time.

**Project Description**

Over the next 18 months, Admin will install parking access controls in all parking facilities on the Capitol Complex. This will involve design and construction not limited to electrical, mechanical, and construction to reconfigure existing entry points for facilities.

**Project Rationale**

The Department of Administration's parking business plan identifies a deficit in the data needed to efficiently and effectively manage overall parking needs on the Capitol Complex. There are currently 32 parking facilities that would benefit from automation that would drive data-based decisions. Installation of parking arms that require a State employee badge for access will allow Admin to collect data on parking facility usage. This will allow for overselling facilities and selling more contracts, identifying creative parking solutions and improving overall customer service. There will be the ability to calculate overall parking usage and provide more tailored solutions for parking customers who may not have daily parking needs. As a result, the State will better maximize facility usage. In addition, accessing the facilities with a State issued badge will be an additional security feature for parkers.

**Project Timeline**

12-18 months for implementation across the Complex.

**Other Considerations**

Projects will include the civil engineering, reconfiguration and/or installation of traffic islands, and the necessary conduit and equipment for each facility.

**Impact on Agency Operating Budgets**

No impact on the operating budget. It is expected that there will be a shift of approximately 1 FTE from the parking administrative function to the system maintenance and repair function after the new controls are installed. Electricity consumption will also increase by up to \$10,000 per year depending on the availability/viability of solar PV electricity as a power source. These costs will be paid by parking patrons through the parking fund.

**Description of Previous Appropriations**

None

**Project Contact Person**

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

**Capitol Area Architectural and Planning Board Review**

The CAAPB fully supports this request, especially given the ever-increasing call for more parking that is beyond the capacity of State-owned land in the Capitol Area. This project could go a long way toward establishing a good baseline for parking data and enhanced parking management. Success in improved monitoring would likely save money when compared to building new parking structures; structured parking currently costs more than \$30,000 per space, on average. If the results are a more efficient parking plan, the State could avoid having to dedicate more land to parking and thus achieve more orderly development of space for highest and best use.

**Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Administration

# Project Detail

(\$ in thousands)

## Capitol Complex Access Controls

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 16,859	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 16,859</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 1,740	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 14,040	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 1,079	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 16,859</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 16,859	100 %
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	N/A
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

## Centennial Office Building Repair and Renovation

**AT A GLANCE****2018 Request Amount:** \$3,165**Priority Ranking:** 5**Project Summary:** Design funds for the renovation of the Centennial Office Building located on the Capitol Complex in St. Paul. The project will address building systems that are beyond their useful life and programming deficiencies in the building as identified in the Pre-Design Report prepared in August 2017.**Project Description**

The \$3.165 million request is to complete design work for renovation of the Centennial Office Building, including: replacing building infrastructure systems, reprogramming, updating interior spaces for the existing 392,000 gross square foot facility, and exterior building envelope improvements.

**Project Rationale**

The Centennial Office Building is now 59 years old. It has served the State well since it opened in 1958, but its age is beginning to show. Maintenance and repair requirements are steadily increasing, energy efficiency is significantly less than what today's energy codes and standards require and its functionality for today's workforce is less than optimal.

- The main electrical gear is out of code and a safety concern
- The main electrical distribution system is outdated and inaccessible as a result of subsequent infrastructure installations throughout the building over the years
- The emergency power generator needs to be sized for the load of the building
- The return air capacity in the building is undersized and creates air flow deficiencies throughout
- The supply air distribution system no longer works properly and must be replaced with new reheat-coil type units
- The domestic hot water and building heating systems need replacement
- The windows are approaching their life expectancy
- The roof is showing signs of deterioration and will need replacement
- Interior temperatures are extremely difficult to control
- Lighting is outdated and inefficient
- The layout needs to be updated to accommodate the workforce of the future

This project will further enable the Department of Administration to fulfill its mission of providing functional, efficient, safe, attractive, and sustainable office space for building occupants on the Capitol Complex by upgrading the existing building to meet today's safety and energy codes. This will in turn ensure greater operational reliability and uptime while providing state of the art energy conservation and sustainability attributes to the Capitol Complex building portfolio. This remodeled facility is also expected to significantly improve occupant efficiency and productivity. The replacement will bring the

1950s vintage office layouts to the standards of today and into tomorrow by providing a more collaborative work environment and more efficient use of floor space. Technology improvements will also make the work spaces more flexible.

As a result of our annual facility condition audits, the facility condition index for this facility was evaluated to be it in the fair to poor condition range making it a top priority for renovation due to the age and condition of many of the building's components. Additionally, discontent from the building tenants regarding the functionality and climate control issues add to our sense of urgency to complete this project.

### **Project Timeline**

One year for design, three years for building restoration/rebuild

### **Other Considerations**

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

Alternatively, there is an option to replace the existing Centennial Office Building on site. The cost to demolish and rebuild in the existing location is estimated at \$173,000,000.

### **Impact on Agency Operating Budgets**

The Department of Administration will operate and maintain the building. The agency occupant(s) will be responsible for programming and staffing the building's activities.

### **Description of Previous Appropriations**

None

### **Project Contact Person**

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### **Capitol Area Architectural and Planning Board Review**

While much of the project would involve the interior of the building, any plans or eventual redesign, additions or changes to the exterior of the building would require the review and approval of the Capitol Area Architectural and Planning Board (CAAPB). This building was dedicated to the Centennial of the State in 1958 and built in a very different time, it could benefit greatly from a major renovation, if not re-design. For this reason, the CAAPB fully supports this request, acknowledging that continued delay of repair and renovation will only increase costs in the future. Additionally, should the building undergo more serious, wholesale redesign, the CAAPB will need to dedicate more

extensive, coordinated review during the design stages.

**Governor's Recommendation**

The Governor recommends \$3.165 million in general obligation bonds for this request.

# Administration

# Project Detail

(\$ in thousands)

## Centennial Office Building Repair and Renovation

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 3,165	\$ 50,961	\$ 64,644
General Fund Cash	\$ 0	\$ 0	\$ 4,240	\$ 4,240
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 3,165</b>	<b>\$ 55,201</b>	<b>\$ 68,884</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 2,700	\$ 3,600	\$ 1,500
Project Management	\$ 0	\$ 0	\$ 2,300	\$ 2,375
Construction	\$ 0	\$ 0	\$ 32,828	\$ 46,427
Relocation Expenses	\$ 0	\$ 0	\$ 4,240	\$ 4,240
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 4,750	\$ 4,850
Inflationary Adjustment	\$ 0	\$ 465	\$ 7,483	\$ 9,492
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 3,165</b>	<b>\$ 55,201</b>	<b>\$ 68,884</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 3,165	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	Yes
Has the predesign been approved by the Department of Administration?	Yes
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	Yes
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	Yes
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

**Capitol Complex Monument Repairs****AT A GLANCE****2018 Request Amount:** \$3,200**Priority Ranking:** 6**Project Summary:** Repairs to memorials and monuments on the Capitol Complex.**Project Description**

The Minnesota State Capitol Complex has 23 memorials and monuments and one tribute located throughout its ceremonial grounds and public spaces. These monuments range in age from over 100 years (John A. Johnson) to the new Memorial to Special Forces in Laos and the new Minnesota Workers' Memorial (both completed and dedicated in 2016). All of these monuments were initiated by citizen groups and completed, in all but two cases, with a mix of public (State appropriations) and private dollars. The monuments completed since 1993 have maintenance funds (10% of construction budget, adjusted upward in 2006 to 20%), raised by the sponsoring group and transferred to the Department of Administration where they are set aside in a dedicated account in perpetuity. Monuments completed before this time have no maintenance accounts and are left to the State to maintain. Over the years, memorials are beginning to deteriorate, in some cases leading to safety issues. If significant repairs are not made soon, it will take a much larger investment to avoid safety hazards or even losing them. This project will provide the stabilization, stone and joint repairs, statue and plaque refinishing, landscape renovation and other repairs necessary to restore these monuments.

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

A study commissioned by the Department of Administration, Capitol Area Architectural Planning Board and Minnesota Historical Society in 2013 assessed each monument and memorial, prioritized needed restoration and repair work, and identified an ongoing maintenance plan and budget for each.

**Project Rationale**

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

**Project Timeline**

18 months for design and implementation of the repairs

**Other Considerations**

None

## **Impact on Agency Operating Budgets**

None

## **Description of Previous Appropriations**

In 2017, \$350,000 was appropriated for the restoration of the Peace Officers Memorial. That same year, funds associated with the Capitol building restoration were used in the redesign and reconstruction of the Aurora Senate parking as a pedestrian plaza/pathway. At the same time, the Johnson and Nelson statues, as well as the Columbus statue, were restored as part of that project. Lastly, the 2017 Legacy Bill included \$250,000 for the Medal of Honor Memorial, which together with private monies totaling an additional \$500,000 will include redesign and renovation of the Millie Fountain. Thus, these five items have been deducted from the 2013 comprehensive budget.

## **Project Contact Person**

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## **Capitol Area Architectural and Planning Board Review**

The Capitol Area Architectural and Planning Board (CAAPB) not only supports this request, but is also carrying an identical request as our top priority. Funds are required to secure previous State and private investments that created these installations on the Capital Grounds, which is visited by thousands each year. The repairs have been a concern since 2013 when the predesign report ranked all the needed work in order of priority, starting with safety issues in order to remedy the state of deterioration.

## **Governor's Recommendation**

The Governor recommends \$3.2 million in general obligation bonds for this request.

# Administration

# Project Detail

(\$ in thousands)

## Capitol Complex Monument Repairs

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 350	\$ 3,200	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 350</b>	<b>\$ 3,200</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 480	\$ 0	\$ 0
Project Management	\$ 0	\$ 110	\$ 0	\$ 0
Construction	\$ 350	\$ 2,610	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 350</b>	<b>\$ 3,200</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 3,200	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	N/A
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	N/A
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

**Capitol Complex Security Upgrades****AT A GLANCE****2018 Request Amount:** \$33,481**Priority Ranking:** 7**Project Summary:** Design and construction of various physical security upgrades across the Capitol Complex.**Project Description**

The recommended upgrades are the result of a physical security study, commissioned by the Advisory Committee for Capitol Area Security in 2013. The study identified significant vulnerabilities in and around facilities on the Capitol Complex. The \$33M request will allow for much better security for the overall complex, as well as for individual buildings.

This project will provide the physical security improvements necessary to mitigate those vulnerabilities and thus lessen the risk of damage to state facilities and harm to those who work on and visit the Capitol Complex. In 2016 the Governor recommended \$26.2M in bonds and cash to fund this project. In 2017 he recommended \$18.5M in bonds. Neither recommendation was funded, yet the need remains.

Resources will be used to fund:

- Installation of bollards
- Projectile resistant glass
- Additional card readers
- Security kiosks
- Utility protection devices
- Parking controls
- Additional emergency call stations
- Secure air intakes
- Window well protection

**Project Rationale**

The Advisory Committee on Capitol Area Security was statutorily created in 2012. Its purpose is to assess and advise the legislature on security issues and recommend security improvements as necessary. The Committee is chaired by the Lieutenant Governor. Membership is composed of the Chief Justice of the Minnesota Supreme Court and members from both houses of the legislature and from each political party within them, as well as the Commissioner of the Department of Administration. It also consists of advisors from the legislative, judicial, and executive branches of state government, as well as those from the corporate and educational sectors of our society.

One of the first undertakings of the Committee was to hire a consultant to conduct a Physical Security Study to assess the threats and vulnerabilities of the Capitol Complex. Previous studies focused on

operational security vulnerabilities. This one was different in that it focused on the physical vulnerabilities of the facilities. The study was performed by architects, engineers and security professionals. It examined the structural, landform and architectural elements of buildings. It assigned security risk levels and priorities and it provided the recommended physical security improvements for the Complex. The study was completed in June of 2014.

The study identified 139 vulnerabilities across the Capitol Complex that, if not removed, could result in loss of life, assets, and could impact government operations. To reduce the vulnerabilities, the Study recommends implementing the measures identified in the Project Description above.

### **Project Timeline**

One year for design. 18 months for installation.

### **Other Considerations**

None.

### **Impact on Agency Operating Budgets**

These improvements will have a minor impact on annual maintenance operating costs that will be recovered through lease rates to building tenants.

### **Description of Previous Appropriations**

None

### **Project Contact Person**

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### **Capitol Area Architectural and Planning Board Review**

As part of the Security Task Force, the Capitol Area Architectural and Planning Board (CAAPB) strongly recommends and supports this critically important request that is needed to ensure the safety and security of all at the Capitol Complex, not just employees, but the public and all other visitors. We anticipate that as the project moves forward through design, the CAAPB will be engaged in thorough review.

### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

**Administration**

**Project Detail**

(\$ in thousands)

**Capitol Complex Security Upgrades**

**PROJECT FUNDING SOURCES**

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 24,346	\$ 0	\$ 0
General Fund Cash	\$ 0	\$ 9,135	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 33,481</b>	<b>\$ 0</b>	<b>\$ 0</b>

**TOTAL PROJECT COSTS**

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 33,481	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 33,481</b>	<b>\$ 0</b>	<b>\$ 0</b>

**IMPACT ON STATE OPERATING COSTS**

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

**SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS**

	Amount	Percent of Total
General Fund	\$ 24,346	100 %
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	Yes
Has the predesign been approved by the Department of Administration?	Yes
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	Yes
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	Yes
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	N/A
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

**Acquisition of Lot AA****AT A GLANCE****2018 Request Amount:** \$2,000**Priority Ranking:** 8**Project Summary:** To acquire property adjacent to state-owned property, as well as complete the design, site-work, paving, and equipment needed to provide additional parking for the Capitol Complex.**Project Description**

There is non-state owned property on the Capitol Campus currently available for sale. The parcel is strategically located adjacent to a state-owned parking lot in close proximity to the State Capitol, State Office Building and Minnesota Senate Building. The \$2.0M request would be used to acquire the property, design and complete the site-work, paving and equipment needed to provide additional parking for the Capitol Campus.

**Project Rationale**

Admin currently leases 650 surface parking spaces at Sears. The owner of the Sears site has indicated an intention to redevelop the site, which would make the surface parking spaces no longer available for lease.

Visitor parking in close proximity to the Capitol, State Office Building and Minnesota Senate Building is also strained. This parcel would help provide improved access to legislators and agencies for the public.

**Project Timeline**

Negotiations for the property acquisition can begin once the project has been funded.

**Other Considerations**

Maintenance and operating costs will be covered by parking fees collected on the spaces.

**Impact on Agency Operating Budgets**

None known.

**Description of Previous Appropriations**

There have been no previous appropriations.

**Project Contact Person**

Alice Roberts-Davis  
Assistant Commissioner  
651-201-2601  
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### **Capitol Area Architectural and Planning Board Review**

While the Capitol Area Comprehensive Plan calls for reduction of large surface lots in favor of structured parking, and the site lies in the Central Corridor Overlay District where auto uses are discouraged, the Capitol Area Architectural and Planning Board (CAAPB) can support this request in recognition that the purchase of this land is necessary to assemble land for future development. With that said, given the importance of this site as a key approach to the Capitol, immediately adjacent to the LRT station, the Board would recommend that this site serve as a surface lot for only a limited time period as an interim use. The design of the temporary parking lot will have to meet CAAPB standards and be reviewed and approved by the CAAPB.

### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Administration

# Project Detail

(\$ in thousands)

## Acquisition of Lot AA

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 2,000	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 2,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 1,500	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 75	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 425	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 2,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 2,000	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	N/A
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	N/A
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

## State Agency Relocation

**AT A GLANCE****2018 Request Amount:** \$1,500**Priority Ranking:** 9

**Project Summary:** Agency relocation funding is used to facilitate the movement of state operations to new locations when doing so improves agency operations, yields cost savings, and/or enhances customer service and access. This funding helps optimize the use of state-owned facilities by backfilling pockets of vacant space and moving agencies from leased space. This request is for needs not covered under other capital requests.

**Project Description**

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

Because these events are typically unforeseen the agency or the enterprise usually does not have funds to complete the move, and using current resources is often a disincentive to beneficial moves.

Relocation funding is used to cover costs incurred to facilitate relocations. This may include moving and/or installing furniture and equipment along with voice and data services.

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

**Project Rationale**

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

**Project Timeline**

As agencies identify a need to relocate or as an opportunity to relocate to create efficiencies occurs, this fund will allow agency moves without impacting operating budgets.

**Other Considerations**

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

1. Agency reallocation within existing base

2. Capital budget
3. Biennial (Operating) Budget

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

### **Impact on Agency Operating Budgets**

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

### **Description of Previous Appropriations**

The following are the most recent appropriations to the Department of Administration:

1. 2002 - \$1,500,000
2. 2003 - \$500,000
3. 2005 - \$9,829,000

The majority of the funding in 2005 was to relocate the Departments of Agriculture, Health and Human Services to new facilities on the Capitol campus. In addition, funds were appropriated in 2013 and 2015 for relocations related to restoration of the State Capitol building.

### **Project Contact Person**

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

### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Administration

# Project Detail

(\$ in thousands)

## State Agency Relocation

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Fund Cash	\$ 0	\$ 1,500	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 1,500</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 0	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 1,500	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 1,500</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

**STATUTORY REQUIREMENTS**

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	N/A
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	N/A
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

**CAPRA (Capital Asset Preservation and Replacement Account)****AT A GLANCE****2018 Request Amount:** \$5,000**Priority Ranking:** 10**Project Summary:** Capital Asset Preservation and Replacement Account (CAPRA) supports emergency repairs and unanticipated hazardous material abatement needs for state-owned facilities throughout Minnesota.**Project Description**

CAPRA, established under MS 16A.632, is a statewide fund centrally managed by the Department of Administration (Admin) for use by all state agencies. CAPRA funds support emergency repairs and unanticipated hazardous material abatement needs for state agency facilities.

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

**Project Rationale**

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

**Project Timeline**

As agencies identify emergency needs, projects will be funded and repairs will be executed.

**Other Considerations**

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

**Impact on Agency Operating Budgets**

CAPRA funding provides rapid financial assistance to state agencies to help address emergencies and unanticipated abatement needs. The program helps to minimize the impact to agencies on the delivery of services and programs due to unanticipated emergencies. Expending CAPRA funds prevents or reduces additional damages to state facilities due to unmet emergency maintenance needs.

**Description of Previous Appropriations**

Previous appropriations for CAPRA in the last 10 years are: 2017: \$5 Million; 2014: \$1 Million; 2012: \$1 Million, 2011: \$2.83 million; 2010: \$2 Million; 2008: \$3.4 Million; 2006: \$4 Million. These appropriations have been used to fund unanticipated emergency repairs and replacements such as replacement of leaking steam pipes at MCF Faribault; adding safety valves to boiler at MCF Moose Lake and the repair of broken water main piping at the Minneapolis Veterans Home.

**Project Contact Person**

Alice Roberts-Davis  
Assistant Commissioner  
651-201-2601  
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**Capitol Area Architectural and Planning Board Review**

The Capitol Area Architectural and Planning Board (CAAPB) fully supports this state-wide request as essential means to be able to respond to emergency repairs in a timely manner.

**Governor's Recommendation**

The Governor recommends \$5.0 million in general obligation bonds for this request. Also included are budget estimates of \$5.0 million for each planning period for 2020 and 2022.

# Administration

# Project Detail

(\$ in thousands)

## CAPRA (Capital Asset Preservation and Replacement Account)

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 7,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 7,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 500	\$ 500	\$ 500
Project Management	\$ 0	\$ 250	\$ 250	\$ 250
Construction	\$ 7,000	\$ 4,250	\$ 4,250	\$ 4,250
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 7,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 5,000	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	N/A
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	N/A
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

## State Office Building Renovation Design

**AT A GLANCE****2018 Request Amount:** \$20,056**Priority Ranking:** 11

**Project Summary:** This request is for the design for the remodel/renovation of the State Office Building built in 1932 and located on the Capitol Complex. The project will address building systems that are beyond their useful life and operational deficiencies in the building and adjacent parking ramp. These necessary repairs were identified in the Facility Condition Assessment prepared in 2011 and in the pre-design report prepared in December 2012. This request also includes programming changes to the building.

**Project Description**

This project request involves the repair, replacement, and renewal needs specific to the State Office Building and parking ramp. Funding of this request will enable the Department to prepare a design to comprehensively address deferred maintenance including, but not limited to:

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

A major renovation on the building was last completed in 1985. Since then, only routine maintenance and repairs have occurred. Consequently, the plumbing, mechanical, controls, and air distribution systems are now at the end of their rated useful life. The age of this equipment causes higher operating and repair costs. It also results in the risk of total system failures. The lighting system is outdated and inadequate and the windows and skylights do not meet today's energy codes. Additionally, the emergency power, emergency lighting and fire alarm systems are well beyond their rated life and may be inadequate in the event of an emergency. This project will provide a comprehensive approach to reprogramming, restoring, and preserving the building.

**Project Rationale**

Based on the findings of the Facility Condition Assessment and Predesign Report, the comprehensive renovation of the State Office Building has been identified as a priority for the Department. For logistics reasons, the renovation of the State Office Building necessarily needed to occur after completion of the Capitol Restoration. This project will further enable the Department of Administration to fulfill its mission of providing functional, efficient, safe, attractive, and sustainable office space for building occupants on the Capitol Complex. This is achieved by upgrading the existing building to meet today's safety and energy codes which will, in turn, ensure greater operational reliability and uptime while providing state of the art energy conservation and sustainability attributes to the Capitol Complex building portfolio. This remodeled facility is also expected to significantly improve occupant

efficiency and productivity. The replacement will bring the vintage office layouts to the standards of today and into tomorrow by providing more collaborative work environments and more efficient use of floor space. Technology improvements will also make the work spaces more flexible.

### **Project Timeline**

Design funds requested in 2018, construction funds requested in 2020 and three years of construction.

### **Other Considerations**

None

### **Impact on Agency Operating Budgets**

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

### **Description of Previous Appropriations**

Predesign (\$250K) was funded from the 2011 Capital Budget asset preservation appropriation.

### **Project Contact Person**

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

### **Capitol Area Architectural and Planning Board Review**

The Capitol Area Architectural and Planning Board (CAAPB) supports this request as timely and probably urgent given the age of the building and lessons learned from delaying the full restoration of the Capitol Building. Work that might necessitate changes to the exterior of the building, the site plan, or the public lobby would involve review by the CAAPB.

### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Administration

# Project Detail

(\$ in thousands)

## State Office Building Renovation Design

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 20,056	\$ 257,106	\$ 0
General Fund Cash	\$ 0	\$ 0	\$ 2,250	\$ 0
<b>Funds Already Committed</b>				
Other State Funds	\$ 250	\$ 0	\$ 0	\$ 0
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 250</b>	<b>\$ 20,056</b>	<b>\$ 259,356</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 250	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 15,925	\$ 8,575	\$ 0
Project Management	\$ 0	\$ 235	\$ 2,260	\$ 0
Construction	\$ 0	\$ 350	\$ 192,510	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 2,250	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 700	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 7,600	\$ 0
Inflationary Adjustment	\$ 0	\$ 3,546	\$ 45,461	\$ 0
<b>TOTAL</b>	<b>\$ 250</b>	<b>\$ 20,056</b>	<b>\$ 259,356</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 20,056	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	Yes
Has the predesign been approved by the Department of Administration?	Yes
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	Yes
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	Yes
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	N/A
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No