



Date: December 30, 2021

To: The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Jeremy R. Miller
Senate Majority Leader

The Honorable Kurt Daudt
Minority Leader, House of Representatives

The Honorable Melisa López Franzen
Senate Minority Leader

From: Alice Roberts-Davis, Commissioner
ARobertsDavis

RE: Capitol Area Building Account Summary Report

Pursuant to Minnesota Statutes 16B.2406, Subdivision 1, enclosed is the Capitol Area Building Account Summary Report.

Cc: Governor Tim Walz
Legislative Reference Library (2)

**CAPITOL AREA
BUILDING
ACCOUNT REPORT**

January 1, 2022

This document is in an accessible format and can also be made available in alternative formats, such as large print, Braille, or audio tape or disk upon request at TTY 1-800-627-3529 or by contacting:

Department of Administration
Real Estate and Construction Services
Voice 651-201-2550
Fax 651-215-6245

Cost to prepare this report: \$100

Reporting requirements

Minnesota Statutes 16B.2406, requires that the Commissioner of Administration submit:

- A report detailing the estimated costs and expected timeline for design, construction, and completion of necessary work to address identified needs.

Minnesota Statutes 16B.2406, Subd 1 – Account established; appropriations and use of funds

(a) A Capitol Area building account is established in the state treasury. The commissioner of management and budget shall deposit the proceeds from the lease revenue bonds or certificates of participation received under subdivision 2 to the account. Net income from investment of the proceeds, as estimated by the commissioner of management and budget, must be credited to the appropriate accounts in the Capitol Area building account.

(b) Funds in the Capitol Area building account are appropriated to the commissioner of administration for capital expenditures that address identified critical health, life safety, and security needs of buildings located on the State Capitol complex that were constructed before 1940 and for expenditures to ensure the continued operations of affected tenants while those needs are being addressed. The funds may be used for predesign, design, construction, equipping, and hazardous materials abatement activities related to these authorized uses including but not limited to addressing necessary accessibility, infrastructure, function, and building systems changes. This appropriation may only be used for renovation or rehabilitation of existing buildings in the State Capitol complex and to expand an existing building as part of a renovation or rehabilitation project funded under this section. This appropriation may not be used to demolish an existing building in its entirety.

(c) Amounts necessary for predesign, design, rent loss, and tenant relocation for projects authorized by this subdivision are appropriated from the general fund to the commissioner of administration. The predesign must include a needs assessment prepared by an independent contractor. To prepare the needs assessment, the contractor must consider the needs of all tenants of the building. The assessment should identify goals to be achieved by the renovation or rehabilitation project and must address needs for health, life safety, security, and function, including space and layout needs for each tenant. The commissioner must not prepare final plans and specifications until the program plan and cost estimates for all elements necessary to complete the project are approved by the affected building's primary tenant. The final plans and specifications must resolve the needs identified in the needs assessment.

(d) The commissioner of administration may not prepare final plans and specifications for any project authorized by this subdivision until at least 60 days after the commissioner has submitted the results of the needs assessment to the Capitol Area Architectural and Planning Board. Projects authorized by this section are exempt from the design competition requirement of section 15B.10.

Potential Project, Estimated Cost and Timeline

The Department of Administration (Admin) conducts facility condition assessments on State-owned facilities in order to facilitate data-driven maintenance and investments in facilities. Facility conditions assessments have consistently identified the State Office Building in the poor category and a comprehensive renovation has been considered a department priority for nearly a decade.

In line with M.S. 16B.2406, Subd. 1(c), Admin issued a request for proposal (RFP) for a project team to provide architectural and engineering predesign and design services in November. Responses were due on December 20, 2021 with selection expected in late January. An RFP for an Owner's Program Manager was also issued. Additional RFPs will be issued in early 2022 for the Construction Manager @ Risk and Owner's Project Representative with contracts anticipated to be executed in Spring 2022 for these services.

The initial team is expected to begin a needs assessment (also known as a design scoping process) in February 2021. This design scoping process will identify the scope, estimated cost and timeline for renovation of the State Office Building. The findings will be submitted for approval as required under the statute.

The design scoping documents will comprehensively address deferred maintenance including but not limited to:

- Safety hazards and code compliance issues
- Security issues
- Accessibility
- Infrastructure, functional needs and building systems work

The design scoping process is expected to be completed by Fall 2022. The budget for the design scoping process is \$3,000,000.