

The Strategic Plan for Locating State Agencies

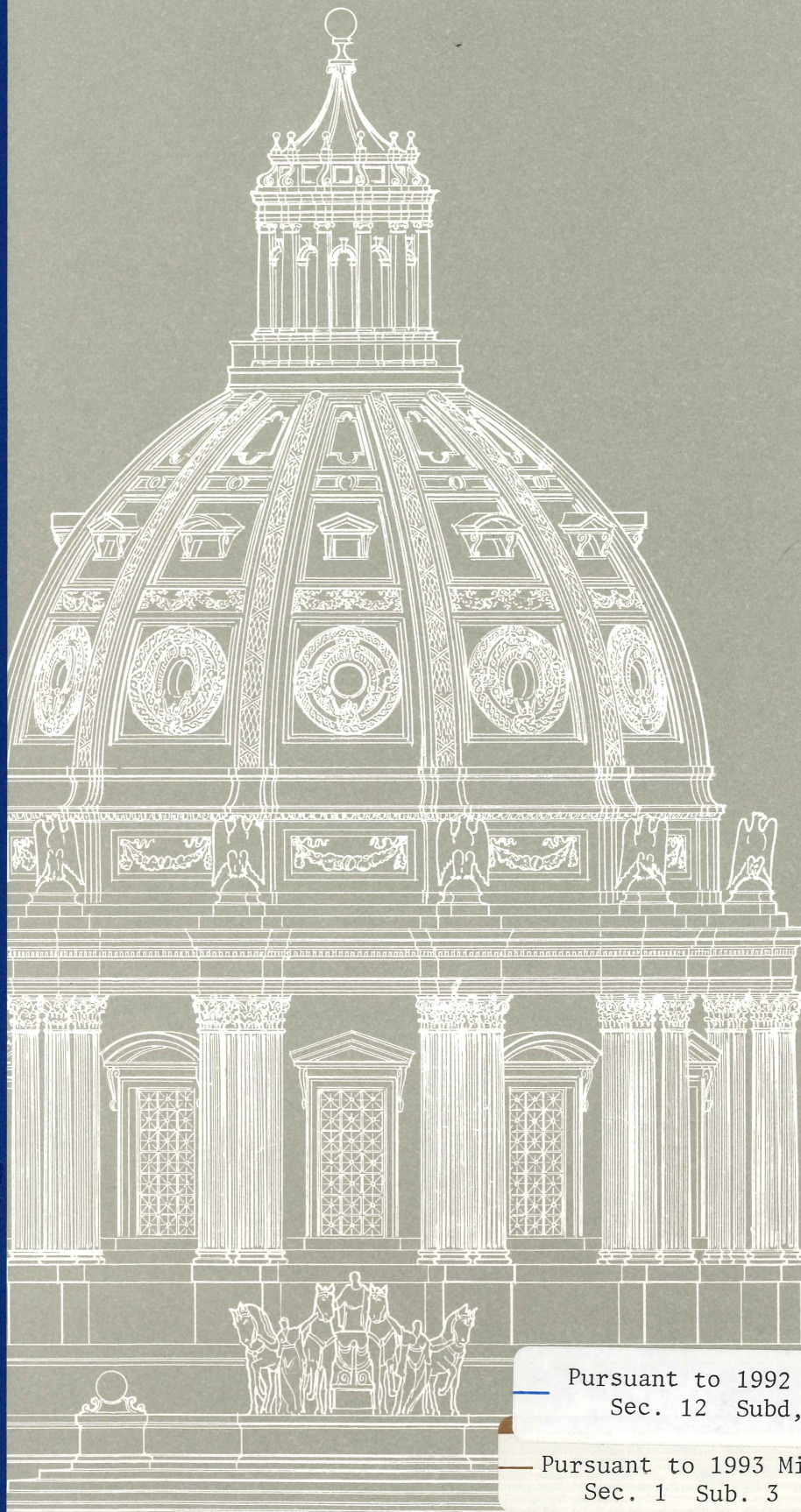
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The Strategic Plan for Locating State Agencies

1993

Zimmer Gunsul Frasca Partnership

State of Minnesota
Department of Administration

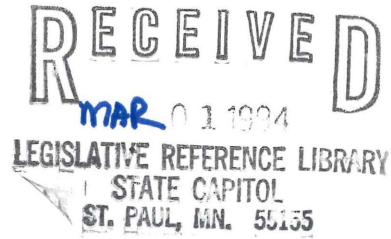
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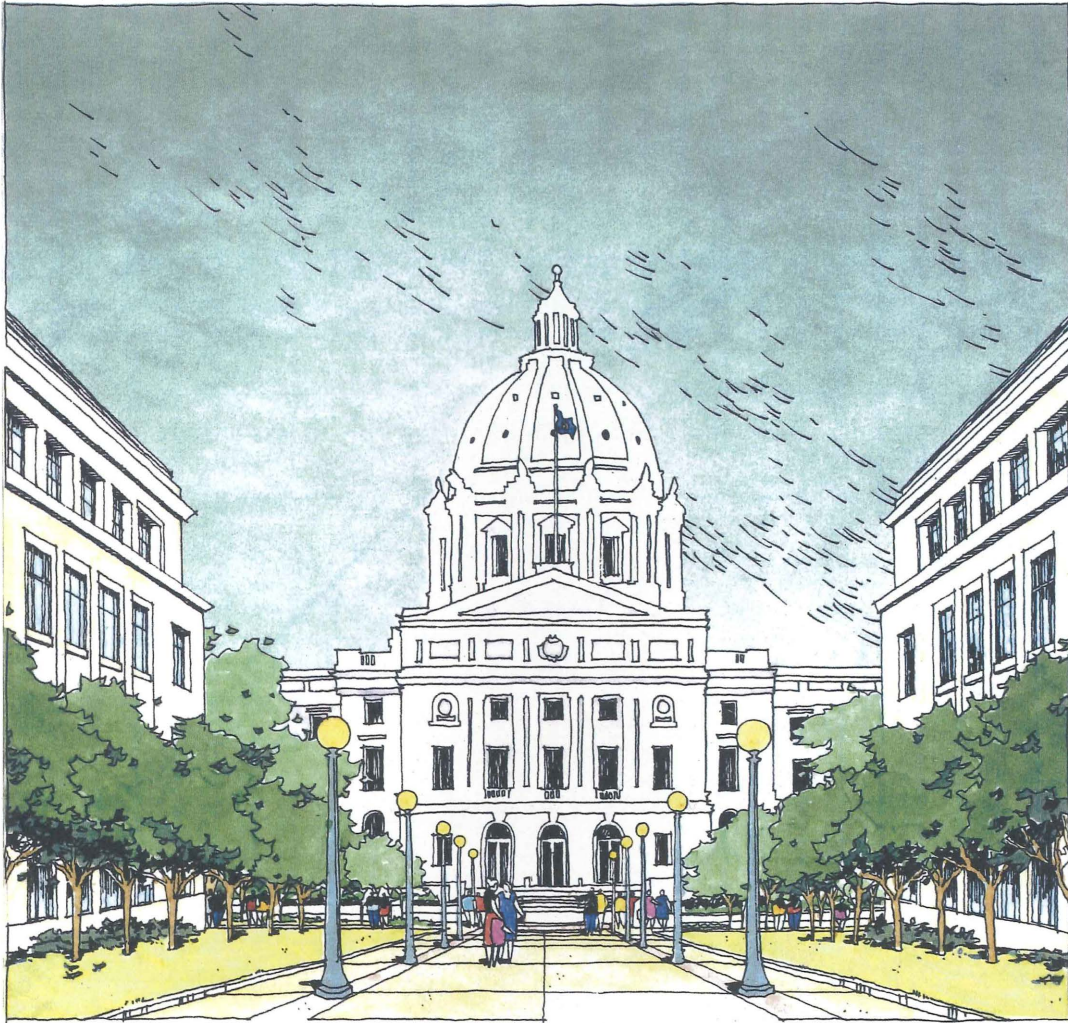
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Capitol Building viewing south on Capitol Boulevard showing proposed development under this plan, and the extension of the Mall north of the Capitol.

SUMMARY

This Strategic Plan for Locating State Agencies establishes a plan for meeting agencies' space needs during the next 20 years. This plan provides a flexible framework for decision-making.

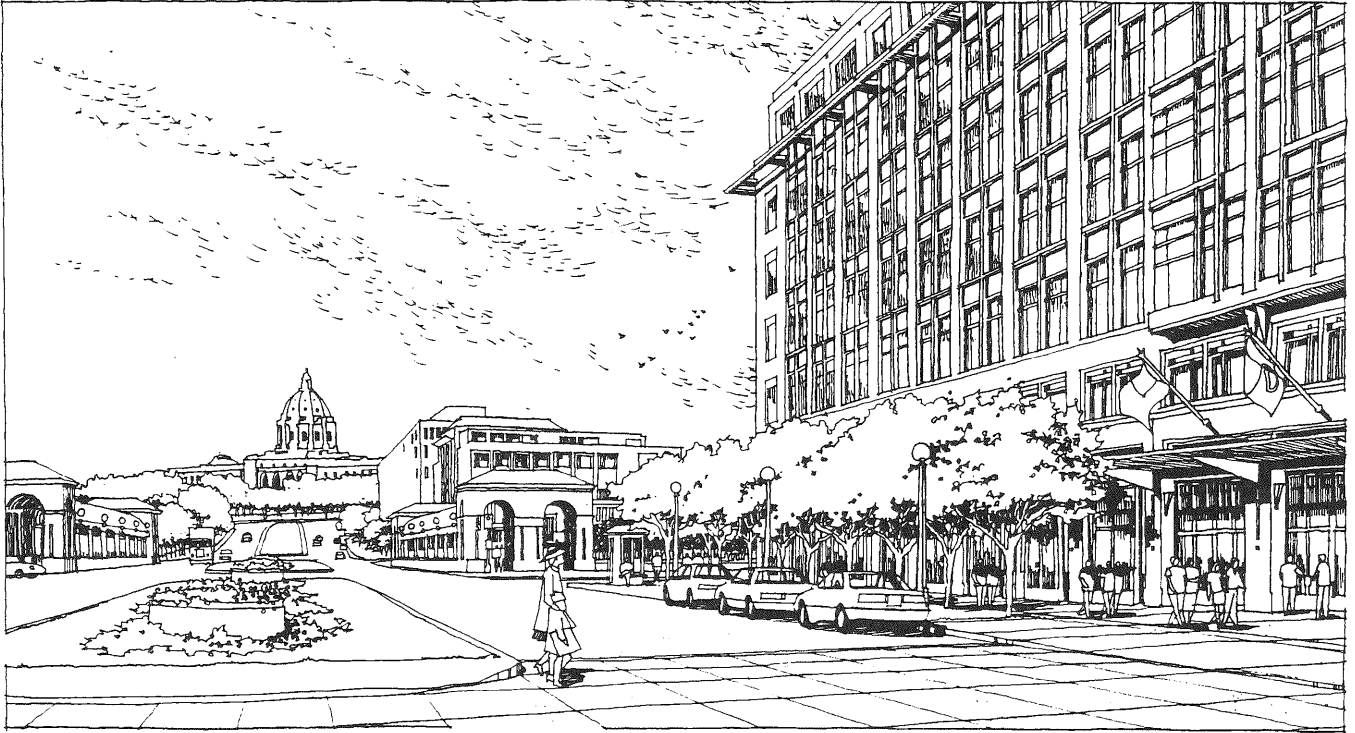
Under this plan, the current and projected needs of state agencies and the capacity of existing state-owned facilities, sites, and infrastructure were determined. Urban design and locational criteria were established. The needs for agencies to share space, to be near one another, and to be consolidated were identified. Strategies for ownership and leasing were developed and the objectives for a transportation management plan identified. Planning workshops provided an opportunity for legislators, state employees, local government, and business leaders to be involved in the planning process.

Rather than developing in suburban areas, this plan concentrates agency development in St. Paul and near the Capitol to realize transportation efficiencies, increase public accessibility, and maintain a vibrant Capital City. This approach amplifies the benefits of the current compact location pattern of state agencies, and the three components of this plan deal with different geographic areas and development strategies:

- **Capitol Area:** Agencies with a high degree of interaction with the Legislature, Judicial, the Governor, or other elected officials, or that currently have major prior facility investments, will be located in the Capitol Area.
- **Capital City:** Agencies with a high degree of interaction with the public and business community or which provide support services will be located in the Capital City, responding to current real estate market opportunities.
- **Capital Region:** State government service centers will be located in the Capital Region and throughout the state to consolidate over-the-counter services at locations nearer the customer.



*Proposed development under this plan
in the West Capitol Area viewing east
on University Avenue near Rice
Street.*



*South Capitol Area development
under this plan viewing north on
Cedar Street from 10th Street.*

KEY RECOMMENDATIONS

- Centralize responsibility for the planning, design, construction, leasing, management, and maintenance of state agency buildings and grounds in the Department of Administration.
- Increase the amount of state-owned space to control long-term costs and acquire equity in state-occupied buildings.
- Move now toward meeting a goal of achieving 70% ownership of state-occupied space by the year 2013 while maintaining the amount of leased space in the Capital City near current levels.
- Maintain a minimum of 25% leased space to provide the flexibility to accommodate fluctuations in agency space needs and to respond to opportunities in the rental market.
- Acquire property to meet the state's current needs and to ensure land is available at the lowest cost possible to meet future needs.
- Where possible, build on state-owned land to take advantage of low land costs and to avoid removing properties from the tax rolls.
- Design facilities with the flexibility to respond to rapid technological advances.
- Allocate state space approximately evenly between the Capitol Area and the Capital City using the locational criteria provided in this plan.
- Locate agencies to be situated in downtown St. Paul within a development corridor south of Capitol Area extending three to four blocks east and west of Robert Street to Kellogg Boulevard.
- Encourage state ownership in the Capitol Area and consider a variety of options on a case-by-case basis including lease, purchase, lease/purchase, and construction in or near downtown St. Paul to realize real estate market opportunities.
- Enhance the design quality of the Capitol Area as a whole to strengthen the image of the state capital and anchor the Capital City.
- Revise the Comprehensive Plan to update plans for all five sectors of the Capitol Area, consisting of the North, South, East, West and Central Capitol areas, consistent with the strategic plan.

- Coordinate with the City of St. Paul and the private sector to update downtown plans and land use policies to realize the goals of this strategic plan.
- Implement an aggressive transportation management program to improve ease of access to state facilities and to encourage alternatives to automobiles, especially driving alone.
- Invest in state employee parking programs which encourage the use of transportation alternatives, thereby reducing the cost of providing and operating parking facilities by 20% within the next five to ten years.
- Compare the costs of constructing and operating state-owned central heating and chilling facilities with the alternative of District Energy-St. Paul service.

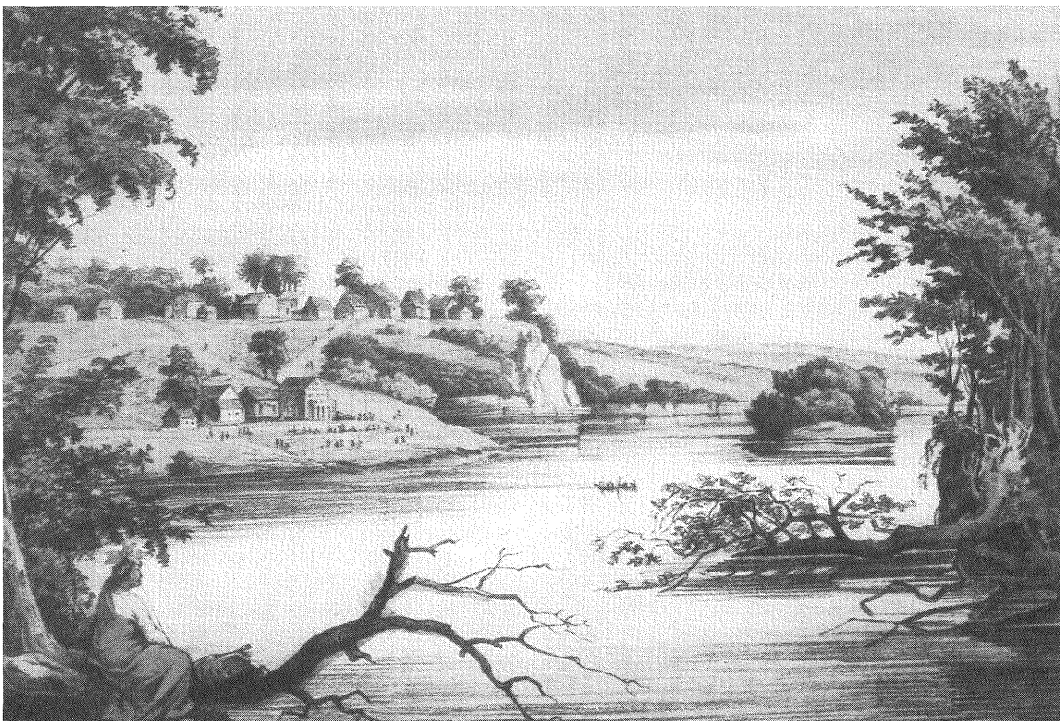
PURPOSE

History

In 1905 the Minnesota State Capitol Building, designed by architect Cass Gilbert, opened for public use. For turn-of-the-century Minnesotans it represented growing prosperity and took on the symbolism of a rite of passage. What had been an unpretentious, self-reliant frontier community was now the budding metropolis of St. Paul.

In addition to the Capitol building, Gilbert developed a comprehensive plan that called for the creation of public gardens between the Capitol and downtown St. Paul. Gilbert's vision, with broad avenues and sweeping views, took in St. Paul's Cathedral, the city skyline and, in the distance, the bluffs of the Mississippi. This vision is still visible to anyone standing on the granite steps of the Capitol Building. In this expansive vista, religion, commerce and civic presence connect. The Capitol Building and its expansive Capitol Mall, "Minnesota's front lawn," continue to embody stability, permanence, power, and prestige.

This strategic plan seeks to capitalize on the historical role of St. Paul as a river city and seat of state government by concentrating new development in St. Paul, near the Capitol, to strengthen the ties connecting the Capitol with the Central Business District. This makes good economic sense for the state while benefiting the vitality of the Capital City. It anchors St. Paul by creating a vision citizens, state and local officials can share and it reinforces the Capitol Building and grounds, preserving Minnesota's heritage.



The image of St. Paul as the Capital City should reflect its historical role as a river city.

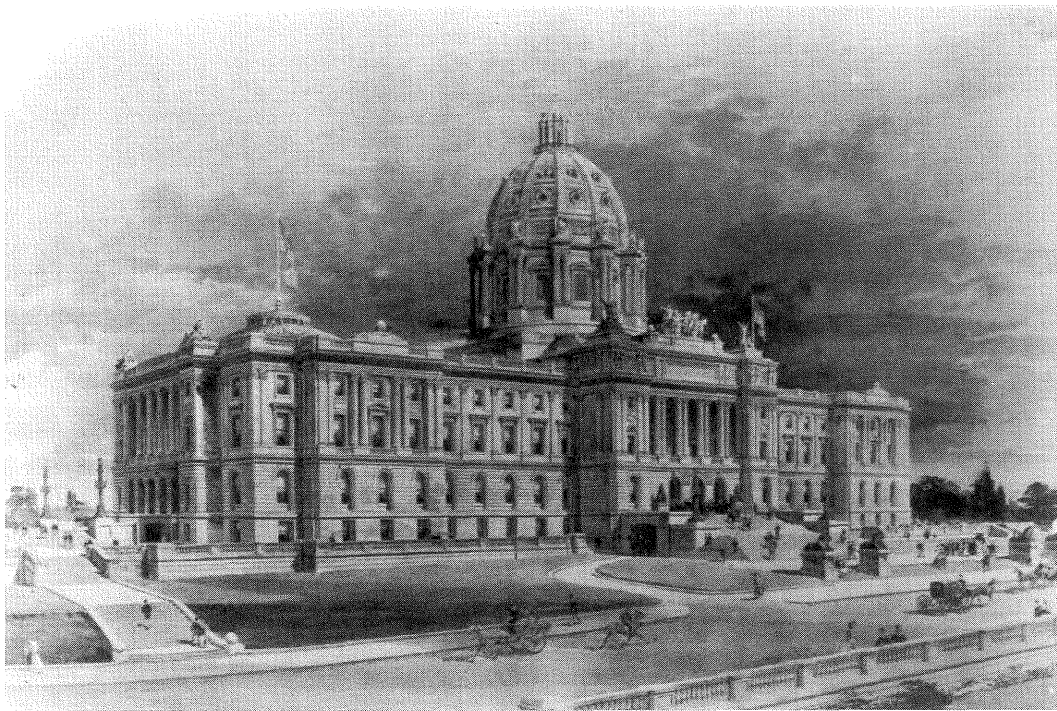
Courtesy Minnesota Historical Society

Strategic Plan for Locating State Agencies

There are many ways to meet state agencies' space needs. Alternatives such as leasing, lease/purchase, purchase of existing structures, new construction, and rehabilitation, are addressed. The conclusions contained in this plan are economically realistic, encourage the state to take advantage of fluctuations in the real estate market, and do not adhere to a single approach.

This plan provides the state with flexibility in the location of state agencies. It capitalizes on favorable land and building prices, leases, and development opportunities which result in an outcome that is both economically responsible and functional. This approach has many benefits. Public transportation is supported and city and state planning objectives are reinforced.

Vibrant cities are full of people and businesses, parks and museums. Vibrant cities attract workers, shoppers, and sightseers. This plan recognizes the need for amenities such as information centers, public parking, landscaping, and child-care centers that assist employees, customers, and visitors. It advances the idea of cultural use south of the Capitol Mall between John Ireland Boulevard and Cedar Street where museums, theaters, and concert facilities might flourish. Every year St. Paul draws visitors and citizens from around the state and the nation. It is a center for education, recreation, and government activities. Under this plan, continued sound planning for state agencies will mean renewed vibrancy for St. Paul.



Courtesy Minnesota Historical Society

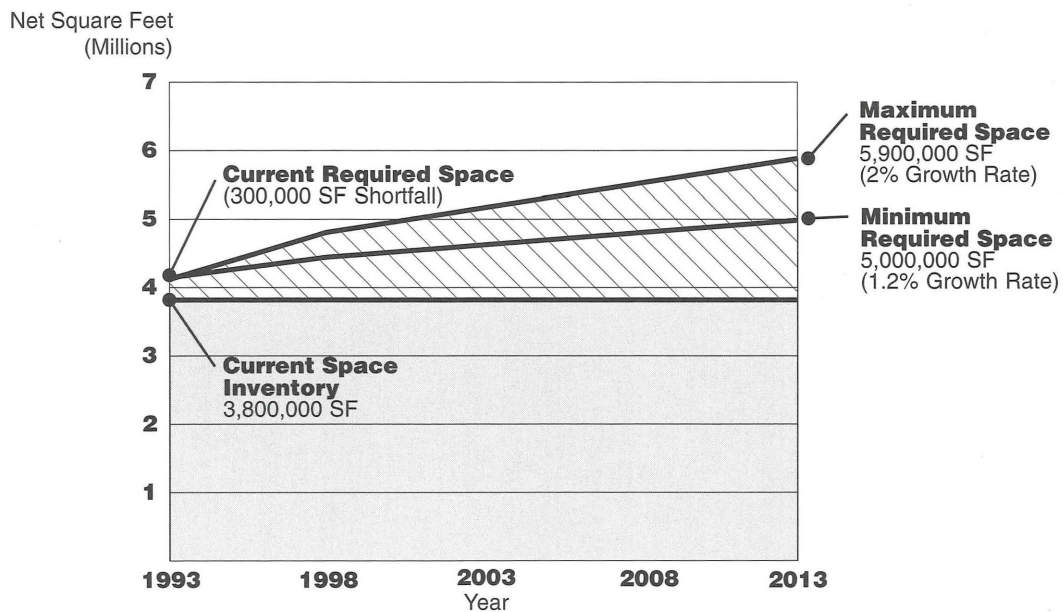
This plan should build upon Cass Gilbert's plan for Minnesota's Capitol which is a remarkable example of beauty, clarity, and foresight.

THE NEED

The recommended planning strategy presents Minnesota with an opportunity to plan today for the needs of tomorrow. In the past, requests for state office space have overshadowed new state construction. The current space inventory is comprised of 1.8 million net square feet (NSF) of state-owned facilities and 2.0 million NSF in privately-owned leased office space in the Twin Cities seven county metropolitan area. Over the past 16 years, the amount of office space leased has more than doubled while the amount of owned space has remained relatively constant.

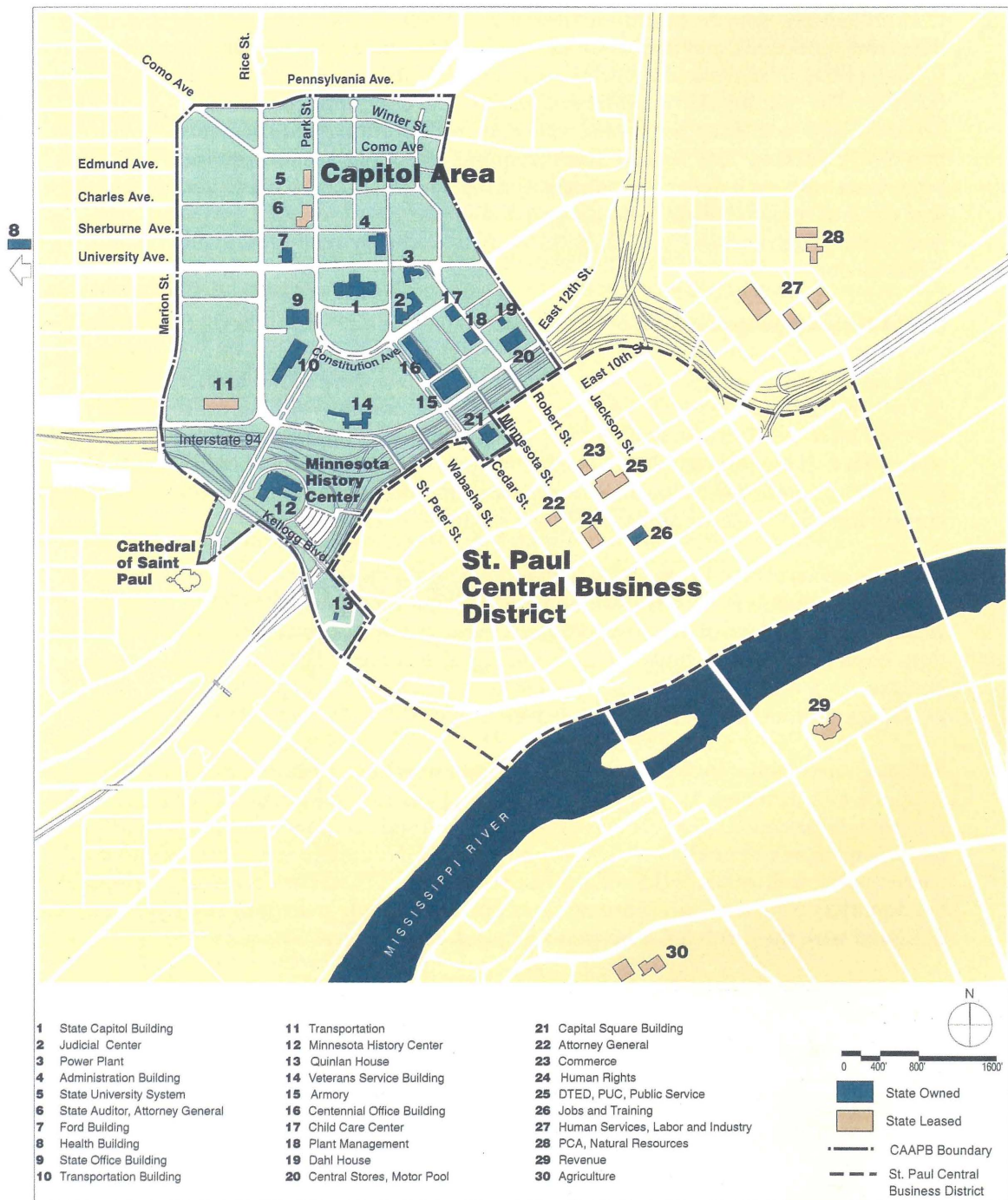
Based on state agencies' long-range program needs, the state agency rate of growth is projected between 1.2% to 2.0% per year over the next 20 years, with an immediate need for an additional 300,000 NSF. By the year 2013, all state agency space requirements in the seven county metropolitan area could total an estimated 5.0 to 5.9 million NSF in either state-owned space or privately-owned leased space. This is an increase of between 1.2 to 2.1 million NSF over the 3.8 million NSF state agencies currently occupy. The state's current and projected space needs are illustrated in the following graph.

CURRENT AND PROJECTED SPACE NEEDS



This plan has been developed to accommodate a range of future growth.

EXISTING STATE OWNED AND LEASED FACILITIES IN ST. PAUL



The majority of state owned and leased facilities are currently located in St. Paul.

Determining Need

Comprehensive survey questionnaires were developed and distributed to all major departments, boards, and commissions, and an abbreviated questionnaire was distributed to smaller departments and agencies, to determine the amount of space the state will need by 2013. The questionnaires addressed such issues as agency function and organization, historical and future staffing levels, adjacency and locational requirements, current space inventory, parking and special space requirements, and visitor/public contact levels. Interviews with each major department and agency were conducted to verify information and explore opportunities. The compiled database of information provided a basis for establishing high and low end projections of state employment growth and related space requirements.

Providing Appropriate Facilities

A number of recent studies continue to confirm that it is more economical in the long-term to own rather than lease office space. The state currently leases office space in the metropolitan area at a cost of about \$27 million annually, or an average cost of \$13.32 per square foot. If the state continues to meet its future space needs only by leasing privately-owned office space, the annual cost would more than double in a 20 year period based on the current lease rate with no adjustment for escalation in lease rates.

The state needs to acquire property to meet current needs, to ensure land is available at the lowest cost possible for future development, and to meet expansion needs in the future. By increasing the amount of state-owned space, the state has the opportunity to control its long-term costs and acquire equity in the buildings it occupies. The state should pursue and analyze, on a case-by-case basis, such options as constructing, purchasing, or leasing of buildings in order to provide adequate facilities for state government operations.

Although new technology permits some decentralization of agencies, that technology also supports and increases the efficiency of central management functions. Telecopying and electronic information storage reduces travel demand and document storage space. However, the expansion of personal computer use and associated training and space needed for video-conferencing will offset much of the space savings. Therefore, a reduction in agency headquarters functions and space needs is not anticipated. State facilities will need to be designed with the flexibility to respond to rapid technological advances.

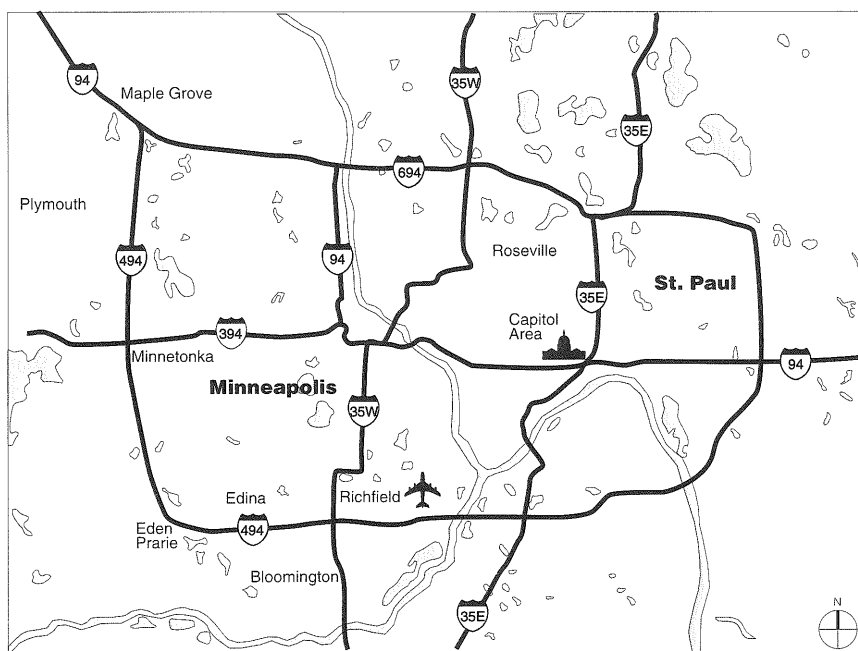
Managing Transportation

The success of this plan relies on managing transportation to and from the Capitol. Most state employees currently commute via single occupancy vehicles. A tremendous capacity and cost savings could be realized with state encouragement toward higher occupancy vehicle usage. This ranges from car pooling priority treatments to subsidized transit participation. Fewer parking structures and lower maintenance costs related to parking structures could result in a savings of nearly 20% of future state agency parking development funds.

This plan calls for a strategy of centralizing most state agency development within the Capitol Area or Capital City. This centralized strategy offers significant advantages over suburban or dispersed development. The existing highway infrastructure and transit network capacity support this centralized approach. The proposed light rail system between St. Paul and Minneapolis would further increase transit capacity and convenience. Routes, roads, buses and other components of public transit are already established around the Capitol. In contrast, developing a public transportation network linking suburban areas with the Capitol would require additional expenditures for building new infrastructure or extending what exists.

A Transportation Management Plan (TMP) would propose viable alternatives to single occupancy vehicles and could recommend policies designed to encourage vanpools, carpools and public transit. Such a plan for the Capitol Area is outlined in this document.

REGIONAL TRANSPORTATION SYSTEM



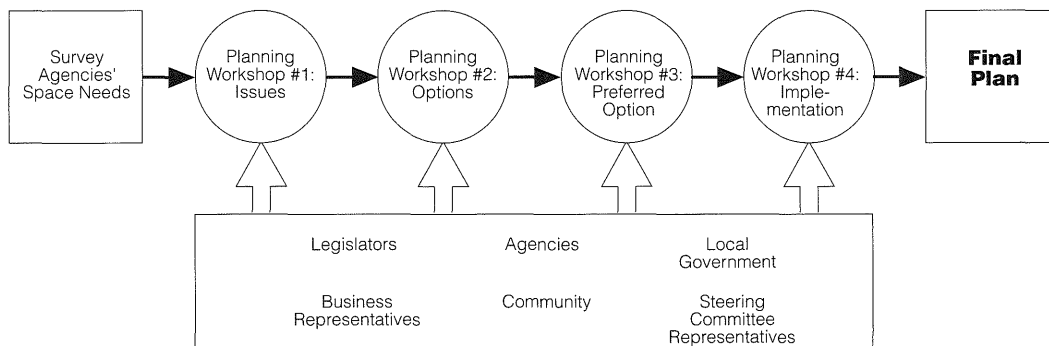
Existing and planned transportation systems support centralized development.

THE STARTING POINT

The Steering Committee responsible for overseeing this plan identified parameters to guide the consultant team. These parameters, listed below, focused this plan and determined its shape and scope.

It was agreed that:

- Three areas should be considered for the location of state agencies: the Capitol Area; the Capital City; and the Capital Region.
- Decentralization of agency over-the-counter services should be encouraged although siting these services does not fall within the scope of this study.
- Planning should address the high-side projection of an additional 2.1 million NSF needed by the year 2013.
- By the year 2013, a greater proportion of state space should be owned than at the present.
- Alternatives should be flexible to take into account the possibility of government reorganization. Where appropriate, new buildings should be general office buildings which are more adaptable to changing needs than buildings designed for a specific use or agency.
- All new construction within the Capitol Area should include parking facilities either underground or freestanding on adjacent sites.
- Existing or new landscape plans to preserve and enhance the Capitol Mall and open space should be supported and accommodated.
- By the year 2013 significant improvements in transit should have occurred (such as HOV lanes, light rail transit and increased bus service) which would provide more transportation opportunities.



A series of planning workshops encouraged broad participation in the process.

THE PROCESS

The mission statement for this plan reads in part: “. . . to develop a long-range plan for locating state agencies in the Capitol Area and the Twin Cities metropolitan area.” A Steering Committee, consisting of representatives from the Department of Administration, the Capitol Area Architectural and Planning Board, the Department of Finance and staff from the Senate and House of Representatives, was established to oversee and guide this plan. The committee developed, refined, and adopted the following five goals to:

- Achieve economy and efficiency in the location, development and financing of state leased and owned space, and in the delivery of services.
- Provide quality in the design of state facilities located in the Capitol Area and throughout the metropolitan area which will ensure the preservation of the state's architectural heritage.
- Provide flexibility to adapt to changes in space needs, the market place, or funding.
- Encourage the use of public transportation so that public access to agencies is increased; parking conflicts and congestion reduced; and pedestrians, transit patrons and motorists are assured of safety.
- Take a leadership role in environmental concern and sound regional growth.

Development of this plan began in the Fall of 1992 and consisted of interviews, questionnaires, and workshops. State agency heads and other interested persons discussed present facilities and locations and estimated facility needs for the next two decades. They analyzed factors that affected the size of their agency, its location, or the kind of space needed, as well as the advantages and limitations of their present locations and space.

The consultant team preparing this plan toured state office space to evaluate its suitability to support future needs and to determine how efficiently current needs were being met. These interviews, combined with facility inspections, public workshops, and historical data, serve as the plan's foundation.

To open the process to broad participation, the Steering Committee conducted four planning workshops to guide and validate the consultant's assumptions and conclusions. These workshops were also intended to help build partnerships between the state, local government, and private organizations. Legislators, officials from state agencies, representatives from city and county departments, metropolitan council representatives, business leaders, and community representatives participated in these workshops. Finally, meetings held with numerous individuals and organizations with an interest in the plan provided an opportunity to receive and respond to comments. Ongoing participation in this plan will be coordinated by the Department of Administration.



Accommodating state agencies in both the Capitol Area and the Capital City will help reunify the city and the Capitol.

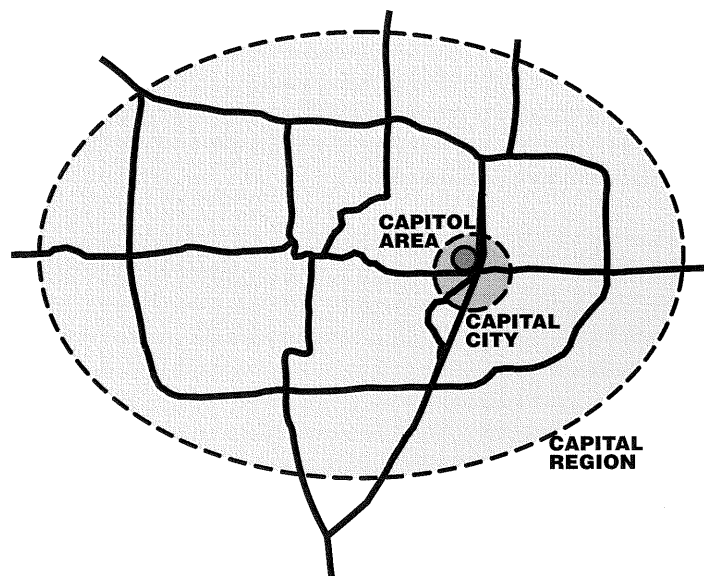
PREFERRED DEVELOPMENT AREAS

This plan focuses on three geographical areas, each providing unique opportunities and constraints for state agency development. The areas are defined as follows:

- The Capitol Area consists of that area bounded by Pennsylvania Avenue, Marion Street, Jackson Street and south to Interstate 94 with extensions to incorporate the Capitol Square, Minnesota History Center, and Labor Interpretive Center sites.
- The Capital City is defined as the city limits of St. Paul, including the downtown Central Business District, but excluding the Capitol Area.
- The Capital Region consists of the seven county metropolitan area.

Under this plan agencies will be located in the Capitol Area and the Capital City rather than in suburban locations. It also recommends that several customer services be placed in regional centers, bringing over-the-counter services closer to the public. Prime land is available in the Capitol Area, some at prices comparable to suburban locations. In addition, large parcels of low cost industrial land, where support services might be located, are available near the Capitol Area. Centralized development within the Capitol Area and within St. Paul's Central Business District is also enhanced by an established transportation system and a mechanical, electrical and civil infrastructure.

Instead of relying on leased space simply because it is available, state agencies can be placed on sites specifically chosen to best meet their needs resulting in the ability to provide more efficient, cost effective government services.



The plan focuses on three geographical areas.

The Capitol Area Architectural and Planning Board (CAAPB) has, since 1967, overseen the development of the Capitol Area. The recommendations in this strategic plan should be integrated into CAAPB's comprehensive plan. Taken together, the result reinforces the Capitol Area as the literal and figurative seat of Minnesota government and anchors the Capital City.

LOCATIONAL CRITERIA

The proper location of state agencies increases their effective and efficient function and enhances and complements their surrounding neighbors. Careful consideration of urban design, transportation, and operational factors must be weighed to ensure the most appropriate investment in a community.

This plan proposes locating buildings to invite clients and visitors to approach them, to use the services they house, and to appreciate and enjoy the existing buildings which make up the Capitol Area and Capital City. Employees and clients benefit from this comprehensive approach, and neighborhoods are strengthened. High quality development and efficient transportation form a foundation upon which new commercial enterprises, entrepreneurs, and housing developers will build with confidence. Placing agencies in two or three areas in close proximity to the Capitol instead of scattering them throughout the city and its suburbs provides a greater return on the state's investment.

The principle criteria used to determine where an agency should be located include: an agency's preference (Capitol Area, Capital City, or Capital Region); its mission; the frequency with which it interacts with other state agencies or levels of government and the public; its specific requirements for space; and whether it has recently made a major facility investment. A locational matrix, presented in the Implementation section, provides further information and rationale.

Telecommuting allows some state offices to be located in out-state locations. This works especially well for information processing divisions and could help other regions in need of economic development. Therefore, this plan does not advocate for the consolidation of out-state functions within the metropolitan area.

From a facilities planning viewpoint, suburban satellite development may be more economical and efficient, especially for large operations requiring more land or agencies which do not need to be close to the Capitol. From a larger planning perspective, however, a number of hidden or social costs have been considered when evaluating a satellite area location. These include greater automobile dependency; lower transit accessibility; higher costs for emergency services, infrastructure, and utilities; and a narrower range of convenient services. In consideration of these hidden costs and the availability of affordable land and property in the city, this plan recommends that agencies remain centralized in St. Paul.

The conclusions reached when these criteria are analyzed indicate the following:

- Agencies that directly serve the Legislature, Judiciary or the Governor and elected officials that are involved with making governmental policies should be located near the Capitol Building.
- Agencies which serve the public in addition to being involved with creating public policy, should be located west of John Ireland Boulevard and east of Cedar Streets in the Capitol Area.
- Agencies which can realize the benefits of shared resources, equipment, printing, and assembly space should be located in close proximity to each other. This placement may foster more effective communications, realize economic savings, and result in better delivery of government services.
- Accommodate agencies whose prior investment in facilities in the Capitol Area make relocation cost-prohibitive, for example, the Minnesota Department of Transportation's prior investment in the Transportation Building.

OWNERSHIP AND LEASING

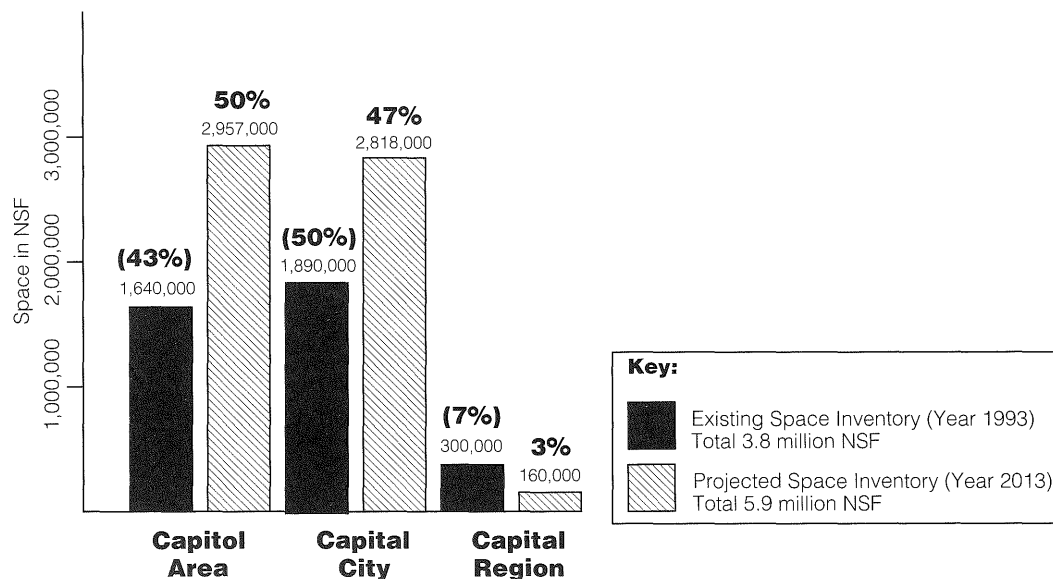
Under this plan, state agency needs will be accommodated in a combination of state-owned and leased space. In most cases, building ownership will save the state money in the long term. With ownership, the state may invest in higher quality buildings and building systems which save operation and maintenance costs. After the cost of a building has been amortized, there is a residual value accruing to the state under ownership.

Maintaining a portion of the inventory in leased space provides the state with the flexibility necessary to respond to fluctuations of space demand and provide agencies with temporary holding space while awaiting new facilities or experiencing short-term growth. Additionally, leasing may be cost effective in locations and during economic climates where rents are relatively low.

BALANCED APPROACH

This plan recommends that, over the next 20 years, a balance be achieved in the allocation of additional state space to the Capitol Area and the Capital City. Agency headquarters functions are consolidated in the Capitol Area and Capital City. Agency needs will be accommodated in a combination of existing and new leased and owned space. This approach will help reunite the Capitol with the city and enhance the overall quality and vibrancy of the capital. The accompanying chart illustrates the proposed allocation of existing and projected state agency space.

ALLOCATION OF EXISTING AND PROJECTED STATE AGENCY SPACE



This plan evenly distributes state space to the Capitol Area and Capital City.

Several terms are used in this plan to describe building square footage. Most often the term net square feet (NSF) is used. This term describes the usable space in a building needed to accommodate the agency's office and other related uses. The term gross square feet (GSF) includes the additional space in the building required to house an agency. This space includes restrooms, circulation space, lobbies, mechanical and electrical equipment space, and service areas. Finally, the term rentable square fee (RSF) is used by private building owners to describe that portion of their building used to calculate the cost of the lease. RSF is always larger than NSF, often by as much as 8% to 15%. GSF is larger than NSF from 10% to 30% depending on the type and scale of building.

A glossary of additional technical terms used in this plan is found at the end of this document.

Capitol Area

Concept

Facility Development

Transportation

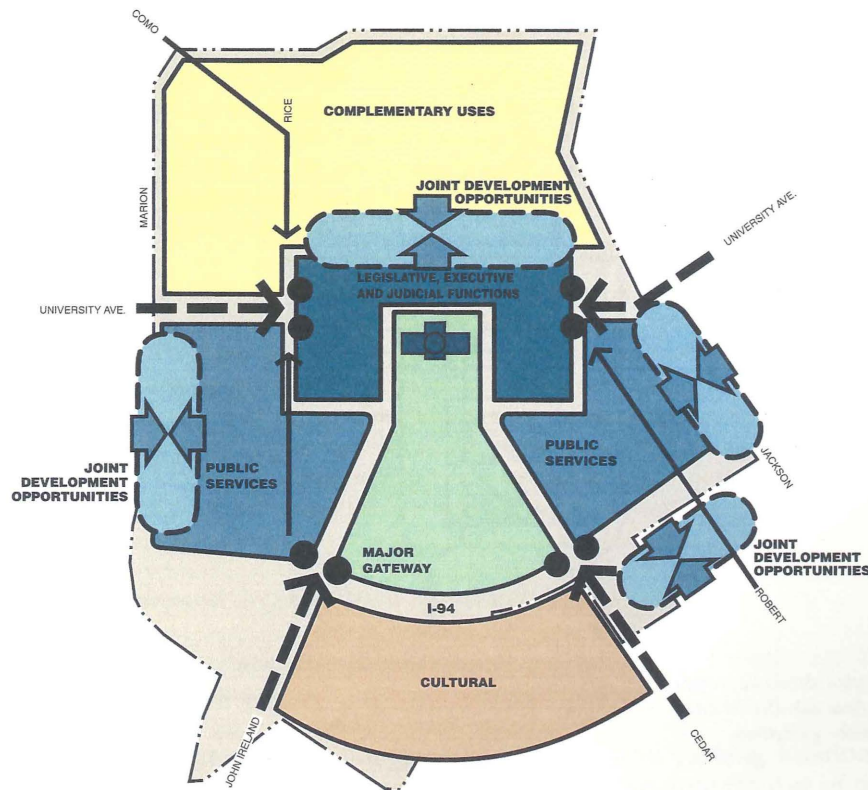
Infrastructure

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CAPITOL AREA

The Capitol Area is the hub of state government and provides the setting for the Capitol Building, its centerpiece. Investment in the Capitol Area enhances the image of state government and anchors St. Paul, the Capital City. The development concept for the Capitol Area has been illustrated in the diagram below. Development directly serving the Capitol should be located immediately east, west and north of the Capitol Building. State public service agencies with strong ties to the Capitol should be developed east of Cedar Street and west of John Ireland Boulevard. Development in the North Capitol Area should be for complementary uses, such as increasing residential opportunities. Development to the south between John Ireland and Cedar should emphasize cultural uses. Joint development is encouraged with the medical institutions to the north and east of the Capitol Area and with the City or private interests to the west and south.

State facility development in the Capitol Area presents many advantages. Many developable sites exist which are currently owned by the state, a considerable cost advantage, and fiscal incentive. An effective transportation system already exists as does the mechanical, electrical and civil infrastructure which can accommodate growth. Additionally, adjacent blocks under current state ownership present opportunities for agencies to realize the economies and efficiencies of collocation.



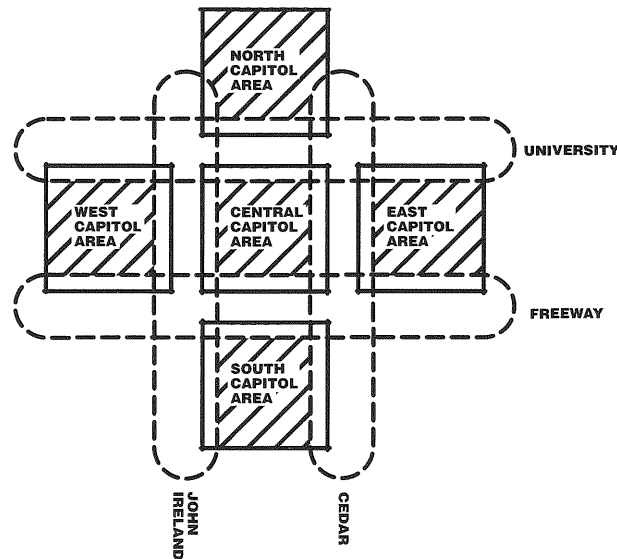
The role of the Capitol Area as the seat of Minnesota state government is reinforced by this plan.

CAAPB COMPREHENSIVE PLAN AND LAND USE POLICIES

To be effective, the strategic plan and the CAAPB Comprehensive Plan should be mutually reinforcing. In response to this strategic plan, the CAAPB Comprehensive Plan and land use policies should be updated with the following objectives:

General

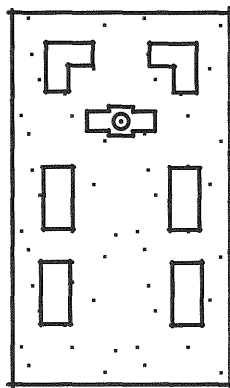
- Establish an overall vision and framework for the Capitol Area
- Develop a vision and specific development plan for each of the five Capitol Area sub-districts, including the North, South, East, West and Central sub-districts.
- Develop corridor design guidelines for each of the major approaches to the Capitol Area, including John Ireland Boulevard, Cedar Street and University Avenue and potentially the freeway frontages, Rice and Robert streets (see diagram below). In order to maintain design continuity within the Capitol Area and encourage linkages with neighboring districts, these guidelines should address both the character of the abutting development and the streetscape and other open spaces.
- Provide transportation and parking policies which are consistent with the transportation management plan outlined in this strategic plan.



A vision and plan should be created for each Capitol Area sub-district and linked by corridor guidelines.

Specific

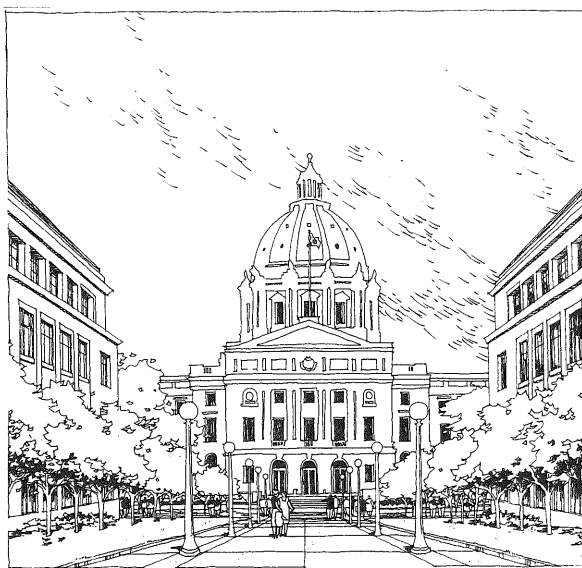
- Recognize the Capitol Mall as an open space containing government buildings, as it is in the Capitol Mall in Washington D.C., rather than as a park enclosed by government buildings. This was originally envisioned by Cass Gilbert and allows the Mall to be extended northward to completely surround the Capitol Building and to provide a setting for additional government buildings.



The Mall should be extended northward, as envisioned by Cass Gilbert.

- Maintain University Avenue at, or near its present grade and enhance grade level pedestrian crossings. Lowering University Avenue and building a pedestrian overpass at Capitol Boulevard would create a 'moat' at the north face of the Capitol, limit access at street level, disrupt the historic relationship of the street to the Capitol, become disorienting to motorists and limit opportunities for a pedestrian tunnel under University Avenue.
- Close Capitol Boulevard between University and Sherburne Avenues to limit auto turning movements and improve pedestrian safety.
- Create an active residential development/redevelopment program. This program should seek to provide market rate housing opportunities. This development would complement the existing low and moderate income housing in the area and reduce commuter trips to the city.
- Upgrade and expand the pedestrian tunnel system.
- If the Emma Norton Residence should choose to relocate in the future, use the site for state offices and parking.
- Eliminate Cass Gilbert Park as a potential underground parking location or office building site. The park should remain open space to preserve the role of the park in providing a visual terminus to the north end of Robert Street.

- Maintain Lot 'Q' on Cedar Street between Sherburne and Charles avenues for surface or underground parking and not an office building in order to minimize visual impacts on Cass Gilbert Park when viewed from below the ridge.
- Develop the block north of University Avenue between Robert and Jackson Streets to allow views to the Capitol dome by requiring street level setbacks.
- Retain the lot east of the Judicial Building for surface parking until a future addition to the Judicial Building is needed, or another need identified.
- Maintain Minnesota Street as a street providing parking access and building service. This provides views to the north and block length continuity with the area south of the freeway. One way traffic should be considered on Minnesota Street between Constitution Avenue and 12th Street to simplify circulation.
- Develop a park fronting Robert Street to the west of the Methodist Church.
- Locate a major cultural facility on the site west of the Capitol Square site to anchor the Capitol Area with the downtown in the same way as the History Center on John Ireland Boulevard.
- Consider the West Capitol Area as an opportunity area and explore development opportunities as they arise.
- Encourage street level retail or services on University Avenue west of Rice Street.
- Should regional commercial uses become uneconomic in the long term, consider the Sears and Kelly Inn sites for state agency development. State office development in the West Capitol Area is consistent with the principle of concentric development around the Capitol.
- Treat Rice Street similarly to Robert Street as a landscaped boulevard.



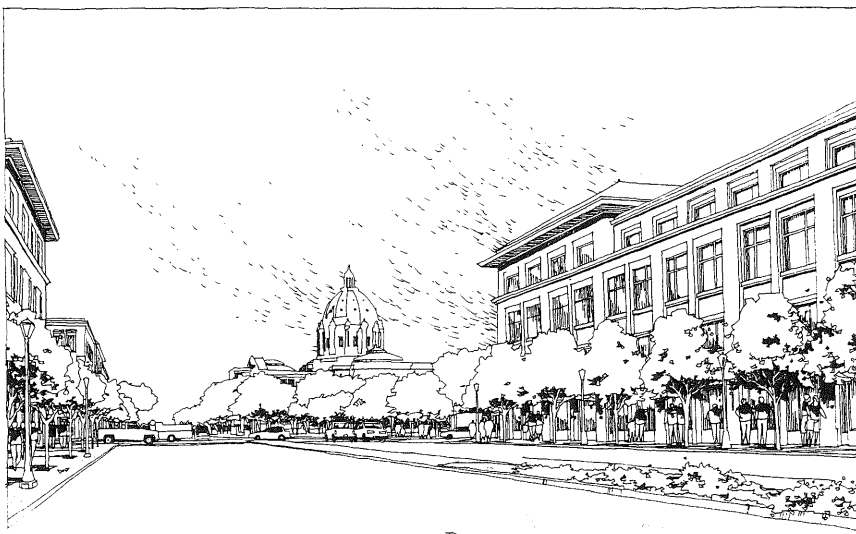
The approach to the Capitol Building from the north is enhanced.

DEVELOPMENT GUIDELINES

These guidelines ensure that proposed development complements the Capitol Building by encouraging quality buildings that best accommodate the state's customers and visitors. These guidelines help strengthen the Capitol Area by providing a framework for appropriately locating state facilities, consistent with the plans, policies, and guidelines adopted by the Capitol Area Architectural Planning Board and the Department of Administration. These guidelines address urban design, agency locations, amenities and services.

URBAN DESIGN

- Recognize the Capitol Mall as the “front door” to the Capitol and develop gateways and distinctive street improvements for John Ireland Boulevard, Cedar Street and University Avenue.
- Maximize opportunities to provide vistas of the Capitol from adjacent buildings and open spaces
- Group buildings around civic spaces and along boulevards spatially defining the approaches to the Capitol.
- Develop buildings along the freeway to provide architectural definition, enclosure to the freeway channel, and to define the bridgeheads.
- Coordinate Capitol Area development with adjacent neighborhoods, institutions and downtown St. Paul to mend the urban fabric with appropriate development and to enhance ties between the Capitol Area and its surroundings, especially downtown St. Paul.



A visual gateway to the Capitol Area and stronger ties to the community are created at Rice Street and University Avenue.

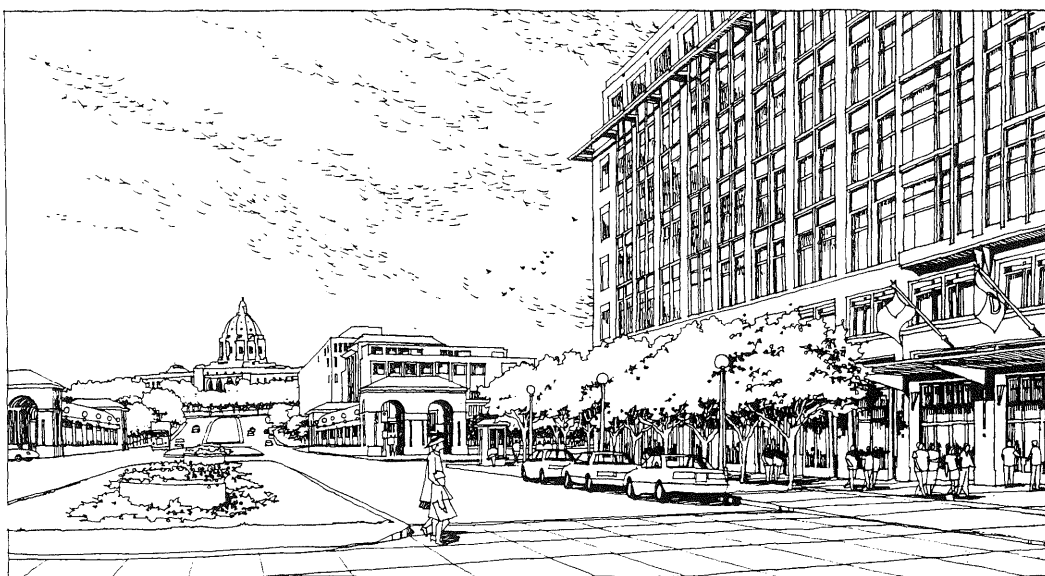
AGENCY LOCATIONS

- Give a locational priority, near the Capitol Building, to agencies with a strong need and demonstrable justification to be near the center of Minnesota government.
- Locate agencies and facilities which are extensions of the legislative, judicial and executive branches, such as internal service delivery and policy-making, immediately north, east, and west of the Capitol Building.
- Locate agencies and facilities which serve the public directly in public service zones west of John Ireland Boulevard and east of Cedar Street.
- Locate agencies in close proximity to each other which might benefit from sharing resources, equipment, and space.
- Accommodate agencies whose prior investment in facilities in the Capitol Area make relocation cost-prohibitive, for example, the Minnesota Department of Transportation's prior investment in the Transportation Building.

SERVICES

- Consolidate service functions which support agencies in the Capitol Area and Capital City within a light industrial park close to the Capitol Area and linked by transit and shuttle buses.
- Implement a transportation management plan to reduce dependency on the automobile and its related parking demand.

- Anticipate the implementation of light rail within the Capitol Area and construction of a station and potential parking facility beneath a plaza at the south side of the Capitol Building.
- Provide child-care facilities near the workplace.
- Integrate commercial services for agencies and employees into the ground floor of parking structures and office buildings, along streets which are heavily used by pedestrians.



The link between the Capitol Area and downtown is strengthened.

AMENITIES & OPEN SPACE

- Expand and enhance visitor facilities (visitor information, signage, parking) and amenities (landscaping, parks, weather protection).
- Increase cultural uses, particularly those which contribute to preserving the historical legacy of the Capitol, in the area between John Ireland Boulevard and Cedar Street.
- Continue to enhance the Mall as “Minnesota’s front lawn” and the forecourt to the Capitol. Extend the Mall to surround the Capitol Building.
- Encourage the use of exhibitions and displays to animate the ground level of state buildings, making government both approachable, visible, and educational.

Facility Development

CAPITOL AREA SHORT-TERM DEVELOPMENT STRATEGY

On the basis of needs identified in this plan, eight projects are necessary for short-term implementation in the Capitol Area. In order to meet current and projected needs, these projects should be completed before the year 2003. Parking allocations assume full implementation of a Transportation Management Program, achieving a 20% reduction in parking needs by 2003.

The following sequence reflects current priorities for implementing each improvement in the Capitol Area:

Facility	Sequence	Size (NSF)	Parking Stalls
Transportation Building Renovation	1	270,000	525
Department of Military Affairs/Training Center	2	101,500	320
Health Building	3	506,000	1,265
Public Safety Building	4	130,000	523
Education Building	5	210,000	530
Transportation Building Expansion	6	60,000	300
Capitol Office Building (Phase 1)	7	265,000	1,000
Human Services Building	8	505,000	1,260

Please note that the proposed Business, Labor and Trade Building, and the Support Services Center are described in the Capital City section of this plan.

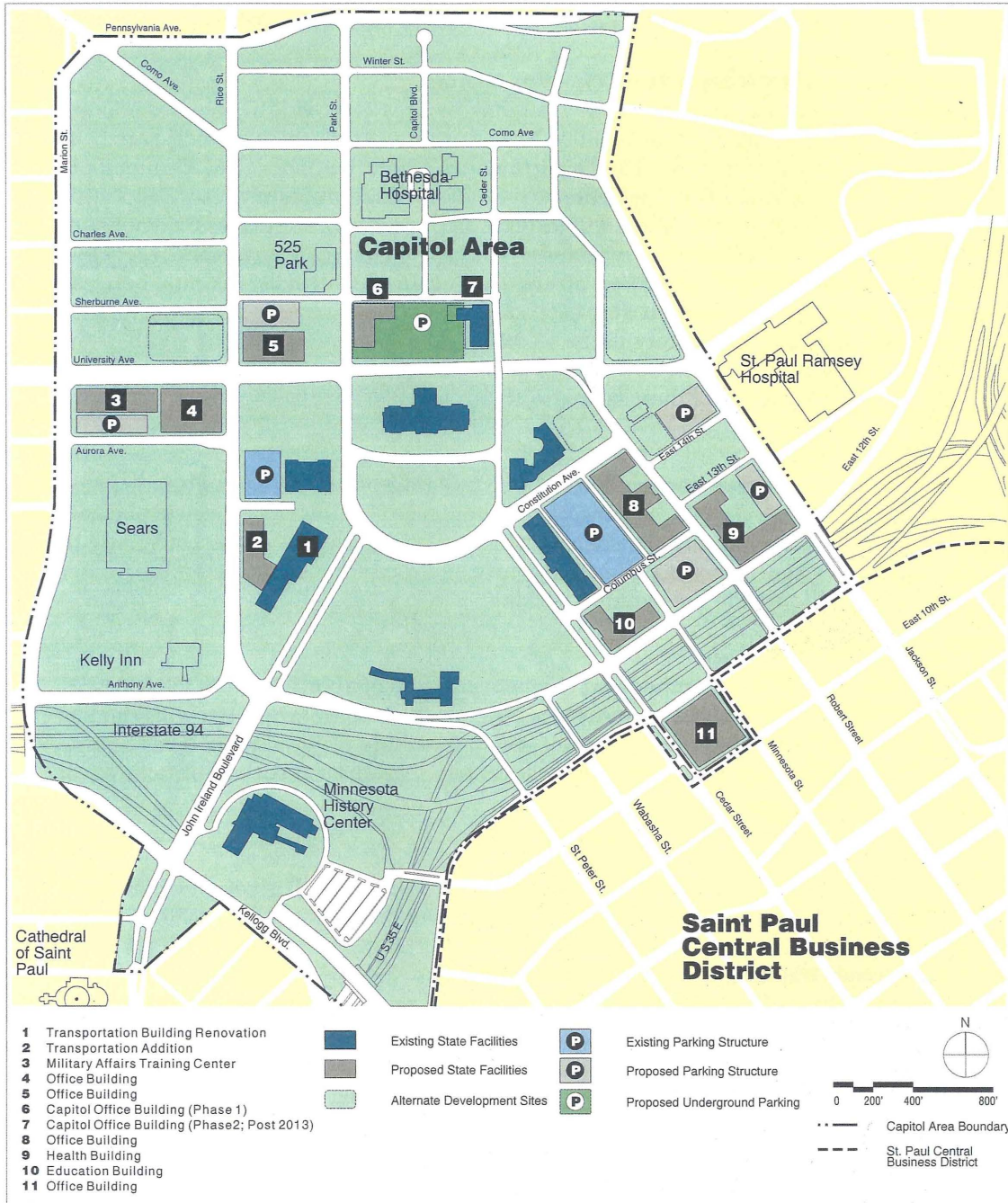
CAPITOL AREA LONG-TERM DEVELOPMENT STRATEGY

The following project might be developed in the Capitol Area during the second half of the 20 year planning period.

Facility	Size (NSF)	Parking Stalls
Multi-Agency Building	307,000	770

A description of selected projects follows.

CAPITOL AREA DEVELOPMENT PLAN



The Capitol Area development accommodates much of the anticipated state agency growth.

- **Transportation Building Renovation**

A floor-by-floor renovation of this building is currently in progress, addressing code requirements and the elimination of environmentally hazardous materials.

- **Department of Military Affairs/Training Center**

Although the primary purpose of the Training Center is to provide a center for military training, in recent years these facilities have accommodated an increasing variety of community-based activities. The Department of Military Affairs (DMA) intends to locate and configure the Training Center to promote broader community use. Collocation of DMA and the Training Center will provide an opportunity for more efficient use of seminar rooms and other facilities necessary to both DMA and state agencies. A location for this facility has been proposed on the south side of University Avenue between Marion Street and Rice Street at the west end of the block. This location is convenient for military, state, and community users. A new parking structure directly south of the Training Center will provide the required parking. The separate parking demand times allow sharing a portion of these spaces with the adjacent facilities.

- **Health Building**

A new building of approximately 506,000 NSF for the Department of Health and related boards will be located on the existing motor pool/central stores site. This will alleviate the current and anticipated deficiencies of the existing location at the University of Minnesota. A new adjacent parking structure and a parking structure on the former bakery site will provide the required parking.

- **Public Safety Building**

Public Safety will be accommodated in a new building of approximately 130,000 NSF. Public Safety will consolidate a number of functions into this location, but will retain its crime lab and warehouse at its current location outside of the Capitol Area. Some functions will be located at regional service centers. An adjacent parking structure will provide the required parking.

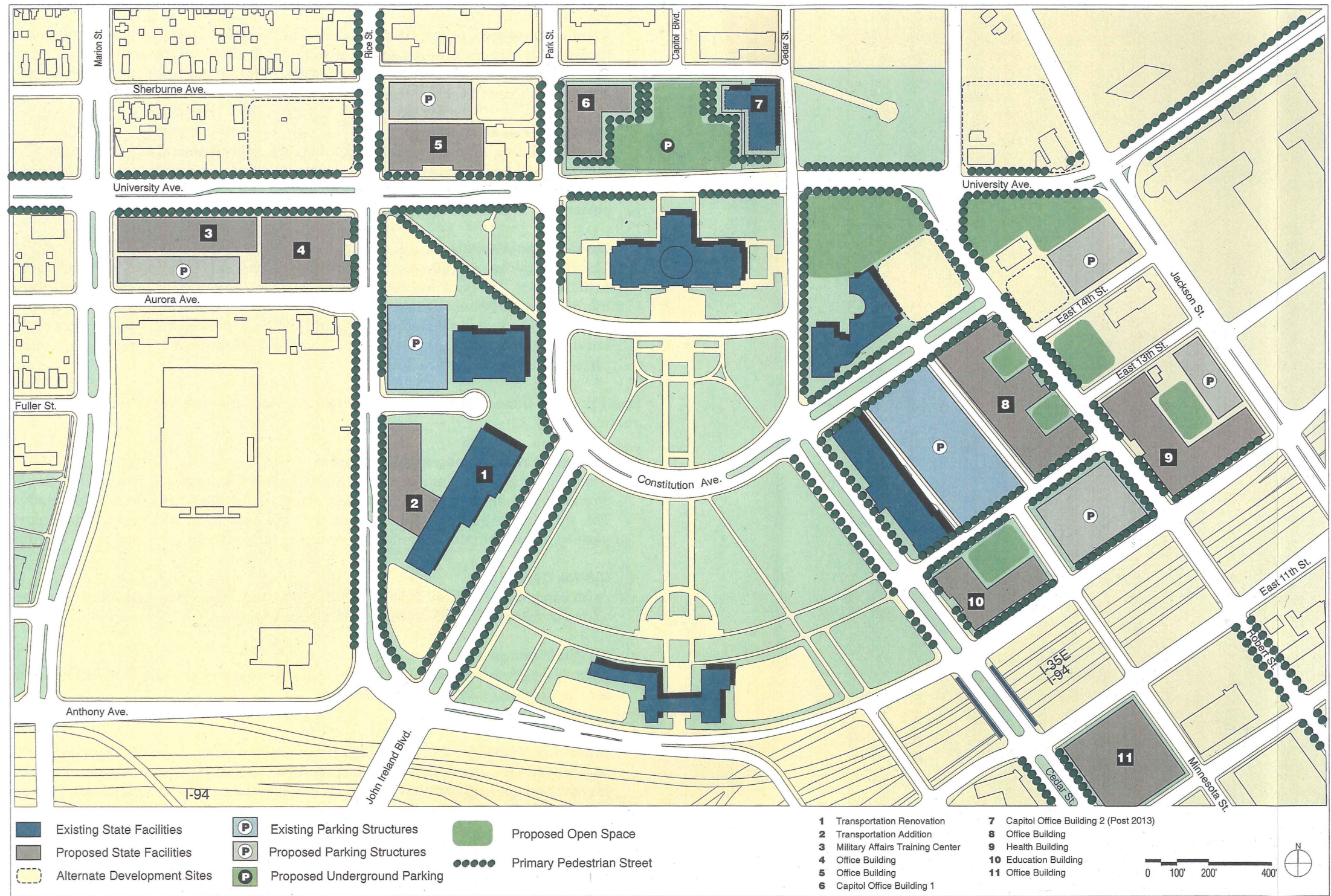
- **Transportation Building Expansion**

A proposed new west wing to the Transportation Building will accommodate 60,000 NSF of expansion space. Two levels of underground parking will be provided.

- **Educational Building**

A new building of approximately 210,000 NSF to accommodate the Department of Education, Higher Education Board, and related agencies will be built on the site of the existing Armory. The Capitol Square site will then be cleared in preparation for development for an agency that could take advantage of this highly visible location. A parking structure on the former bakery site will provide the required parking. A state training center may be included in this building to provide a training and conference facility in the East Capitol Area.

PROPOSED BUILDING SITES AND OPEN SPACE



This plan shows the proposed siting of new buildings in the Capitol Area. The building footprints and open space areas are approximate.

- **Capitol Office Building (Phase 1)**

A new building of approximately 265,000 NSF would be located immediately north of the Capitol. The structure is the first phase of two symmetrical L-shaped buildings framing a new park which extends the Mall north of the Capitol Building. Removal of the existing Administration parking structure will allow for the accommodation of a new underground parking structure in its place and extend below the proposed park, a vacated section of Capitol Boulevard and Capitol Office Building 1.

- **Human Services Building**

A new building of approximately 505,000 NSF is recommended in this plan. This building will be located in the Capitol Area in a location convenient to interact with Legislative and other agencies including Health and Education. An adjacent parking structure will provide the required parking.

- **Multi-Agency Building**

This new building will allow smaller boards and agencies to share facilities and be close to the Capitol. The Ford Building block site has been suggested as a possible location for this building, to be built during the second decade of this plan. Beyond this 20 year plan, or sooner if space is needed, the Department of Administration might occupy this building to allow for the replacement of the current Administration Building by a second phase of the Capitol Office Building.

In addition to these facilities, the following programs are essential to ensure this plan's success:

- **Transportation Management Program**

Implementation of a Transportation Management Program will reduce the need for employee parking by encouraging the use of transit and other transportation alternatives. This program will substantially contain the costs associated with providing employee parking at current rates, significantly reducing the construction cost of every building.

- **Visitor Center**

An expanded and enhanced visitor facility within the Capitol Area should be developed, with a number of short-term visitor parking spaces.

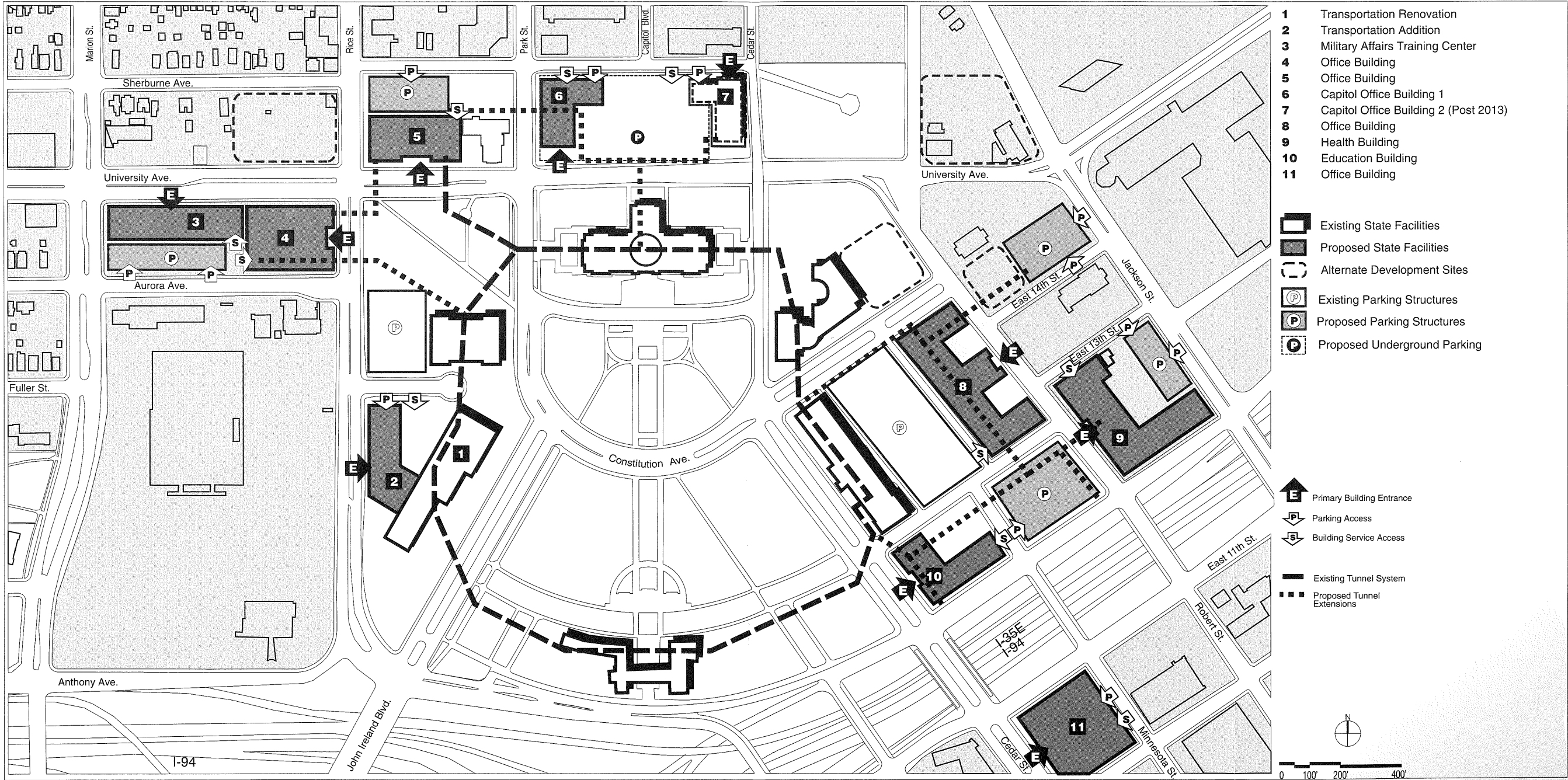
- **Visitor Signage**

A signage system to direct visitors to the center and to other primary destinations within the Capitol Area should be implemented.

- **Child Care**

Child care should be located within convenient walking distances of agency office buildings in the Capitol Area. Minnesota Statute 16B.24 may require new state buildings to provide space for day care. These facilities should be models for local jurisdictions and private industry.

BUILDING ACCESS AND SERVICE



This plan orients buildings to major approaches to the Capitol and enhances and extends the weather-protected pedestrian tunnel system.

Related development which is described in the Capital City section of this plan, include the following:

- **Business, Labor and Trade Building**

This building may be built on the Capitol Square site or elsewhere in downtown St. Paul during the first decade of this plan.

- **Support Services Center**

This facility centralizes the light industrial uses which support agencies and is developed early under this plan.

TRANSPORTATION GUIDELINES

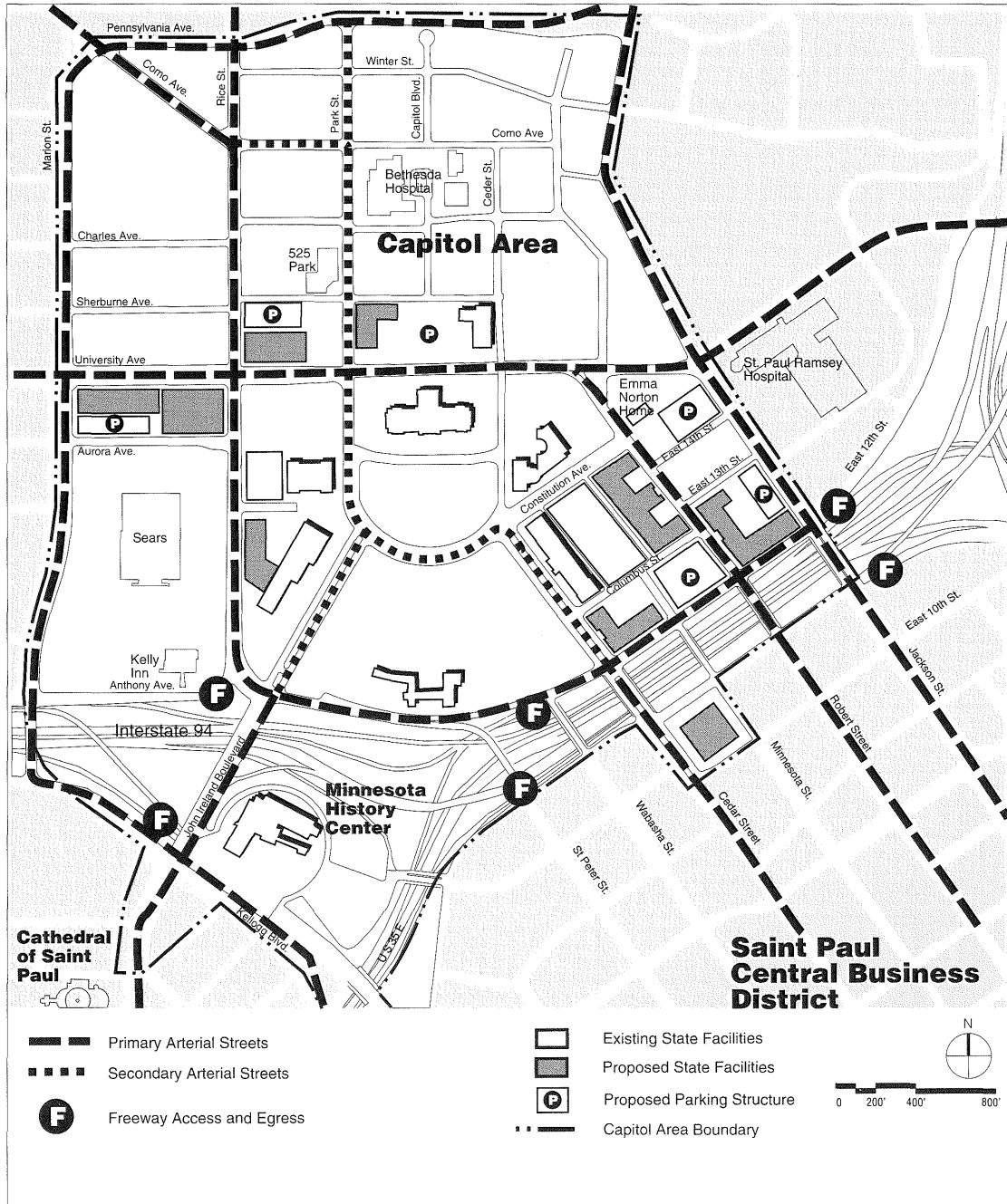
These guidelines address the transportation needs and opportunities that the Capitol Area will face over the next 20 years. Should substantial increases in development occur, they will place new demands on roads, transit, and parking. However, in contrast with decentralization, centralized development utilizes existing infrastructure and services, offering a wider variety of transportation alternatives to visitors and employees. An aggressive Transportation Management Plan (TMP), outlined in the Implementation Section, emphasizes those alternatives and demonstrates how both employees and visitors can be provided with greater convenience and flexibility when they come to the Capitol Area.

Automobile Plan

Automobiles will continue to be the dominant transportation mode for employees and visitors even though, under the Transportation Management Plan, overall reliance on automobile access will decline. Policies and actions to guide this plan for automobile use are described below.

- Locate new buildings and parking facilities near arterial streets to provide convenient access and minimize circulation congestion.
- Maintain the integrity of the street grid system, especially in areas where considerable new development will create more traffic and require additional parking access. Only in exceptional cases should streets be vacated. There is one exception:
 - Capitol Boulevard, between Sherburne Avenue and University Avenue, should be vacated to provide for new buildings on parking Lot B and to replace Lot B and the Administration Ramp with new underground parking.
- Monitor traffic volume and operations to identify potential congestion points and anticipate necessary improvements.

AUTOMOBILE PLAN



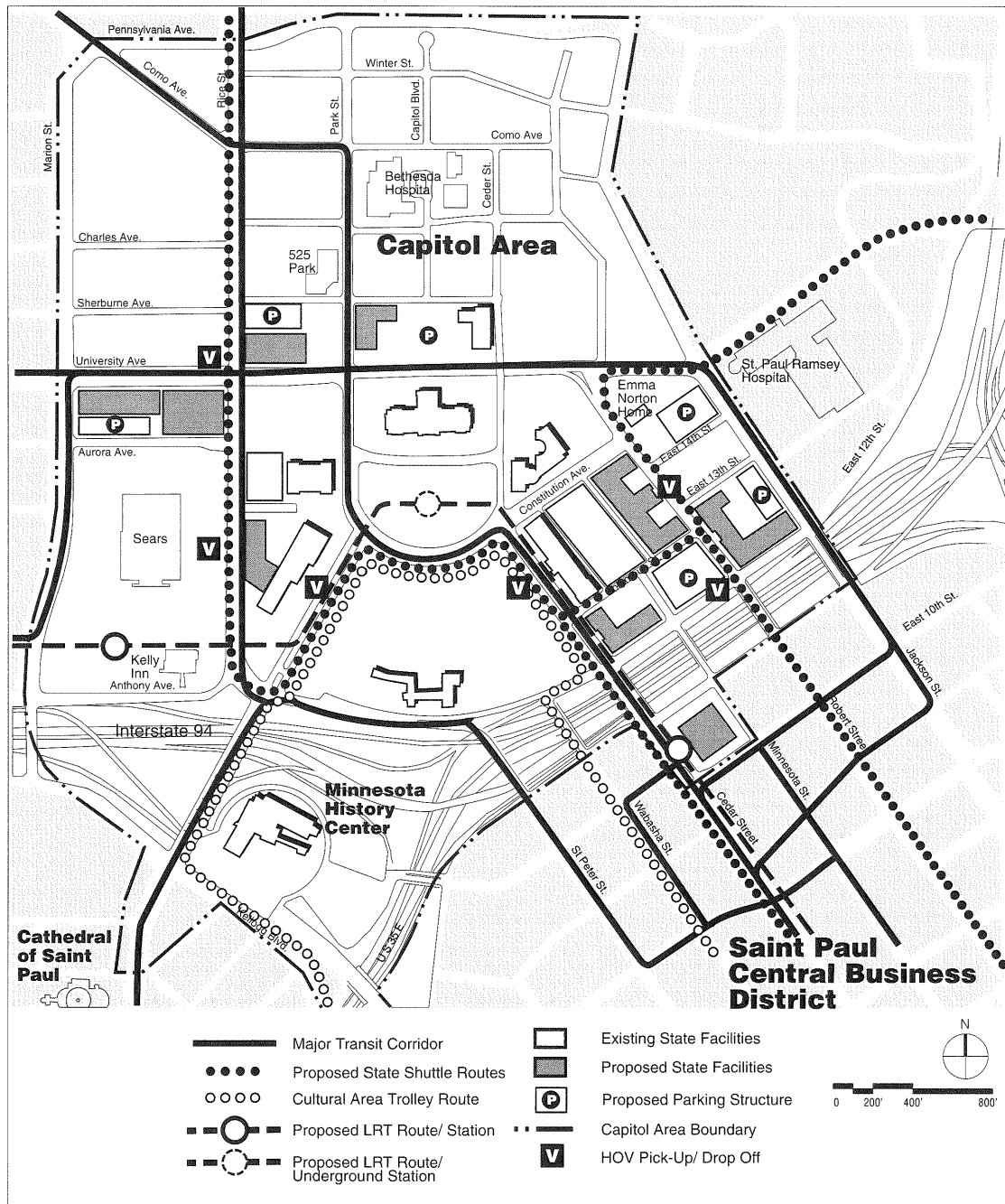
This plan seeks to improve the flow of automobiles in and around the Capitol Area.

Transit and High Occupancy Vehicles

High-occupancy vehicles of all types will play an increasingly important role in supporting all state facilities. Carpools and vanpools are expected to attract most people who switch from driving alone, and increase transit ridership among state employees. Shuttle routes will assist both employees and visitors needing to move between the Capitol Area and key satellite locations.

- Locate new development on or near existing and proposed transit routes. The University / Rice area and East Capitol sites at 12th Street/Cedar Street and 12th Street/Jackson Street currently offer the highest levels of transit service.
- Provide weather protection at both existing and future transit stops.
- Explore service improvements with the Metropolitan Transit Commission (MTC). These may include:
 - more frequent service on existing routes;
 - more direct routes to the Capitol Area so riders do not need to transfer buses;
 - express routes offering shorter trip times; and
 - additional park-and-ride lots at outlying locations.
- Offer additional incentives to encourage higher ridership, such as further offsets in transit pass prices.
- Institute shuttle service from the Capitol Area to state agency locations in the Capital City.
- Promote Light Rail Transit (LRT), if constructed in the Capitol Area, for its commuting and shuttle benefits. Marketing of commuting benefits should focus on those employees living in proximity to the transit corridors with direct connections to LRT.
- Encourage additional ridesharing in carpools and vanpools. Actions to do this could include:
 - establishing an internal ride-match computer service to coordinate and expand Minnesota Rideshare's program;
 - providing preferential parking locations for carpools and vanpools in close-in covered parking areas, and near building entrances and elevators; and
 - arrange for emergency rides home and other specialized circumstances.

TRANSIT AND HIGH OCCUPANCY VEHICLE (HOV) PLAN



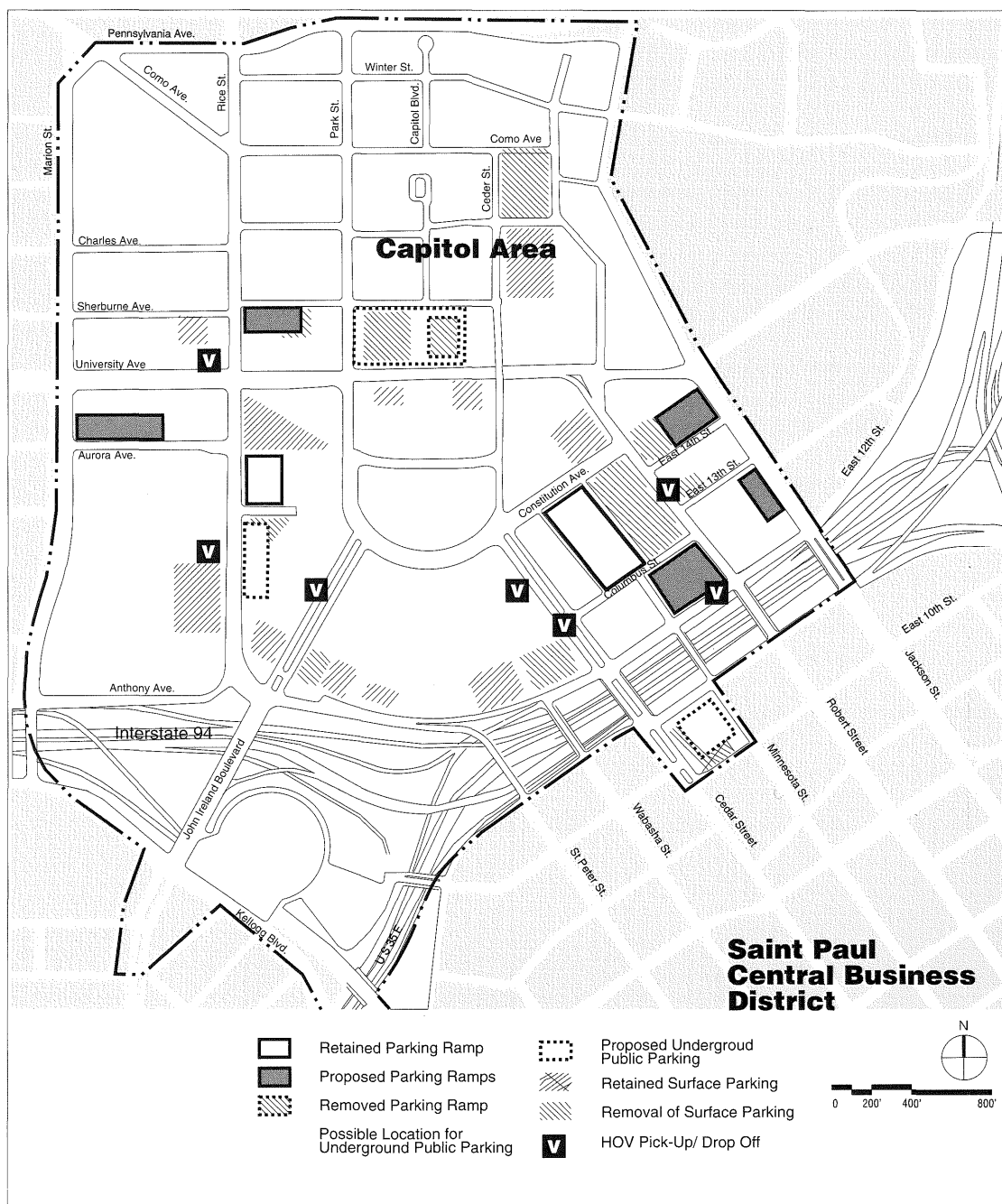
This plan reinforces the established and planned transit system.

Parking Plan

New development will require considerable investment in new parking construction, with current demands requiring new ramps similar in area to the total square footage of new buildings. The following policies are intended to reduce parking demand, improve the efficiency of the parking system, and limit its development costs.

- Adjust parking prices to reflect market rates which are closer to the actual cost of providing parking, and to encourage use of alternative forms of transportation. Rate increases should be gradual in conjunction with improvements to alternative transportation.
- Reduce the ratio of spaces from 3.0 spaces per 1,000 NSF to 2.5 spaces per 1,000 NSF for new development. Implementation of an aggressive Transportation Management Plan (TMP) is necessary to achieve this.
- Review and revise zoning requirements for parking to be consistent with the goals of the TMP. Review all land use regulations to avoid potentially excessive parking requirements. Notable examples are governmental, financial, and retail uses.
- Allocate visitor parking to parking facilities closest to visitor destinations. Provide visitors the greatest convenience and do not require a walk further from their parking space than employees.
- Locate a visitor's center at a gateway to the Capitol Area and clearly identify all visitor parking locations.
- Enhance the appearance of the Capitol Area and avoid sprawl by specifying parking structures for new development. Due to cost and maintenance considerations, above-grade structures will be the norm. The design of parking structures should serve to integrate their appearance with adjacent buildings.
- Realize a greater efficiency in the use of parking spaces by developing parking facilities which are shared by several agencies and eliminating assigned spaces.
- Investigate the possibility of developing and managing parking jointly with Ramsey-St. Paul Medical Center, St. Paul CBD, neighborhoods, and other nearby institutions.
- Monitor on-street parking in adjacent neighborhoods to identify employee parking. Consider changes in parking time limits and enforcement to address the problem. If necessary, consider creating a residential parking zone to limit non-residential parking.
- Do not allocate space for individual users with the exception of handicapped, carpool, and visitors. This practice reduces the parking efficiency by denying its use during vacancies.

PARKING PLAN



Under this plan more parking ramps and underground parking will be provided.

Pedestrian and Bicycle Circulation Plan

Although challenged by severe seasonal weather changes, pedestrian and bicycle facilities are important features of the Capitol Area. They connect the Capitol Area to its immediate neighborhoods, and they link every building, bus stop, and parking space.

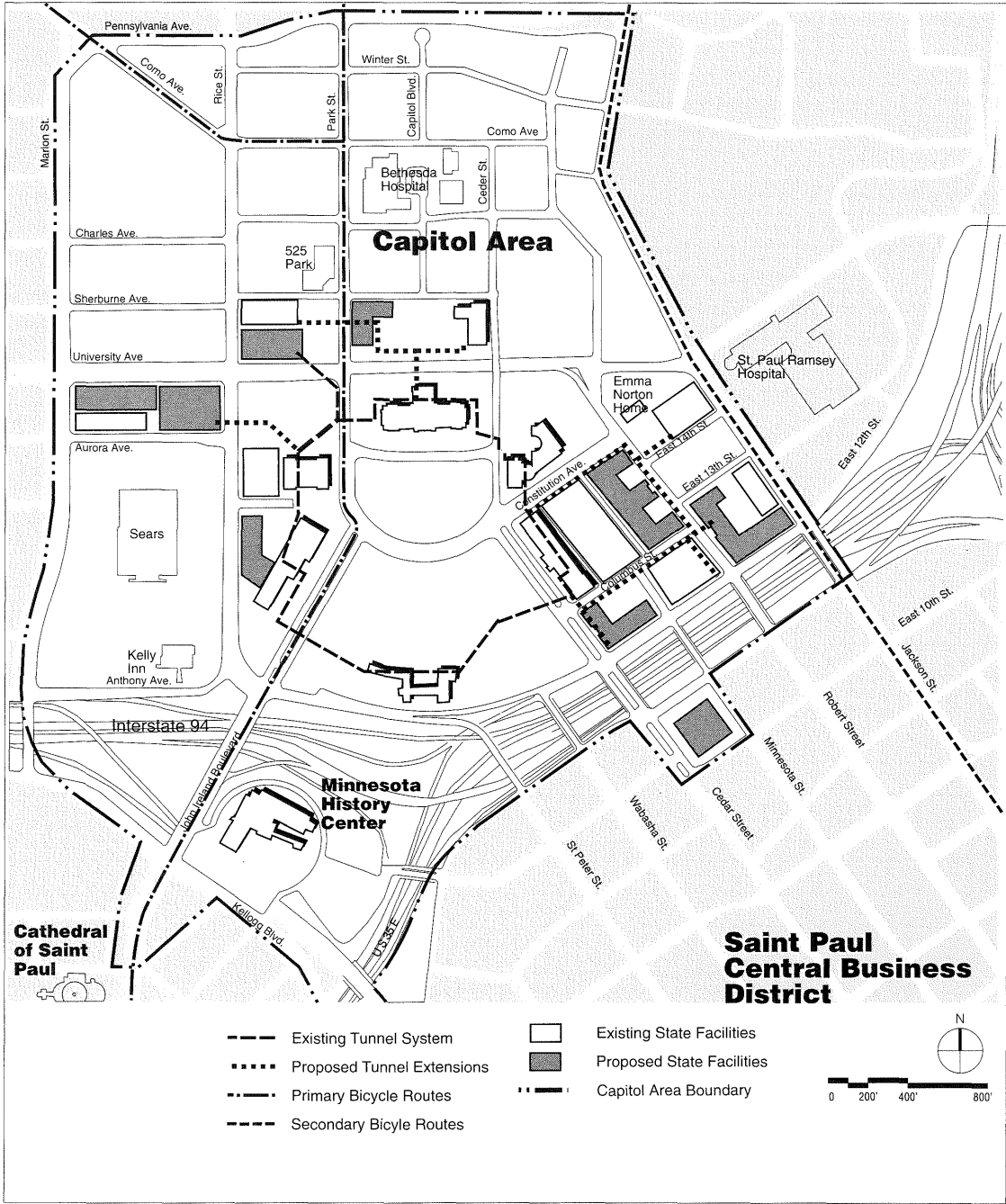
Pedestrian Improvements

- Extend the tunnel system to new buildings and parking facilities. Tunnels should be fully accessible for disabled persons.
- Keep pedestrian entrances to buildings and parking structures separate from vehicular entrances.
- Give design priority to surface street crossings rather than grade-separated crossings. Improvements to traffic controls should be fully explored for pedestrian benefit prior to considering grade changes.
- Improve pedestrian amenities such as provision of benches, shade, and shelter along the most heavily used routes.
- Maintain a well lighted and safe pedestrian environment.
- Emphasize pedestrian connections across the freeway into downtown St. Paul, linking Capitol Complex with downtown's core.

Bicycle Improvements

- Provide and maintain safe and accessible bike paths during appropriate seasons.
- Provide bicycle racks, lockers, and shower facilities at major buildings.

PEDESTRIAN PLAN



Buildings are oriented to pedestrian-oriented streets and open spaces and new development is linked to the pedestrian tunnel system under this plan.

Infrastructure

ANALYSIS OF MECHANICAL SYSTEMS

Existing Heat Source

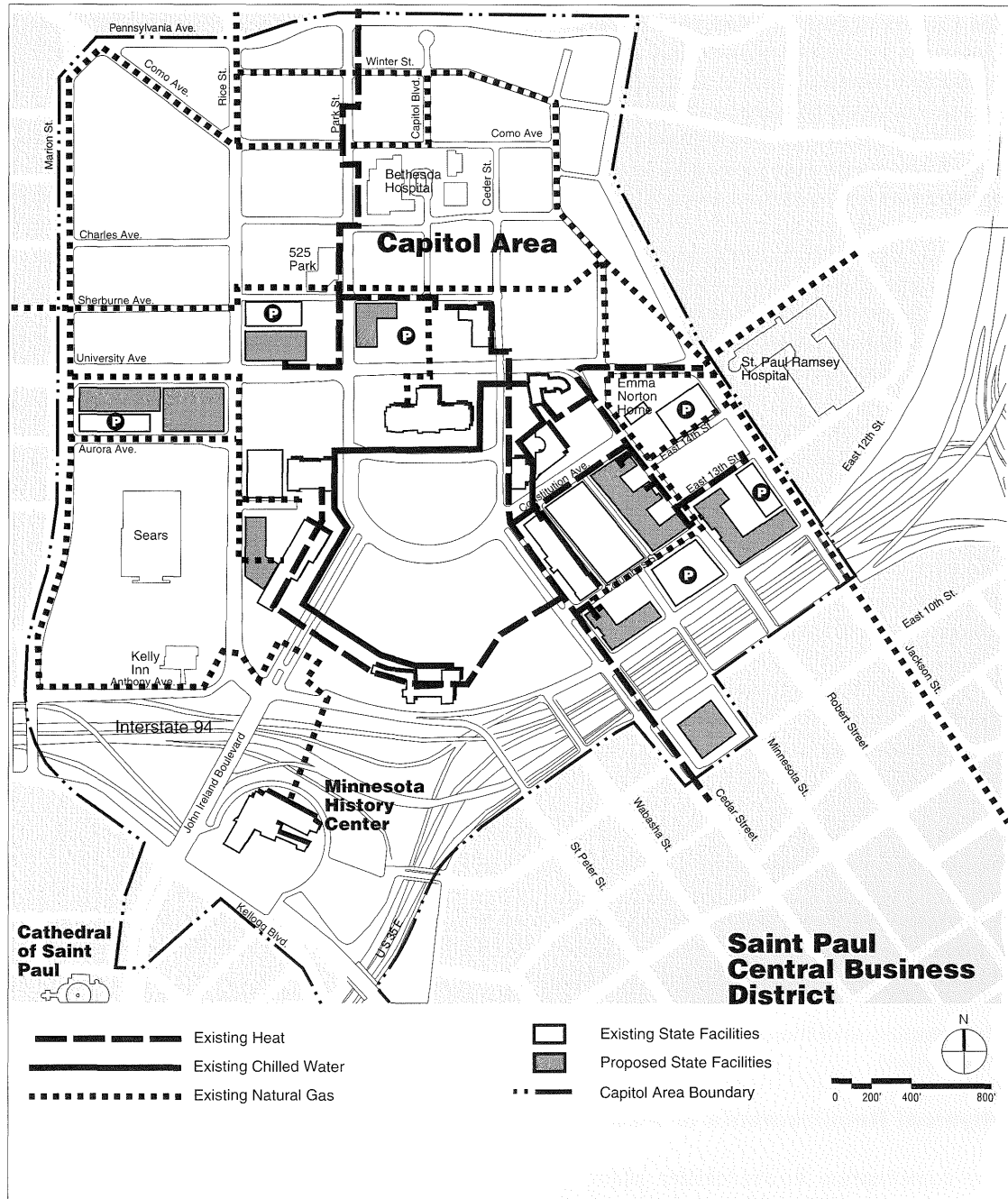
The Capitol Complex is currently being heated with District Energy-St. Paul hot water. There is a legislative commitment to continue using this source of heat for approximately 20 more years for the buildings currently connected.

Existing Chilled Water

The Capitol Complex is currently serviced with chilled water from a plant located east of the Capitol Building and north of the Judicial Building. The plant currently contains three 1,000 ton, R-11 centrifugal chillers and has space for another 1,000 ton chiller. Piping is split into two branches. The east branch serves the Judicial Center and the Centennial Office Building; the west branch serves the Capitol Building, the State Office Building, the Transportation Building, and the Veterans Service Building. The Maintenance Building is also served by these chillers.

The anticipated expansion of the Capitol Complex will ultimately require a total of approximately 10,000 to 12,000 tons of cooling capacity. The proposed mechanical system plan to meet these needs is described in the following pages.

EXISTING MECHANICAL SYSTEM PLAN



The Capitol Area is currently served by a number of mechanical systems.

Future Heat Source

The Capitol Complex buildings are currently heated with hot water supplied by District Energy St. Paul. In-depth studies and evaluations of the advantage of self-generated heat from a new hot water boiler plant versus District Energy supplied heat should be conducted as a part of the planning process. Energy costs, including the cost of capital, equipment, installation, maintenance, depreciation, and labor should be compared to ensure that the state has accurate data from which to choose the heating system that is the most beneficial, both economically and environmentally.

If proven to be economically and environmentally beneficial, a new hot water boiler plant is recommended with expansion capability to provide heat to new buildings as they are added. Since the primary initial construction will occur in the East Capitol Area, the new facility is recommended for this area. The preferred location of the boiler plant will be on the block between Robert Street and Jackson Street between East 12th Street and East 13th Street.

When the commitment to District Energy-St. Paul ends, it is recommended those buildings served by District Energy-St. Paul be reevaluated as to the heating source.

Proposed Chilled Water

If a chilled water cooling system is available from District Energy, comparative studies similar to those described for the heating system will be conducted to ascertain the most cost-effective system overall.

If shown to be economically and environmentally sound, two new chiller plants are recommended to serve the proposed development in the Capitol Area. Two chiller plants reduce the pumping head required by having a single larger chiller plant. The chiller plants are located at the perimeter of the Capitol Area to eliminate visual impact on the Mall.

The chiller plant serving the East Capitol Area will serve the two buildings on the existing east branch which include the Judicial Center and the Centennial Office Building.

The chiller plant serving the West Capitol Area will serve the four buildings on the west branch which include the Capitol Building, the State Office Building, the Transportation Building, and the Veterans Service Building.

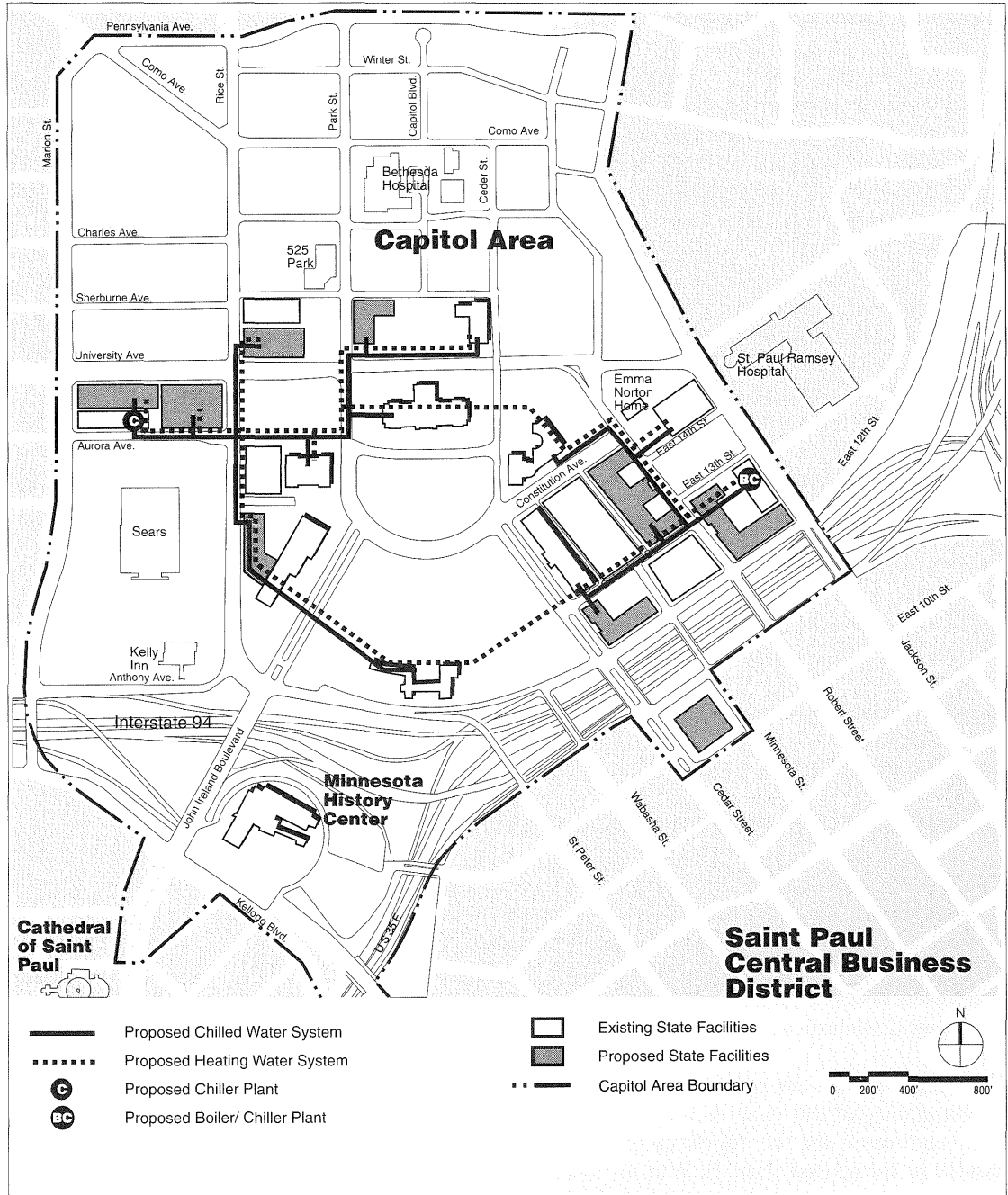
The completion of these new chiller plants will allow for the potential removal of the existing Power Plant.

Physical Requirements of Power Plants

The combination boiler/chiller plant located in the East Capitol Area will require approximately 7,000 SF for the boiler plant and approximately 8,000 SF (100' x 150') for the chiller plant. It may be combined with new parking structures.

The chiller plant located in the West Capitol Area will require approximately 6,000 SF (100' x 60'). It may be combined with new parking structures.

PROPOSED MECHANICAL SYSTEM PLAN



Capitol Area

If proven to be economical, new heating and cooling facilities are recommended to serve the proposed development.

ANALYSIS OF ELECTRICAL SYSTEMS

Existing Electrical Service

The main Capitol Complex has a primary electrical feeder loop connecting to primary switches in all state-owned buildings within the area. Primary switches provide service to the buildings and continue the loop. Northern State Power (NSP) provides service to the loop with two separate 10MVA feeders. These two feeders were designed to provide redundant service. If an outage occurred or maintenance was required on either feeder, that feeder could be isolated from the loop without interruption of service to the Capitol Complex.

Due to expansions and load increases over the years, the Capitol Complex load exceeds that capable by a single NSP feeder. The overload occurs during the cooling season when the chiller loads are added. The internal primary feeder loop is also at its capacity and currently is undersized for the current demand on it. The existing loop conduit can accommodate the installation of larger feeders to replace the existing loop.

Proposed Electrical Service

In order to ensure adequate electrical service, several actions are recommended. A third 10MVA NSP feeder should be connected to the loop to restore the redundant feature that allows proper maintenance. The Capitol Complex loop feeder should be upgraded, within the existing conduit, to meet projected needs. Separate demand meters should be installed at each building to aid conservation efforts.

Northern State Power has the ability to provide adequate power for all proposed development in the Capitol Area. Analysis of particular phasing strategies and conservation programs, however, may alleviate some of the initial cost of these upgrades.

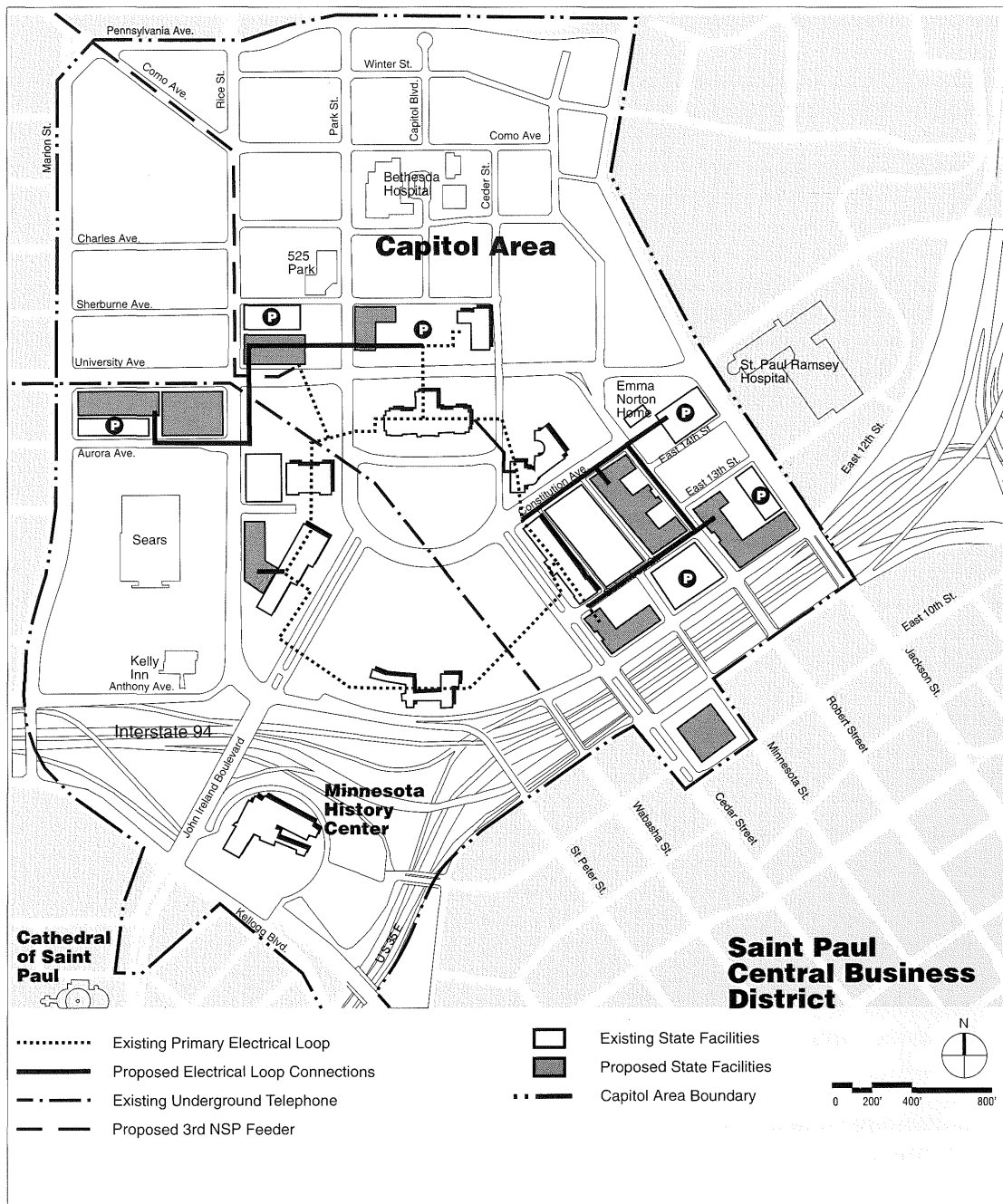
TELEPHONE AND FIBER OPTIC CABLE SYSTEMS

There is an existing telephone company main underground trunk line that runs across the Capitol Mall in a diagonal from southeast to northwest. The cost to move this line has been estimated at \$1 million and is considered to be cost prohibitive.

Telephone accommodations to new buildings can be provided as a demarcation point for customer distribution.

If a telephone or fiber optic distribution system is desired within state buildings, it is the responsibility of the state, as a consumer, to incorporate it. Distribution can be routed in existing tunnels for the buildings in the current Capitol Complex. A distribution system should be integrated with the plan to meet future building needs.

ELECTRICAL SYSTEM PLAN



Capitol Area

Upgrading and expansion of the electrical systems are recommended to serve the proposed development.

ANALYSIS OF CIVIL SYSTEMS

Sanitary Sewer and Storm Water Infrastructure

The Capitol Area has historically combined sanitary and storm sewers in the same piping network. These pipe sizes range from 9 inches to 30 inches in diameter.

Currently, the City of St. Paul is in the process of separating the storm sewer and sanitary sewer into two separate infrastructure networks. The completion of this project in the Capitol Area is expected to be late 1994 or early 1995.

The above-mentioned sewer separation provides a greater sanitary sewer capacity (due to removal of storm water) along with greater storm water capacity and accessibility.

There appear to be no constraints with respect to accessibility and capacity of either sanitary sewer or storm water infrastructure.

Storm Water Detention

The City of St. Paul requires that the maximum allowable discharge of storm water from a site is 1.6 cubic feet per second per acre. Detention of the storm water can be accomplished by rooftop, parking lot, detention pond and/or underground tanks. This issue will need to be addressed during the design of each building.

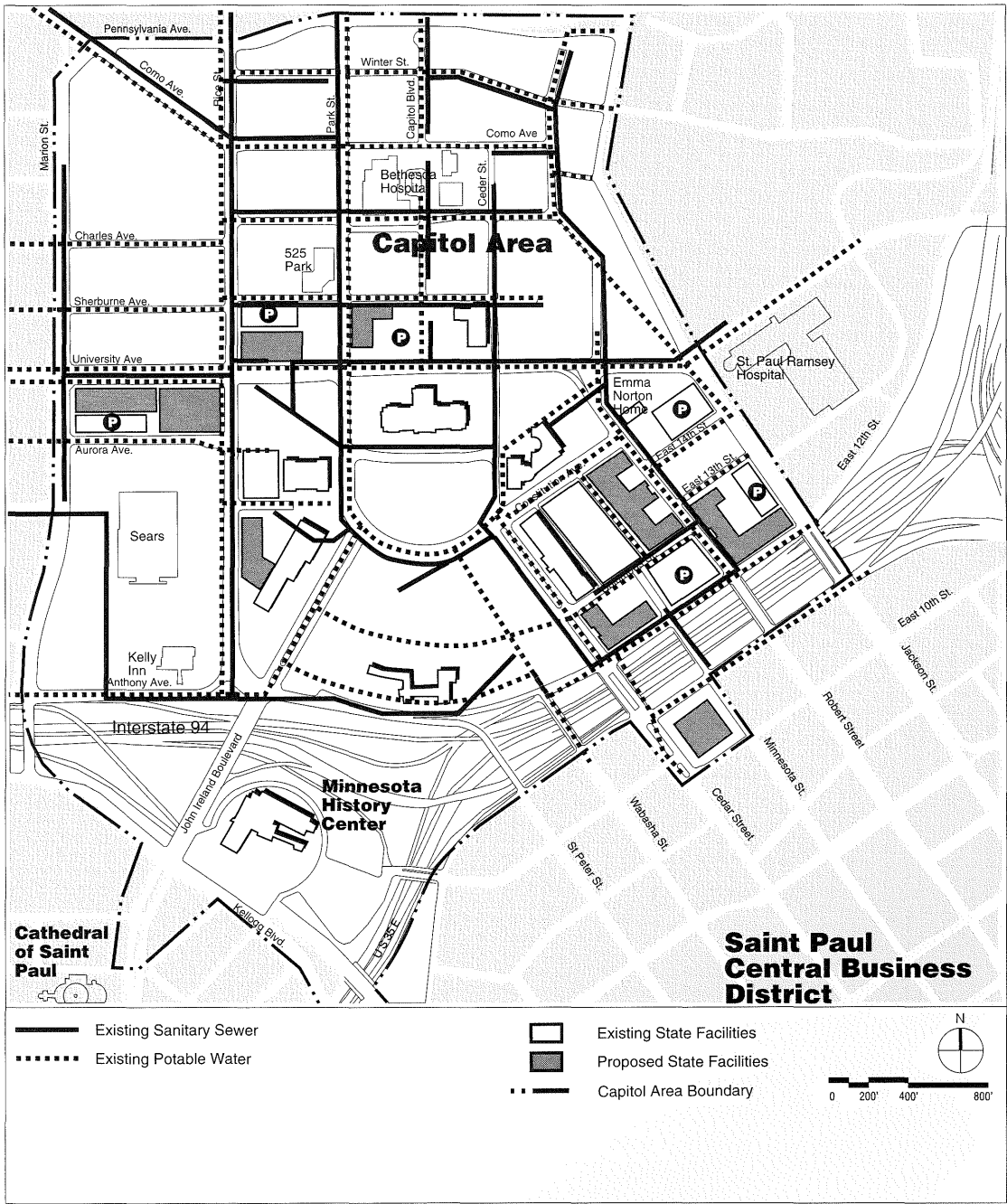
Water Demands and Pressure

Meeting the anticipated water demands for the expected development over the next ten years will not be a constraint. The following building sites, as currently identified, are in close proximity to the following water mains:

Military Affairs	12 inch water main
Public Safety	16 inch water main
Multi-Agency	20 inch or 16 inch water main
Transportation	16 inch water main
Capitol Office Building 1	20 inch or 36 inch water main
Human Services	20 inch water main
Education	20 inch water main
Business, Labor and Trade	16 inch or 20 inch water main
Health	20 inch water main

Water pressure in these lines ranges from 50 psi to 70 psi. This proves to be adequate for potable water supplies, but each building will need individual attention with regard to fire protection water pressure requirements.

CIVIL SYSTEM PLAN



The existing civil system may be extended to serve the proposed development.

Capital City and Capital Region

Concept

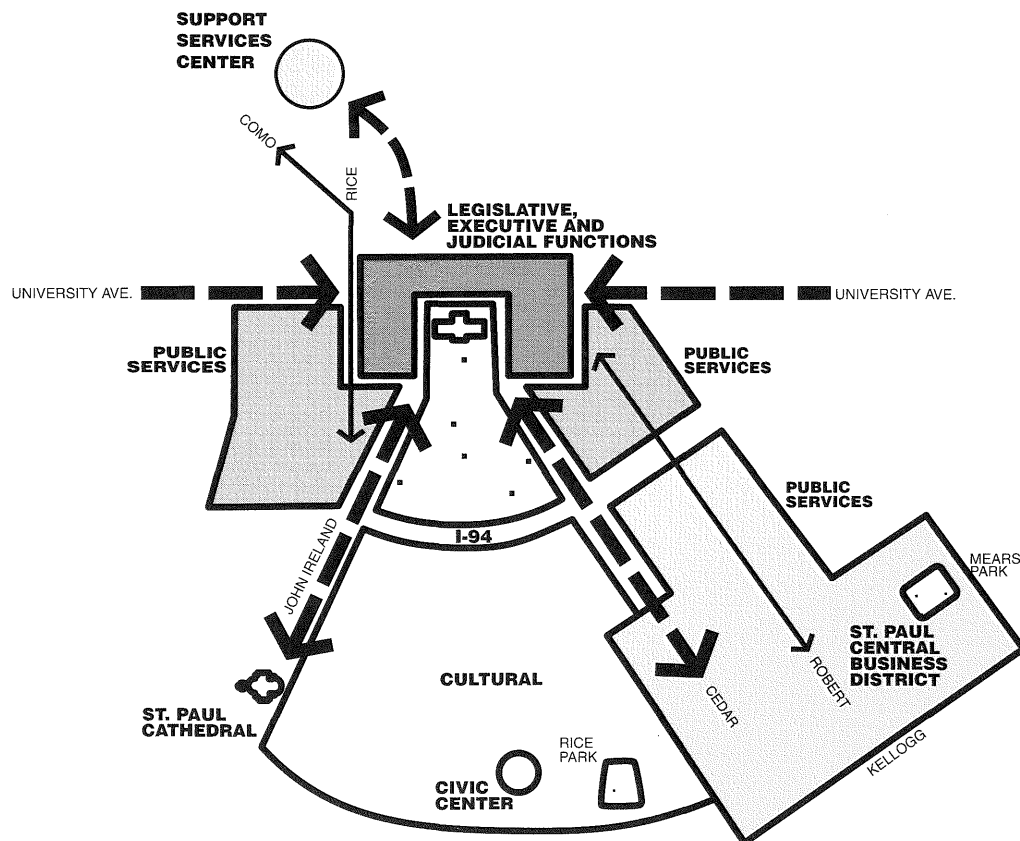
Facility Development

Transportation

2

CAPITAL CITY CONCEPT

This plan calls for the reunification of the Capital City and the Capitol Area as originally envisioned by Cass Gilbert prior to being severed by the freeway. The Capital City concept creates a priority development corridor which will link the Capitol Area with the CBD. This corridor extends from I-94 to Kellogg Boulevard and from St. Peter to Wall Street. Robert Street is the heart of this corridor and together with Cedar Street provide street level pedestrian connections between the CBD and the Capitol Area. These streets should be landscaped, incorporating special paving and lighting to encourage pedestrian use. In addition to Rice and Mears parks, parks or plazas should be created on Robert Street to provide a focus for development. A mix of uses should be encouraged in the CBD to create vitality and interest at street level. An urban state campus, which would create an island of state offices in the CBD, is not envisioned. Where possible, a mixture of new and existing buildings should be provided with a variety of uses, especially at street level. A mixture of state-owned and leased space should be provided. The development corridor is located to: link the Capitol Area, CBD and Lafayette Park, connect to major retail, locate facilities conveniently to transit and parking and link the tunnel system within the Capitol Area to the skyway system downtown.



Under this plan, the Capitol Area and Capital City are reunited.

If found economical, environmental agencies may remain and expand at Lafayette Park and Revenue and Agriculture may remain in their current facilities. These locations and facilities should be reevaluated if more economical options are identified.

A Support Services Center located near the Capitol Area is proposed to centralize the light industrial uses required to support state agencies located in St. Paul. The relocation of the Motor Pool and Central Stores to this location will allow this prime state-owned land in the Capitol Area to be developed for state offices.

Development and phasing in the Capital City are driven by the local real estate market. Facilities and locations must meet established criteria and space needs. Locations may be in the CBD or in other locations near the Capitol Area. The development strategy is intended to share a vision for development within the Capital City and foster cooperation between the state, local jurisdictions, developers, and real estate interests. Proposals for leases, lease-purchases, sales, and joint developments meeting the state's needs should be evaluated by the state on an ongoing basis. This approach should allow the state to respond to real estate opportunities, accommodating facilities economically and at the best available locations.

CAPITAL CITY DEVELOPMENT GUIDELINES

- Recognize St. Paul's urban landscape - hills, bluffs, valleys, streams, lakes, forests, and prairies - as well as Cass Gilbert's grand Beaux Arts vision for the Capitol and its setting when planning for the Capital City.
- Develop in patterns which reinforce the symbolic importance of the three major visual landmarks - the Capitol, St. Paul Cathedral, and downtown skyscrapers.
- Reinforce the established pattern of cultural facilities located between John Ireland Boulevard and Cedar Street.
- Encourage development within a five minute walk of the proposed LRT stations.
- Extend the natural and historic landscape established by St. Paul's extensive parks, parkways, and boulevards.
- Recognize the need to establish complementary development between the Capitol and all of the neighboring activities and communities.
- Relate development to the adjacent street grids, neighborhoods, and districts to reconcile the meeting of two of the city's grids.
- Develop in areas which mend the fabric disrupted by the freeways.

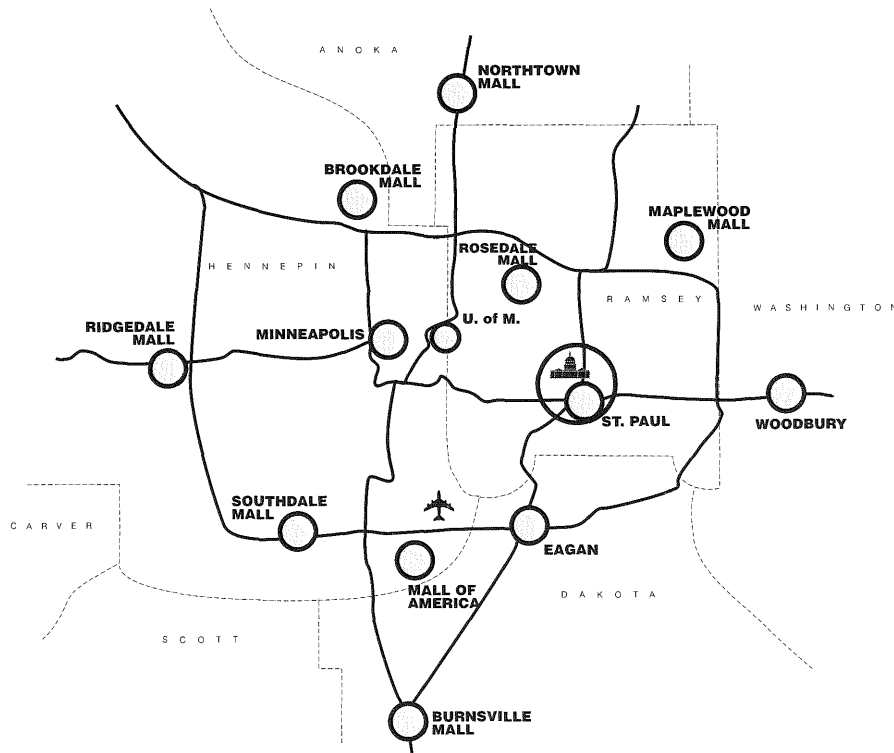
CAPITAL REGION CONCEPT

Regional service centers should be located at strategic locations in the seven county metropolitan area to bring state services closer to the customer. Many "over-the-counter" public services should be clustered in these centers (e.g., Department of Revenue and Department of Natural Resources).

Although encouraged and recommended by this plan, the size, number, and precise location of these service centers is beyond the scope of this study.

Regional service centers should be located in the most accessible and visible location possible. Although this strategy suggests locating many service centers within regional malls, care should be taken to ensure that a consistent and dignified design distinguish these centers from their retail neighbors.

- Use consistent design for all service centers for ease of recognition and cost efficiency.
- Use materials and designs which reflect the dignity of the Capitol Building while responding to the local context.
- Develop informational signage and displays to support a high degree of public use.



Regional service centers should be located at each of the above or similar locations.

Facility Development

CAPITAL CITY FACILITY DEVELOPMENT

The following agency facilities are recommended to be accommodated by this strategy. The sequencing and priority are determined by existing lease commitments and coordination with projects proposed for the Capitol Area.

Facility	Locational Recomm.	Space Req. (NSF)	Parking Stalls
Support Service Center	Low Density (Industrial Park)	254,000	32 + motor pool
Agriculture Building	Low-Med. Density	117,000	290
Revenue Building	In or Near CBD	300,000	750
Environmental Building	Med. Density	460,000	1,150
Corrections Building	Med. Density	63,000	160
Business, Labor, and Trade	Capitol Square Site or CBD	460,000	1,150

- **Support Services Center**

This facility would consolidate the motor pool, some maintenance facilities, storage, central stores, printing, and micrographics and records center on a light industrial property near the Capitol Area. A total of 254,000 NSF of light industrial space is required to be accommodated in a series of new or remodeled buildings. A large, inexpensive site is recommended for this facility to provide space for vehicular parking and equipment storage. Early acquisition of this facility would allow for the vacation of the present Motor Pool and Central Stores site for development of the Health Building.

- **Agriculture Building**

This facility of 117,000 NSF would remain and expand at the current location south of the river or relocate to another location near downtown St. Paul. A site of low to medium development density, similar to the present site, is recommended.

- **Revenue Building**

Options for this building include remaining at the current location south of the river or relocating to another location in or near the CBD. This building is projected to require 300,000 NSF.

- **Environmental Building**

This facility, which might be housed in a cluster of buildings, may remain and expand at Lafayette Park or relocate to a similar density site near the Capitol Area. Approximately 460,000 NSF of space will be needed.

- **Bureau of Criminal Apprehension Building**

The Bureau of Criminal Apprehension lab and office space would remain in their current, or similar, facility located in a medium development density site near the Capitol Area. A 63,000 NSF building is required.

- **Business, Labor, and Trade Building**

This would be a new building in the CBD of St. Paul, possibly on the site of Capitol Square, unless an existing building of appropriate size, location, design, and configuration could be purchased and adapted to the agency's needs more cost-effectively. It would consolidate the Public Utilities Commission, Trade & Economic Development, Housing Finance Agency, Labor and Industry, Public Service, and a number of smaller boards with the Department of Commerce in approximately 460,000 NSF.

CAPITAL CITY AND CAPITAL REGION TRANSPORTATION GUIDELINES

Decisions to locate and develop state facilities in the Capital City need to respond to transportation objectives established by the state. Facilities should be located to fully utilize the existing and planned transportation infrastructure and maximize visibility and accessibility. Specific locations will be identified in the future on a project-by-project basis. All facilities will carry out the policies of the Transportation Management Plan (TMP).

Automobile Plan

- Locate facilities near arterial streets and convenient access from the regional highway system to facilitate convenient access for employees, service vehicles, and visitors.
- Provide clear and visible signage to direct drivers to state facilities.

Transit and High-Occupancy Vehicle Plan

- Recognize St. Paul's CBD as the hub of Ramsey County's transit system for the next 20 years. In the near future, many planned upgrades will offer higher levels of service, comfort, and convenience. With new development of facilities in the Capitol Area, the demand for transit, ridesharing, and shuttle opportunities will grow. Active policies and steps should be taken to help meet those demands.
- Within St. Paul's CBD locate leased or owned state facilities on transit routes and as close as possible to proposed transit hubs.
- Locate all facilities within walking distance of transit lines. Walking distances should not exceed one-quarter mile.
- If constructed, the Light Rail Transit (LRT) system should be promoted for its commuting and shuttle benefits. Marketing of commuting benefits should be focused on those employees living in transit corridors with direct connection to LRT.
- Encourage the development of shuttle service to other state locations in the Capital City, Capitol Area, and Capital Region. The Cultural Area Trolley (CAT) proposed to begin service in Spring 1994 offers an early opportunity for improved mid-day mobility.
- Offer additional incentives, such as further reducing transit pass prices relative to parking costs, to encourage higher ridership.

- Encourage additional ridesharing in carpools and vanpools by:
 - establishing an internal ride-match computer service to coordinate and expand Minnesota Rideshare's program;
 - providing preferential parking locations for carpools and HOV's in close-in covered parking areas, and near building entrances and elevators; and
 - arrange for emergency rides home and other special circumstances.

Parking Plan

- Parking prices should be increased to be nearer the actual costs to provide that parking and to encourage use of alternative forms of transportation. Currently, these actual costs are estimated to be between \$75-\$100 per car per month. Rate increases should be gradual and introduced in conjunction with improvements to alternative transportation.
- Limit construction of on-site parking in new development. In the CBD a maximum ratio of 1.0 space per 1,000 net square feet is suggested. The state should refrain from providing parking above this suggested maximum. Employees should be provided information on off-site parking, which they may wish to contract for privately, and alternative transportation.
- Allocate on-site parking to High-Occupancy Vehicle users and visitors as the first priority. Quantities should be adjusted based on actual operating experience.
- Investigate shared parking opportunities with other land uses and developments.
- Review and revise zoning requirements for parking to be consistent with the goals of the TMP. All land uses should be reviewed to avoid potentially excessive parking requirements.
- Allocate visitor parking to locations closest to visitor destinations. Visitors should not have to walk any farther from their parking space than employees.
- Encourage connections between Capitol Area and the Capital City by continuity of design, coordinated planning, and physical enhancements.

Pedestrian Plan

- Enhance the vitality and amenity at street level in the St. Paul CBD for pedestrians.
- Within the St. Paul CBD, locate facilities on the Skyway system whenever possible. Consider connections to the Skyways for new development.
- Provide safe and secure pedestrian access to transit stops and adjacent streets.

Bicycle Plan

- Provide bicycle racks, lockers, and showers in major buildings for convenience and security.
- Encourage connection to regional bicycle trails.

Implementation

Strategy

Ownership and Leasing

Facility Development

Phasing and Costs

Transportation Management

3

A FLEXIBLE APPROACH TO DECISION-MAKING

Within the above planning framework, a case-by-case approach is recommended for evaluating options for locating and accommodating state agencies. This approach will allow the plan to be flexible, and the space to be efficient and economical. The state's options are generally considered to be a choice between leasing or owning new or existing buildings. However, various elements should be evaluated in making a decision concerning lease versus ownership, location, design, and construction of state space.

Four elements should be considered when responding to the state's space needs: locational criteria, physical parameters, delivery methods, and payment methods. These independent elements may be combined in various ways to acquire space for state agencies. Acquire, in this context, means to add space to the state's inventory through acquisition, construction, or leasing of new or existing space. These elements are described below in the sequence which should be followed in making a space acquisition decision:

Locational criteria define where agencies should be located. The strategic plan provides an overall framework for choosing a location. Additional site selection studies should be undertaken on a project level to test specific siting options. The accompanying locational criteria matrix summarizes the rationale for the siting of agencies in this plan.

Physical parameters include the facility program, which describes the quantity, type and quality of the space; and the site location criteria of the applicable agency. The state should develop a detailed space and architectural program and performance specification for each proposed space acquisition. In this way, a "level playing field" is created allowing an evaluation to be made based upon all economic considerations. For example, given a detailed performance specification and locational criteria, various delivery and payment methods may be evaluated based on the lowest present value life-cycle cost of the project. This cost considers the initial acquisition cost, financing costs, inflation, operating cost and residual value.

LOCATIONAL CHECKLIST

KEY:
Full ●
Partial ○
Potential Alternate ○

	Agency Preference			Agency Mission					Facility Requirement		Major Prior Investment			Assigned Location		
	Capitol Area	Capital City	Capital Region	Lawmaking/Ceremonial	Public/Visitor	Interaction w/ Government	Support to Government	Public Service	250,000 NSF or Larger	Light Industrial	Capitol Area	Capital City	Capital Region	Capitol Area	Capital City	Capital Region
A. Legislature																
House of Representatives	●			●	●						●			●		
Senate	●			●	●						●			●		
B. Judicial																
Combined Judicial Departments	●			●	○						●			●		
C. Elected Officials																
Attorney General	●			●		●								●		
Governor/Lt. Governor/Secretary of State/Auditor/Treasurer	●			●	○						●			●		
D. General Government																
Administration (Office)	●					●	●			○	●			●	○	
Agriculture		●			○	○		○							●	
Commerce		●			○	○		○	●						●	
Corrections		●						●							●	
Education	●					○		●	●		●			●		
Finance	●					○	●							●		
Health	●				○	○		●	●			●		●		
Human Services	○	○			○	○		●	●					●	○	
Jobs & Training		○	○		○	○		●				●			●	
Labor & Industry		●			○	○		●							●	
Military Affairs/Training Center	●							○		○	●			●		
Natural Resources		●			○	○		○							●	
Pollution Control		●			○	○		○	●						●	
Public Safety	○	○			●	○		●		○				●	○	
Revenue		●					●		●						●	
Trade & Economic Development		●				○		○							●	
Transportation (Office)	●					○		●	●		●			●		
Military & Veteran Agencies	●							●						●		

Delivery methods, which define how space is acquired, are various tools or mechanisms available to the state to implement a specific space acquisition project. Acquisition costs may be construction costs, purchase price of existing facility, or lease costs. Tools which apply to new buildings include: design/bid/build, the traditional process used for state construction; and design/build, construction by the private sector utilizing low interest, tax exempt financing. Delivery methods which apply to new and existing buildings include: purchase, lease, lease/purchase, and lease with an option to purchase. The purchase of an existing building makes sense if the building meets the size and locational requirements and can be economically renovated to meet the state's functional needs.

Delivery Method	Payment Method
1. Constructing State-Owned Alternative Processes: a. Design/Bid/Build b. Design/Build	1. Bonding 2. Certificates of participation 3. Other third party financing
2. Purchase Existing Alternative Processes: a. Direct Purchase b. Eminent Domain	1. Bonding 2. Certificates of participation 3. Other third party financing
3. Leasing a. New b. Existing	Operating Funds: general funds, federal funds, other fund sources or a combination
4. Lease w/Option to Purchase a. New b. Existing	Operating Funds when leasing and bonding, certificates of participation or other third party financing when purchase option exercised

Using a design/build approach may reduce the cost of a building because the private sector may be more efficient in development, construction, and management as they have a direct relationship between personal performance and remuneration. It may reduce the time needed to complete a project. Like other delivery methods, a design/build process may also allow low-interest, certificates of participation to be used to finance buildings rather than bonds. This approach is currently being used in several states including Washington and California. Bonding, however, still offers the lowest financing costs.

Payment methods define how space is financed. If location and physical parameters are the same, the cost of a project is determined by the delivery and payment methods. Generally, the state's funding sources may be one or more of the following: general fund, bonds, certificates of participation, and other revenue sources. These funds may be invested as capital or used for lease payments. Most payment methods can be used to pay for most projects regardless of location, size, or delivery method employed.

By applying the above elements, a development strategy may be defined for the Capitol Area, Capital City and Capital Region. Development in the Capitol Area must be consistent with the CAAPB Comprehensive Plan, land use policies and design competition requirements. The design competition requirement ensures that projects are selected for implementation based upon their design merits. State law requires that a design competition be held for significant improvements within the Capitol Area. State ownership of facilities in the Capitol Area is recommended to ensure high quality consistent with that of the Capitol and to realize long-term economic benefits. It is anticipated that a state led design/bid/build process will generally be used as the delivery method. However, a design/build process may also be used. By requiring a private sector design/build team to include only leading design architects and by fixing the project cost, the process of development becomes a traditional design competition with a cost guarantee, or a guaranteed maximum price. The acquisition of existing space in the Capitol Area is another opportunity to meet the state's needs.

State ownership outside of the Capitol Area should not be a requirement. Acquiring agency space in the Capital City should take advantage of current real estate market opportunities. Lease, purchase and other delivery methods should be evaluated on a case-by-case basis. The state should seek development proposals from the private sector and local jurisdictions. The state should explore joint development opportunities to reduce costs by sharing facilities with the private and/or public sectors.

Regional service centers should be in leased space, where available, to provide the flexibility to respond to ever fluctuating space needs. In some cases, state-owned space may be appropriate. Joint development should be explored for new construction to take advantage of opportunities for shared facilities.

USE OF REVOLVING CAPITAL DEVELOPMENT FUNDS

The revolving capital development fund is a self-generating fund which will be evaluated as a way to raise revenue for capital improvements and costs related to completion of the development of over two million square feet of office space during the period of the strategic plan. This option would allow the state to charge rent to agencies that occupy state-owned or leased space, including offices, laboratories, and warehouses. The rent charged would be slightly above the actual cost of rent, debt amortization, and maintenance and operation expenses as it must fund major repair and maintenance, depreciation, and expansion. Therefore, the amount charged would be 5% to 10% higher than what rental charges would otherwise require. Rent would be used to pay for developing, leasing, and operating space. This option would represent a major policy shift for agency budgeting, and thus would require enabling legislation to carry it out.

Ownership and Leasing

OWNERSHIP VERSUS LEASING

This plan recommends that the state increase the amount of state-owned space to control its long term costs and to acquire equity in the buildings it occupies. Generally, it costs less in the long term to own rather than lease comparable office space. Compared with leased space, state-ownership will result in space that generally results in the following benefits:

- Lower life-cycle costs
- Higher quality space
- Long-term residual value
- Renovation and expansion flexibility
- Improved maintenance and security
- Efficient space utilization
- Lower operating costs

The long-term cost savings associated with state ownership are the result of five significant factors:

- Long-term financing is available to the state at a rate that is approximately two-thirds that of the private sector financing rate.
- A return, or profit, on initial capital investment is not required.
- Generally, 10-15% less space is needed by having tighter control over space planning and assignments and by utilizing buildings with larger floor areas than are typically available in leased buildings.
- A long-term residual value that is between 10% to 15% of the total present value life-cycle cost is realized even assuming a future renovation cost equal to 40% of the cost of equivalent new construction.
- No property tax is paid by the state, although payments in lieu of taxes may be negotiated.

LEASING STRATEGY

A portion of the state's space inventory must be leased to provide flexibility. As agencies increase or decrease in size and organizational structure in response to fluctuations in government programs it is helpful to have lease space available. Some smaller agencies need their own identity, or have functional or client-related reasons for requiring separate accommodations. For these reasons minimum of 17% of the total space inventory should be maintained in leased space. However, for reasons given below, a greater percentage of leased space is recommended.

In some instances leasing may be financially comparable to ownership in an extremely attractive lease market. Currently, this would be when an existing building in the Capital City with an acceptable location, size and quality is offered for lease at \$14 per rentable square foot or lower with an annual lease escalation rate capped at under 2% per year including maintenance and operating costs. However, the local business community relies on the state as a major tenant and contributor to vitality in the Capital City. Local government relies on property taxes generated by private ownership of leased buildings. Therefore, to provide needed flexibility to take advantage of leasing opportunities and to support the local economy it is recommended that the minimum of the total space inventory in leased space be increased to 25%.

If one of the following conditions exists, it might be advantageous for the state to lease space:

- Space needs of only a few years are anticipated.
- There is a long-range plan to eventually acquire the building.
- Only a small amount of space is needed and no savings is gained by consolidating with other agencies. Usually building and owning a small, single-purpose building is not economical.
- Flexibility is needed to accommodate widely fluctuating space needs.
- Ownership is preferred, but funding is currently unavailable.
- Agency programs are best served by short-term siting of facilities.

Facility Development

FACILITY DEVELOPMENT PROGRAM

This section describes the recommended facility development program required to meet agencies space requirements during the next two decades. Schedules and net square feet are illustrative only. Available resources, changing state programs and priorities, and more detailed planning will require adjustments to these charts.

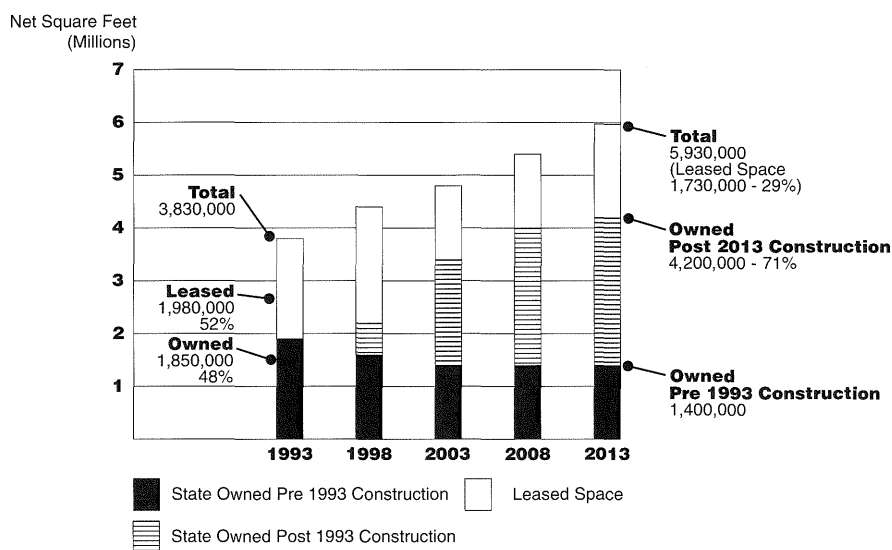
The graph on the following page displays the result of the recommended facility development program. In 1993 the state occupied 1,850,000 NSF of owned space and 1,980,000 NSF of leased space. This is a 48%/52% ratio of owned-to-leased space. As new buildings are constructed and occupied in the 1997 to 2008 time frame, the total new construction program is 2,486,000 NSF through the year 2003 (the 10 year plan), and 2,790,000 NSF through the year 2013 (the 20 year plan). To accommodate this new construction, a number of current state-owned sites must be cleared and facilities demolished. Those facilities total 408,000 NSF.

During the initial years of the plan time frame, there continues to be a modest space shortfall. This shortfall will be completely eliminated when the new Business, Labor, Trade Building and Capitol Office Building 1 are occupied. Until that time the leased space inventory must be adjusted annually to accommodate continued growth requirements that cannot be accommodated in other new construction. The amount of required leased space increases

each year while new facilities are constructed after which a number of leases can be terminated when those new facilities are available for occupancy. The total leased inventory is maintained at approximately 50% or more of the total space inventory through 1998. At that time the percent of leased space will gradually decrease until it reaches a low point of 21% when the Multi-Agency Building is occupied. After that time, the amount of leased space will again begin to grow to accommodate continued state government growth requirements.

At the end of this plan's time frame in the year 2013, the state-owned space inventory totals 4,200,000 NSF and the leased space inventory totals 1,730,000 NSF. This is a 71% / 29% ratio owned-to-leased space.

FACILITY DEVELOPMENT



Under this plan the amount of state-owned space is increased. Some sub-standard space currently state-owned is demolished to make way for redevelopment.

Phasing and Costs

PHASING SUMMARY

The planning and development of Capitol Area facilities require specific phasing in order to ensure space requirements are met for continuous and uninterrupted state agency operations. These related projects are linked in groups which have interdependent development requirements. They are as follows:

- A Support Services Center must be developed to accommodate the construction of the Health Building on the current Motor Pool site.
- A new Military Affairs/Training Center must be developed to allow the Education Building to be built on the Armory site.
- The replacement of the existing Administration parking structure with a new underground structure should be combined with the development of Capitol Office Building 1 to maximize construction efficiencies and minimize future operational disruptions.
- The state agencies located in the Capitol Square Building must be relocated to allow that site to be prepared for the Business, Labor and Trade Building, or other development.

The approximate phasing of the Capitol Area development proposed by the plan is indicated in the following schedule.

PHASING SCHEDULE

Year	1994				1995				1996				1997				1998				1999				2000				2001				2002				2003																																																																																			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4																																																																																				
Transportation Bldg. Renovation																																																																																																																								
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Business, Labor and Trade Bldg.																																																																																																																								
Human Services Building																																																																																																																								

DEVELOPMENT BUDGET

The total development budget for ten projects that will construct 3,358,805 GSF of space between 1994 and the year 2003 is \$615,624,000 in terms of 1993 value dollars. Inflation at 3.5 percent per year adds \$144,884,000 by the year 2003 and thus accounts for 20% of the total, inflated, budget of \$760,508,000.

During the 10 years, a total of 3,358,805 GSF is constructed. This represents approximately 2,756,500 NSF at an average efficiency of 82%. After subtracting space deleted from the inventory (Capitol Square, Armory, and Motor Pool and Central Stores) and leases that are not renewed, the net addition to the space inventory is approximately 2,100,000 GSF. The budget summary shows that space is added at an average unit cost of \$117 per GSF, excluding land, parking, fees, administration, and preplanning. The total budget averages \$183/GSF, with all costs included in 1993 dollars, and \$226/GSF when inflated.

BUDGET SUMMARY

			Project Costs (\$1,000)			
			Building		Parking	
#	Project	GSF	1993 \$	Inflated \$	1993 \$	Inflated \$
1.	Transportation Renovation	337,500	25,000	25,000	0	0
2.	Support Services Center	222,222	22,717	24,716	430	476
3.	DMA/Training Center (1)	134,567	17,769	19,783	4,379	4,957
4.	Health Building	617,073	106,324	123,733	17,613	19,314
5.	Public Safety Building	158,537	24,937	29,692	4,422	5,367
6.	Education Building	308,537	50,956	60,517	7,316	8,166
7.	Transportation Expansion	72,289	9,122	11,326	2,899	3,553
8.	Capitol Office Building #1	331,250	68,231	87,955	19,116	24,633
9.	Business, Labor, Trade Building	560,976	102,610	132,496	18,407	23,130
10.	Human Services Building	615,854	95,984	132,032	17,392	23,662
Total		3,358,805	523,650	647,250	91,974	113,258

(1) 100% of cost, state responsible for 25% of Armory and 100% of DMA.

The \$760 million inflated budget is distributed into the following categories:

• Building Construction	\$393,842,000
• Parking Facilities	79,441,000
• Site Acquisition/Demolition	6,000,000
• Fit-Out, Telephone, Furniture, Relocation	49,906,000
• Preplanning, Programming, Competitions	6,750,000
• Project Management and State Administration	79,685,000
Total 1993 Value Costs	\$615,624,000
• Inflation	\$144,884,000
Total 1993-2003 Project Costs	\$760,508,000

Of the total 1993 value cost of \$616 million, \$158 million would be expended by the state even if space was leased. This is for acquisition of furniture for additional positions, parking, data and telephone systems, relocation expenses, space planning, and state project administration. The incremental investment required by this program is \$458 million. This investment adds 2,100,000 GSF to the space inventory. This is equivalent to 1,722,000 NSF (at an 82% efficiency), and 1,930,000 rentable square feet (RSF) at a load factor of 12%.

Budget Cost Assumptions

1. All projects are estimated in terms of 1993 construction costs with unit costs varying depending on building type, location, and quality, assuming use of traditional - design/bid/build - construction for all projects. If projects are leased or an existing building is sold or leased to the state and renovated, capital costs would be reduced.
2. Costs are inflated at 3-1/2% per year in the cash flow model.
3. A&E and all professional fees are assumed to be between 10% to 14% of the construction cost.
4. No state administrative, overhead, or support costs are included. An allowance of between 2% and 4% is included for project management and/or construction management fees. This includes developing and managing, a design competition, or a design/build competition. Honoraria of up to \$300,000 for each project are included in the pre-architectural planning along with programming and the development of performance specifications for each project. The total project management allowance, including design fees and expenses, varies between 15% and 20% for each project.

5. For each project which includes offices, a budget allowance for fit-out of tenant space of \$4,500 per employee is included for telephone and data installation, new furniture systems, relocation, refurbishment, and related costs. This equates to a unit cost of \$18 per GSF based on an average of 200 NSF per person and an average building efficiency of 80 percent. This cost is also incurred by the state if space is leased.
6. Land acquisition cost is only applied to sites not now owned by the state (no sinking fund allocation for land replenishment), and uses a specific land value where a previous state report identified an estimated cost. In other instances, land values of \$8 per square foot are assumed for sites in the Capitol Area, \$30 per square foot in the downtown area of the Capital City, and \$4 per square foot for more suburban or non-site specific sites in the Capital City.
7. Parking costs are included for each project when specific on-site parking is provided. In instances where minimum on-site parking capacity exists, additional (non-budgeted) costs for land acquisition, development, or leasing of parking spaces may be required. Thus, parking costs may be somewhat understated in the budget.
8. NSF is converted to GSF at building efficiencies of between 80% and 90%.
9. Parking space allocations assume 320 SF per car on-grade; 340 SF per car for above-grade ramps; and 380 SF per car for below-grade garages.
10. Pre-architectural planning budgets, include site survey, soils tests, detailed programming, performance specification, and selection of design/build team or developer, including competition administration.
11. The budget does not include maintenance or renovation of existing buildings, agency relocation, ADA upgrades, general utility upgrades, tunnels, or facilities not in the immediate Capital City area.
12. Cost for renovation of the Transportation Building was provided by the state at \$25 million. No inflation has been included.
13. Parking for 150 cars below-grade is included with the expansion of the Transportation Building. A one-level garage is assumed.
14. Where parking is undefined for a particular project, a general allocation of 1 space per 400 GSF is provided. Additional off-site or leased parking may be required to meet the demand.
15. The DMA/Training Center budget assumes 100% of all costs. However, only 25% of the "standard" costs for the Training Center are the responsibility of the state. All costs over "standard" to allow a design that is compatible with the Capitol Area are the responsibility of the state.

16. Project management and administration costs include all costs of design review and space planning, and design/build project management after the contractor is selected.
17. The Public Safety Building (130,000 NSF) consolidates 661 current staff, allocates an additional 40 percent space to correct current deficiencies, and increases the total staff/space for future accommodation and an overall growth of 25% through the year 2013. Warehouse, Emergency Management Services, and Bureau of Criminal Apprehension space are not consolidated.
18. The site for the Business, Labor & Trade Building project is assumed to be Capitol Square. Site acquisition cost assumes one full block for parking is required. This would require acquisition at a cost of \$3,000,000. Construction of a five-level above-grade parking structure over the entire block is assumed.
19. If a design/build competition or a design competition with a cost guarantee implementation system is employed, the cost of construction may be reduced.

Budget Cost Comparison

It is helpful to compare this investment to the costs that would be incurred over a 30 year time frame if space were leased in existing available facilities and in new lease space that might be provided in the metropolitan area. The comparison should be made exclusive of parking, fit-out, and some planning and administrative costs the state would incur whether the space was constructed (owned) or leased.

For the ten projects included in the budget summary, the following analysis compares the present value life cycle costs associated with developing the required additional space through construction versus leasing. This analysis is performed on the basis that all additional space is developed at the 1993 (uninflated) cost and that all space is leased in 1994 at the current \$16 per rentable square foot lease rate. Although this scenario is unrealistic, it allows the analysis to remove the time factor and produce an accurate comparison of the total program without losing relative accuracy of the comparison. This form of analysis assumes all new construction is constructed at current cost levels, financed at current rates, and all space that would be leased in the alternative development concept is leased at current rates. As long as projects that will actually be implemented in the future will incur the same rate of inflation, then future increased construction costs, lease rates, and interest rates would increase or decrease in relative proportion to each other. The steps included in this analysis are as follows:

1. Delete Transportation Building renovation and expansion as these are site specific and cannot be leased.
2. Delete the DMA/Training Center because it includes very specialized space for the military (armory) and is funded 75% by the federal government.

3. Delete the Capitol Office Building 1 as its location is site specific on state-owned property and may accommodate components of the Legislature.
4. The balance of the projects (six) develop 2,054,000 NSF at a cost (excluding parking, fit-out, and a minor amount of planning) of \$355,160,000 in terms of 1993 dollars. This is equal to an average of \$173 per NSF.
5. The cost of development is amortized over 20 years at a 4.7% interest rate. This has an annual cost of \$27,800,000 for 20 years. If, in the future, interest rates increase, then it is assumed that the required rate of return on investment in lease space would also increase and this would result in a corresponding (and proportionate) increase in the initial lease rate that would be charged.
6. Maintenance and operating costs are incurred at \$6.00 per GSF per year, inflating at 2.5% per year. The total annual cost is the sum of step #5 and step #6 which reaches \$51,800,000 per year in the 20th year just before the debt is paid off. Annual costs then drop to \$24,600,000 per year in the 21st year and then escalate to \$30,700,000 per year in the 30th year.
7. The total leased space is 2,300,000 RSF. This is calculated by multiplying 2,054,000 NSF by a load factor of 1.12. The initial annual lease cost of \$16 per RSF inflates at the currently experienced rate of 4% per year which includes maintenance, operation, taxes, and all related costs. By the 20th year, the average annual cost is \$33.71 per RSF, or \$37.74 per NSF, with an annual cost of \$77,500,000. By way of comparison, the 20th year total cost of ownership (see #6 above) is \$51,800,000, or \$25.22 per NSF.

The most appropriate basis of comparison of the costs of leasing versus ownership is to calculate the present value life cycle cost which must take into account the discount rate (assumed to be equal to the cost of borrowing which is 4.7%) and the residual value of the facility the state would own in 30 years under the construction/ownership alternative.

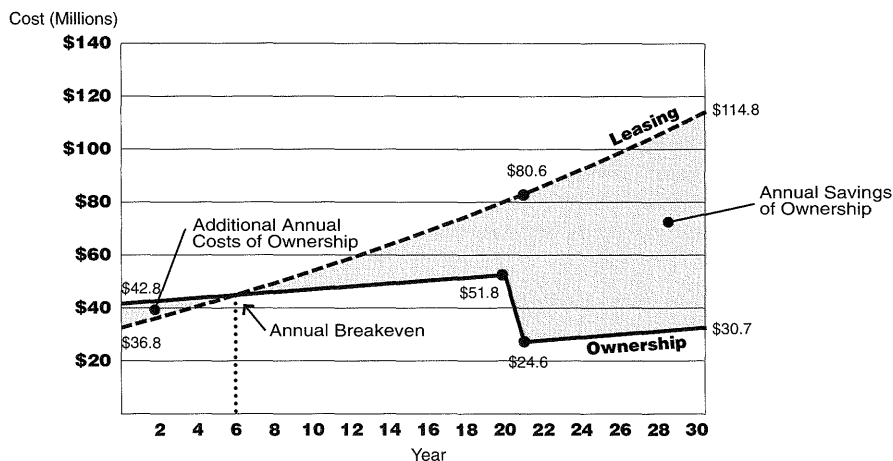
The present value life cycle cost of ownership in the 30th year is \$525,800,000 while the present value life cycle cost of leasing is \$1,003,400,000 - almost twice as high. Over the 30 years, ownership saves the state \$850,000,000 in total dollars and \$477,600,000 in terms of present value dollars. The present value of ownership (cumulative cost) reflects the present value (cost) of ownership in each year and includes the "income" that would be received by the state as a result of selling the facility at an appreciated value, retiring any unpaid financing debt, and bringing the facility back to a quality level equivalent to its replacement cost. This reinvestment to bring it up to an equivalent value of a new building is achieved by charging the project an annual cost of 1.33% of its replacement cost each year. Thus, over 30 years, a total investment of 40% of the buildings replacement cost is charged against the project as "depreciation."

Annual costs are shown in the graph on the following page. The graph shows slightly higher costs for ownership for the first six years at which time total annual costs for ownership or leasing are equal. When the cost of construction has been fully amortized (starting in year 21), annual costs for ownership (\$24,600,000) drop to less than one-third of those associated with leasing (\$80,600,000). By the 30th year, annual ownership costs are \$30,700,000 while annual leasing costs are nearly four times higher at \$114,800,000.

On a cumulative present value basis, the graph on the following page also shows a cumulative present value break-even by the 12th year, and substantial savings beginning in the 20th year. This break-even point relates only to the total costs of amortizing, maintaining, and operating the facilities whether owned or leased.

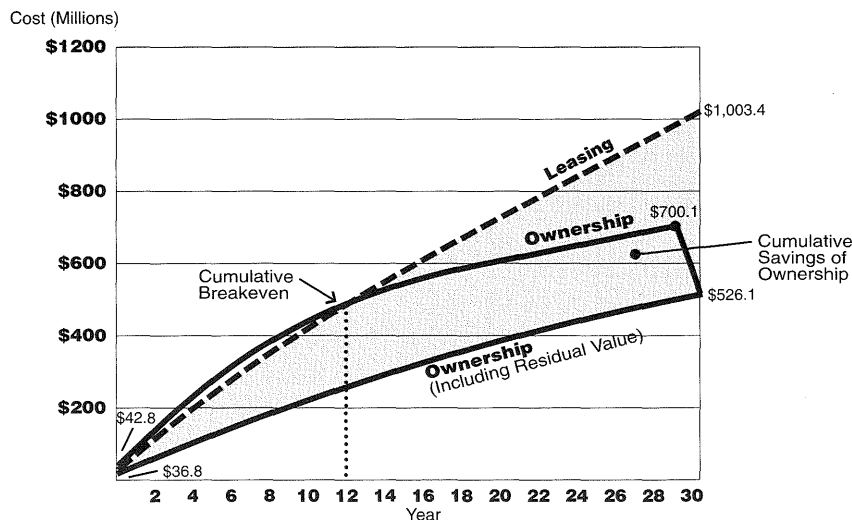
In addition to actual outlays for amortization, maintenance, and operations, the cumulative present value comparison must take into consideration the residual value of the owned facilities. An owned facility represents a positive economic asset to the state whereas a leased facility does not. When residual value is taken into account, the cumulative present value of ownership is at all points in time less than the comparable life cycle costs of leasing. In the very first year, the present value life cycle cost of ownership is \$22,400,000 while that for leasing is \$36,800,000. In the 30th year, cumulative ownership costs are \$525,800,000 and those for leasing are nearly twice as high at \$1,003,400,000.

ANNUAL COSTS



Long-term savings are realized through state ownership.

CUMULATIVE PRESENT VALUE



Residual value heightens the benefits of state ownership.

Transportation Management

NEEDS AND OPPORTUNITIES

To improve ease of access to state facilities and to encourage alternatives to automobiles, especially driving alone, implementation of a Transportation Management Plan (TMP) is imperative. Even without additional development in the Capitol Area, there is both a need and an opportunity for transportation management. The goals of this plan reflect the need for better accessibility, controlled parking development costs, and enhanced civic design and appearance. The opportunity lies in the large number of employees working for a common employer in a concentrated area near the hub of the St. Paul public transit system. With additional development, the need for better transportation alternatives increases dramatically when considering construction costs of parking facilities. By implementing a TMP, the state can maintain and enhance its status as a leader in Minnesota in managing its transportation resources.

PRINCIPLES

To be truly effective, the TMP must be:

- **Comprehensive:** All employees should benefit from the plan which includes improved access and convenience for visitors. All transportation modes must be evaluated for cost, accessibility, convenience, and security.
- **Flexible:** It must address diverse needs of people traveling to state agencies.
- **Consistent:** Transportation, zoning, and parking price policies should be in line with policies affecting growth management, site development, and parking system administration.
- **Well Managed:** Proper promotion, coordination, and performance monitoring can ensure an effective plan.

OBJECTIVES

Specific objectives would include:

- **Reducing Vehicle Miles Traveled (VMT):** Reducing congestion throughout the region would conserve road capacity and lead to improved air quality.
- **Decreasing the Number of Parking Spaces:** Development costs increase 20 percent when parking needs are included.
- **Provide Alternatives to Automobile Travel and Incentives to Use Those Alternatives:** Incentives must be easy to administer and attractive to employees and visitors.

POLICIES CONSIDERED

Three potential policies, typical of those used in transportation management programs elsewhere, were considered for application in St. Paul. Generally, a policy goal is expected to be reached within 5 to 10 years. The policies included:

- Setting a goal for state employee Average Vehicle Occupancy (AVO) to 1.25 persons, which is approximately 25 percent higher than the existing metro area average of 1.08 for work trips.
- Increasing transit ridesharing to a specific goal. For example, an across-the-board increase of 30 percent could be set. Different levels could be set for each project in recognition of particular constraints.
- Establishing a maximum level of Single-Occupant Vehicles (SOV) for employees. A policy of 50 percent SOV would mean that only half of employees would drive alone to work, and the other half would share rides, use transit, or use some other form of transportation.

The policies' comparative advantages and disadvantages are summarized in the following table.

POTENTIAL TRANSPORTATION MANAGEMENT POLICIES COMPARED

Policy	Advantages	Disadvantages
AVO (1) should be 1.25 times metropolitan average	<ul style="list-style-type: none"> • Makes most efficient use of parking facilities • Reduces congestion and pollution 	<ul style="list-style-type: none"> • Easy to set unrealistic target • AVO alone is not best indicator of transportation performance
Increase Transit and Ridesharing by 30 percent	<ul style="list-style-type: none"> • Reduces parking demand and traffic volumes • Supports improved transit service 	<ul style="list-style-type: none"> • Difficult to achieve "across-the-board" targets for both modes
Maximum SOV (2) = 50%	<ul style="list-style-type: none"> • Acknowledges that some people will always drive alone • Gives commuters flexibility in choosing modes • Easily measured by observation 	<ul style="list-style-type: none"> • Can set unrealistic target

(1) AVO is Average Vehicle Occupancy

(2) SOV is Single-Occupancy Vehicle

Source: TDA Illinois Inc.

Policy Recommendations

The recommended 50 percent SOV target is aggressive yet reasonable given current travel patterns, low parking costs, and the Capitol's central city setting, and experience gained elsewhere. For planning purposes, the future transportation mode allocation for the Capitol Area is anticipated to be:

- 50 percent SOV
- 30 percent Rideshare (carpools and vanpools)
- 15 percent Transit
- 5 percent Other

Due to the differences in the levels of transit service, transit use can be expected to be higher in the Capital City and lower in the Capital Region. The important issue is that the SOV share represents a target to work toward in the effort to reduce the demand for automobile travel; the exact shares for the other modes are not critical so long as they do increase. It may take five or more years to reach the SOV target and it may be arrived at incrementally as alternate services and new policies implemented.

Benefits

Achieving the 50 percent SOV level would allow:

- A reduction in the number of parking spaces provided. A reduced ratio of between 2.4 and 2.5 spaces for each 1,000 net square feet would be achieved, down from the current need for 3 spaces per 1,000 net square feet. This represents a decrease of between 17 percent and 20 percent in the number of new parking spaces constructed over what current ratios would indicate.

Additionally, the 50 percent SOV policy would:

- Save \$11.85 million in construction costs just in the Capitol Area alone; assuming a net reduction of 1,185 spaces at an average construction cost of \$10,000 for above-grade, highly efficient structures.
- Reducing the number of vehicle miles employees travel to work to 109,000 miles daily would result in saving over 4,300 gallons of fuel each day; based on the average trip length of 14.8 miles, two trips per day, and an average fuel consumption of 25 miles per gallon. An equivalent reduction in atmospheric pollution from exhaust emissions would also be achieved.

Program Elements

The TMP will provide a balanced package of disincentives to single-occupant automobile use combined with incentives to use other forms of transportation. The package would consist of these ten elements:

1. Market Rate Parking Prices

Current parking subsidies encourage single-occupant vehicle use and are at cross-purposes with policies promoting alternative transportation. Parking price is the single most important tool available for managing transportation demand. Furthermore, the parking system should be fiscally responsible and have as a goal the need to cover its actual costs. However, prevailing market conditions would be considered when setting parking rates. Market rates, in 1993 dollars, need to be approximately \$20 to \$30 per month in surface lots, and \$60 to \$80 per month in ramps. Underground garage rates would be in the range of \$90 to \$120 per month. A survey of private parking rates in the Capitol Area and St. Paul's CBD should be used to determine state rates. Cost increases to employees should be countered by additional benefits in other modes of transportation.

2. Enhanced Transit Service

Greater frequency of service, express routes, more routes with direct service to the Capitol Area, and improved weather protection at transit shelters are required to attract more riders.

3. Reduced Price Transit Passes

Additional reductions in transit pass prices may be necessary to encourage ridership. In principle, the cost of a transit pass should be less than the cost of a parking permit. Currently, only about 485 employees in the Capitol Area have transit passes.

4. Improved Ride-Matching

An internal, computerized ride-matching service for state employees should be set up to speed the formation of carpools and vanpools. Working with Minnesota Rideshare to create a coordinated computer service is an attractive option.

5. Preferential Parking Locations for High-Occupancy Vehicles (HOVs)

Carpools and vanpools would be given priority parking locations close to elevators, tunnels, building entrances, and in covered parking locations.

6. A Guaranteed Ride Home in the Event of an Emergency

This service should be available to all persons using alternative modes of transportation. A limited service now exists for certain state agencies and buildings; and MTC is planning a regional ride home program beginning Fall 1993. Assuring employees a ride home, no matter how they got to work, would address a key uncertainty for many employees considering alternative transportation.

7. Shuttle Service To and From Satellite Facilities

Shuttles between key satellite agencies and the Capitol Area would facilitate employee mid-day travel and alleviate the need for personal cars. For agencies exceeding 250 employees, for example, scheduled transit service should be considered. Agencies with fewer employees could be candidates for transit providing service at an on-call basis. The proposed Cultural Area Trolley (CAT) connecting CBD locations with the Capitol and Lafayette Park provides an ideal opportunity for cooperative service and promotion. Frequency and reliability of shuttle services are essential to gaining regular ridership.

8. Improved Pedestrian Facilities

To maintain and enhance pedestrian connections, the tunnel system should be extended to new buildings and major parking facilities. The tunnels link buildings within the area and provide weather protection for pedestrians and for the disabled.

9. Improved Bicycle Facilities

Additional weather protected bike racks, lockers, and shower facilities at major buildings would improve convenience and security for bicycle riders. Even though winter weather may preclude cycling year-round, cycling offers important environmental benefits by reducing both motor vehicle traffic and parking demand.

10. A Transportation Coordinator

A paid professional responsible for the day-to-day management of the TMP is necessary to oversee implementation of the program, coordinate policy developments affecting transportation, conduct promotional and educational campaigns, and monitor its progress and performance. As with any product or service, there must be a person in charge to see that the product is delivered efficiently. The coordinator is an essential element to the overall TMP.

EQUITY AND FLEXIBILITY

Treating all employees equitably, particularly in view of the plan's parking rate increases, is critical to gaining support for the TMP from employees and legislators. Providing employees with a genuine choice in transportation is vital to the TMP's long-term goal of reducing future automobile use and parking demand.

Transportation Pass

One innovative transportation benefit would be the creation of a multi-modal pass available to every employee. This pass would work as a transit pass, parking permit for carpools, fare for vanpools, voucher for guaranteed ride home, and discounted daily parking permit, with limits on its frequency of use. Users could choose their mode for any given trip, thus giving them maximum flexibility in travel plans. Apparently only one such program now exists: the U-PASS program at the University of Washington in Seattle, Washington. Briefly, the U-PASS works this way:

- Students, staff and faculty purchase monthly passes for a maximum of \$9.00. That amounts to only one-third to one-fourth the cost of a traditionally discounted transit-only pass. Purchase is optional. The pass offers unlimited transit privileges, free carpool parking (if all riders have a pass), subsidized vanpool fares, a guaranteed ride home in case of emergency (limited to 50 taxi miles per academic quarter with a 10 percent co-payment), free shuttle service to satellite facilities, and up to 25 discounted daily parking passes per academic quarter.
- Persons with monthly parking permits receive a complimentary U-PASS and explanatory brochure. This informs non-pass holders about the program and allows them to try it when they choose or need to use it.
- The very low cost of the U-PASS is intended to generate high numbers of sales. Six months from the program's inception, 72 percent of the campus population had purchased U-PASS.
- Financing comes from three sources:

- Pass Sales	39.3 percent
- University Funds	32.3 percent
- Parking Fees	<u>28.4 percent</u>
Total	100.0 percent

This model program could be adapted for the Minnesota state employees working in the metropolitan area. While modifications might be needed, the concept addresses many concerns state employees raised about the difficulties of alternative transportation. This type of program provides a high level of equity to users and offers tangible benefits to compensate for higher parking prices. While its operation is subsidized, the subsidies support alternative transportation, not parking, and offer a wider array of benefits to more people than a parking subsidy.

The possibility of extending a universal pass program to major public and private employers in the Capitol Area and downtown St. Paul should be explored. Preliminary contacts with other local government agencies indicate an interest in pursuing the concept for public employees.

IMPLEMENTATION

Putting the TMP into action and maintaining its operation will require considerable commitment in terms of policy, financing, and support on the part of employees, the legislature, and the Department of Administration. This commitment must be demonstrated at the outset and must be continuous. In developing that commitment, the cost of the program should be weighed against the cost of not pursuing the TMP objectives; namely, extra construction costs for parking facilities, continued parking subsidies, and limitations on employee and visitor accessibility. The TMP should be pursued only if commitment to its success is fully forthcoming.

First Steps

Actions needed at the outset include:

- Adopt a Parking Price Policy that allows charging market rates. This can be done in conjunction with the TMP package. Sending a coordinated package of transportation policies to the legislature demonstrates a comprehensive approach to transportation management, the interdependence of the policies, and the economic and social benefits of a responsive TMP.
- Establish an operating budget for the TMP for start-up and first year administrative operations. Additional program funds may be required depending on the final transportation benefit package.
- Appoint a Transportation Coordinator to set up and administer the TMP. This paid, professional position requires an energetic person with a combination of these skills: knowledge of employee transportation issues, marketing and/or customer relations, and program management experience.
- Coordinate, with MTC/Minnesota Rideshare and other affected agencies, additional or enhanced services such as a customized computer ride-matching and transit service improvements.

Ongoing Actions

Once established, the TMP would require:

- Administrative review and adjustment of parking prices.
- Periodic monitoring of performance. For example, the Transportation Coordinator would conduct an annual employee survey to measure changes in commuting modes and user satisfaction with the program. Parking utilization and vehicle occupancy would also be monitored regularly to measure changes and trends.

- Continued coordination with regional transit authorities and other government agencies to deliver transportation services, formulate consistent transportation policies, and to seek new opportunities for improving accessibility and circulation.
- Continual marketing of the program through newsletter, transportation fairs, information kiosks, and other media.

Schedule

The TMP should be implemented as soon as possible in order to gauge changes in employee travel characteristics. This would allow necessary adjustments to projected parking ratios to be made prior to major new construction. A target date of July 1, 1994 is suggested. This schedule requires quick action, but results in earlier benefits. To meet the target date the following schedule is proposed:

February 1994	Report TMP to Legislature by February 1, 1994 deadline. Integral to the TMP would be a revised Parking Price Policy.
Spring 1994	Hire a Transportation Coordinator. Coordinate with MTC/Minnesota Rideshare and other appropriate agencies on ride-matching assistance and transit improvements. Develop promotional materials and campaign to educate employees about all transportation options and benefits.
July 1994	Begin program.

Making the Vision a Reality

This strategic plan proposes a vision for Minnesota's Capitol of the future that is lofty in its ideals yet strong and decisive in its provisions for seeing them achieved. The plan seeks to concentrate state agency offices in the Capitol Area and St. Paul. It will preserve and enhance the Capitol Area as the ceremonial seat of state government and a place of spectacular beauty and historical interest. It will support St. Paul's role as the Capital City by encouraging development and leasing in a corridor which reunites downtown and the Capitol Area and is visually linked to the Capitol by a system of landscaped streets and open spaces. It endorses the concept of service centers located throughout the Capital Region, bringing these services nearer to the customers. Finally, it provides for a flexible, evolving work place in which state employees can conduct the state's business and effectively serve the public into the next century.

The goals of this plan are ambitious and achieving them will require a sincere commitment, openness and cooperation from the state's lawmakers, employees, businesses and residents. This plan requires that we do things in a proactive way; that we get ahead of growth curve in our accommodation of state agencies. This document peers unto the future to tell us what work we can begin now to develop and extend Minnesota's Capitol to protect its heritage and guarantee its special place in the economic, cultural, environmental, and educational life of its people.

ADA Upgrades

Remodeling to comply with the Americans with Disabilities Act (ADA) regulations.

Adjacency Requirements

The needs of agencies to be near or linked to one another because of their high degree of interaction.

Amortized Costs

Allocated over a number of years rather than allocated in one year.

Collocation

Needs of agencies to be located on the same site or to share a building to realize greater operational efficiencies in terms of staff, space, or equipment.

Design/Build

A facility procurement process that lets one contract for the provision of the facility with the designer under contract to the contractor.

Fit-Out

Cost of providing furniture, telephones, installation, moving costs, and related items - a part of total projects costs - not part of general contractor costs.

Performance Specification

A document that defines how a real estate asset is to perform, for purposes of defining design parameters for use in implementing a design/build facility development process.

Present Value Life-Cycle Costs

All costs incurred over the life of a project being analyzed, including initial development, annual operating, and related labor and staffing costs, reduced to their present value by applying a time value discount rate.

Residual Value

The future value of income from a real estate asset in some future year when the asset is sold or its value is declared to determine the present value life cycle cost. It is the value after paying off any debt and refurbishing the facility to near its original condition.

Acknowledgments

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*The following participated in one or
more of the four planning workshops:*

City of Minneapolis

City of Saint Paul

Metropolitan Council

Metropolitan Transit Commission

Minnesota Board of Nursing

Minnesota Community College System

Minnesota Department of
Administration

Minnesota Department of Agriculture

Minnesota Department of Education

Minnesota Department of Employee
Relations

Minnesota Department of Finance

Minnesota Department of Health

Minnesota Department of Human
Services

Minnesota Department of Military
Affairs

Minnesota Department of Natural
Resources

Minnesota Department of Public Safety

Minnesota Department of Revenue

Minnesota Department of
Transportation

Minnesota Higher Education Board

Minnesota Higher Education
Coordinating Board

Minnesota House of Representatives

Minnesota Pollution Control Agency

Minnesota State Senate

Minnesota State University System

Minnesota Vocational Technology
Education System

Ramsey County

Saint Paul Area Chamber of Commerce

Saint Paul Building Owners and
Managers Association

Saint Paul Downtown Community
Development Council

Saint Paul Port Authority

Saint Paul-Ramsey Medical Center

Thomas Dale Community Council

University of Minnesota

*The State of Minnesota graciously
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Architects and Engineers

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Facilities Programming

TDA Illinois

Transportation Planning