MARCH 3, 1980

PREPARED FOR:

THE STATE OF MINNESOTA
DEPARTMENT OF ADMINISTRATION

REAL ESTATE MANAGEMENT DIVISION
G-22 Administration Building
St. Paul, Minnesota 55155
(612) 296-6674

PREPARED BY:

FACILITY SCIENCES CORPORATION
9100 Wilshire Boulevard
Beverly Hills, California 91202
(213) 272-9619

THE HODNE/STAGEBERG PARTNERS, INC.
116 East 22nd Street
Minneapolis, Minnesota 55404
(612) 871-1700

TABLE OF CONTENTS

I. INTRODUCTION AND ANALYSIS

A. Preface

The purpose of this Executive Summary is to provide the reader with an overview of the "Minnesota State Facilities Master Planning Process." Should the reader desire more detailed information than presented in this Executive Summary, copies of the complete master planning document may be obtained through the Document Division Department of Administration (612) 296-2874

B. Background and Objectives

The 1978 Legislature directed the Department of Administration to conduct studies to facilitate planning to satisfy State administrative office space needs. This directive was in part a response to a request for legislative funding to construct a new State office building to lessen the State's current dependence on leased space and to satisfy proximity requirements of various departments.

Because Capitol Complex facilities were fully occupied in the early 1970's, the State has satisfied needs for additional office space during recent years by a "passive decentralization" approach. As a result, the State currently leases approximately 500,000 net square feet (NSF) of space in the downtown St. Paul area plus approximately 100,000 NSF in the balance of Ramsey County and the seven county metropolitan area. This decentralization, while responsive to needs and cost effective, has been a re-action as opposed to an action oriented approach.

The State has accounted for approximately one-third of the total downtown office rental space absorption during the last few years. Due to the magnitude of the State's current presence in the St. Paul central business district (CBD) and the fact that State owned property is tax exempt, alternative State long term facility development strategies can impact retail sales, building occupancy rates and property tax revenues. The State recognizes its responsibility to contribute to the economic vitality of the CBD and is sensitive to the economic impacts of alternative facility planning strategies on the community.

Recognizing that no long term plan to satisfy space needs existed and that fragmentation was continuing, the Legislature mandated this long range facility planning study to satisfy the following primary objectives:

- to provide an analysis of office space needs for the next five years;

- to evaluate the comparative economic advantages to the State of satisfying current and future space requirements through construction, purchase or continued leasing strategies;

- to identify appropriate general locations and cost **estimates** for required new facilities through the year 198[illegible], and

- to identify the economic impacts on the City of St. Paul and Ramsey County of the addition of state office space resulting from alternate strategies.

The Consultant, Facility Sciences Corporation of Beverly Hills, California and the Hodne/Stageberg Partners of Minneapolis (hereinafter jointly referred to as Consultant), sought to create a true master planning document which would provide the State with overall planning concepts and development guidelines appropriate to the Minnesota environment. The objective of the master plan was not to rigidly identify specific building sites, designs or occupancies but rather to provide the State of Minnesota with alternative directions for satisfying space needs while retaining an appropriate degree of flexibility that responds to future changes in space requirements and staffing levels. Thus, this report is a documentation of alternative strategies and a record of a dynamic <u>planning process</u> as opposed to a <u>static or fixed final plan</u>.

C. Approach

Recognizing that the long term master planning process is a dynamic activity which ultimately affects all space users and may have significant economic ramifications, the Consultant sought to create a realistic and workable facility development plan through a highly interactive process. Utilizing this approach, a number of goal-oriented meetings and interim presentation were conducted.

The interactive planning and decision making approach provides three valuable benefits:

- verification of the accuracy of collected and developed data;
- completeness of informational input regarding policy questions and other relevant considerations which are specific to the client; and
- the credibility and support of recommendations included in the final report (affected space users were a part of the decision process and were provided the opportunity to voice their concerns regarding both findings and the direction of the study prior to the finalization of conclusions).

A number of conditions affected the direction and findings of this study:

- Study Group - the study group includes only Executive Branch agencies and components of those agencies which are not site-specific due to special space configurations or locational requirements for clientele service delivery.
- The "Spine" - If new construction is suggested, consideration is to be given to the preference of both the City of St. Paul and the Capitol Area Architectural and Planning Board to locate any new facility within an area bounded by Cedar, University, Jackson and Twelfth Streets.
- Parking/Eating - The State will provide parking and eating facilities for employees as appropriate to the specific geographic areas considered, based on the availability of commercial facilities in the surrounding communities.
- State Office Building - The State Office Building was specifically excluded from this study because it is reserved for Legislative use and not available for occupancy by Executive Branch agencies.
- 4% Staffing Reduction - For future space planning purposes, it was assumed that the Personnel Law of 1979 calling for a 4% reduction of State-funded positions will be implemented and that the reduced staffing level will serve as a basis for developing future staffing projections.

D. Methodology

After the included agencies and buildings were defined, users completed questionnaires which were formulated to address the data requirements of this study. More than one hundred thirty face-to-face interviews plus numerous telephone interviews were conducted with user agencies in order to clarify questionnaire responses and to identify space and proximity requirements. A data base was developed for all major buildings. All State,owned and most leased buildings were toured by the Consultant to evaluate their suitability for future occupancy and their potential for space utilization improvement through cost effective remodeling.

The major analytical steps were as follows:

- inventory and evaluation of existing staff levels and space occupied;
- projection of future staffing levels through the year 1990;

- identification of future space requirements;
- definition of future space shortfalls through a comparison of future needs to the current space inventory;
- identification and comparison of alternative facility acquisition strategies and locations;
- identification of five alternative facility development plans and the advantages / disadvantages and life-cycle costs associated with each;
- selection of three master plan options most suitable for further definition; and
- detailing of occupancy patterns for the three recommended options.

Three highly interactive goal-oriented meetings attended by representatives of major State agencies were conducted. These meetings resulted in defining future staff and space growth parameters to be utilized within this master plan. The session also resulted in the identification of site location parameters and optional solutions, including the placement of specific agencies within included facilities.

E. Limitations

As noted, the State Office Building is not available for occupation by Executive Branch agencies. If that building were to become available, it would significantly impact the findings of this report and suggest adjusting the total space to be acquired and the occupany recommendations.

The comprehensiveness of this master plan is necessarily limited due to the exclusion of the Legislature, legislative agencies and the Supreme Court. This study assumes that, other than the provision of the State Office Building for legislative use, future space requirements for these groups will be status quo and will not affect the findings and recommendations contained herein.

The Consultant sought to incorporate accurate descriptions of current and future space requirements by providing preliminary data to space users for their review. Individual space identifications may vary slightly from other documents because:

- nearly one year transpired between the development of the data base and final recommendations.
- users may not have provided correction to inaccurate data; and
- new information may have surfaced too late for inclusion in the report.

This is a master planning document rather than a study designed to result in final identification of individual space requirements. The Consultant is thus confident that relatively small changes in individual space requirements will not impact final recommendations regarding the appropriate size, location and method of space acquisition.

Detailed space programs and pre-architectural planning documents must be prepared before initiating a site or space selection study or commissioning any architectural designs. At that time specific departmental space assignments can be verified and data included in this report can be updated and detailed.

F. Summary of Findings

The development and analysis of the data base and other relevant information provided the following quantitative findings which would serve as a basis for recommendations presented on page 6.

1. Current study group staffing level - 10,178 personnel.

2. Current staff minus the "4% staff level reduction" equals 9,878, a reduction of 300 employees. This is the "adjusted base" utilized for developing future projections.

3. The current space inventory is 1,893,198 net square feet (NSF):

   - Buildings occupied - 44
   - Proportion of space leased -32%
   - Proportion of total space located within the Capitol Complex - 55%
   - Proportion of all space in the downtown area - 30%

4. Historical compound annual growth rates:

   - State population between the years 1975 and 1979 - .75%
   - Ramsey County State employment staffing growth rate between 1975 and 1979 - 2.68%
   - Study group growth rate between 1970 and 1979 - 1.70%

5. During the 1970's, Executive agency staffing within the seven county metropolitan area grew at two to three times the annual growth rate of State population.

6. State population is projected to grow at .65% annually through 1985 and .59% annually from 1985 through 1990.

7. At two to three times the above State population growth rates, employment might be expected to grow at between 1.2% and 1.95% annually through the year 1990.

8. Projected unadjusted staffing growth rates:

   - 1979 to 1985: 1.76%
   - 1979 to 1990: 1.41%

9. Projections for the year 1990 based on 1% and 2½% annual growth rates applied to the adjusted base staff level of 9,878.

	1% Rate	2½% Rate
Staff	11,002	13,000
Space (NSF)	2,083,838	2,470,000
Area Factor	190	190

10. A number of departments are less than optimally located in downtown leased space or are hampered by split operations due to the current space shortage.

11. Neither cost nor operational savings would result from consolidating laboratory activities into one facility. This is due both to the diversity of current activities and facility requirements and to more crucial functional relationships.

12. The State's lease space has doubled since 1975 and the State has accounted for approximately one-third of the downtown area rental office space absorption in recent years.

13. The State leases approximately 11% of available downtown area rental space.

14. The average downtown area monthly expenditures for parking, lunch, shopping and entertainment are $68 for downtown employees and $23 for Capitol Complex employees.

15. Recommended actions to satisfy State space requirements may result in an annual gross income loss to landlords of slightly over $100,000. Roughly one half of this amount, however, represents variable costs which would not be

an actual loss to the landlords if the space were unoccupied. Offsetting these losses to landlords would be gross income gains (not profits) of $700,000 to $1,700,000 annually for retailers resulting from higher state employment levels in the CBD and Capitol Complex.

16. All existing buildings - except the small owned Rice Street buildings, which should not be considered because of their size - are suitable for continued occupancy by the State.

17. Space is currenly generally well managed and lease space costs are below what the same space would cost if provided in new lease space or as a result of new construction. Opportunities do exist, however, for improved space utilization efficiency through more extensive use of open office planning and furniture systems in association with cost effective remodeling.

18. Although a large portion of leased space is in older facilities with some environmental problems such as lighting and air distribution, the State's current short lease terms do not encourage landlords to provide appropriate interior improvements. It is not cost effective for the State to invest large sums of money to refurbish leased space.

19. Current leases are one to two years in length and average $6.50 to $7.00 per square foot of usable space. The Department of Administration is prohibited by law from entering into leases beyond two years.

20. If all other factors are comparable, leasing becomes uneconomical when compared to new construction if lease rates exceed $7.00 to $8.00 per NSF per year in 1980 dollars.

21. Based on total life-cycle costs per employee over a thirty year time frame, the following locations and modes of acquisition are the most cost effective if economical leases cannot be attained:

- Purchase and renovation of an existing building in the downtown St. Paul area - life-cycle cost: $25,000 per person.
- Construction within Ramsey County but not in the Capitol Complex or downtown St. Paul area - life-cycle cost: $35,000 per person.
- Construction in the Capitol Complex - life-cycle cost: $37,000 per person.

22. Based on the potential location of a new facility, pro rata monthly parking costs, if charged only to employees using the new facility, would be $51 at an urban location, $44 at the Capitol Complex, and $15 at a suburban location. These costs include maintenance plus the amortization of initial construction costs and land values.

23. The average employee lives approximately five miles northwest of the Capitol Complex.

24. Space utilization improvements of between 10% and 25% can be achieved in a number of State owned facilities. Cost effective remodeling can reduce life-cycle costs, increase occupancy levels and reduce net area factors from 190 NSF to 165 NSF in approximately 800,000 NSF of State owned space. Similar space utilization improvements can be incorporated into the planning and interior design of new facilities that are to be added to the State space inventory.

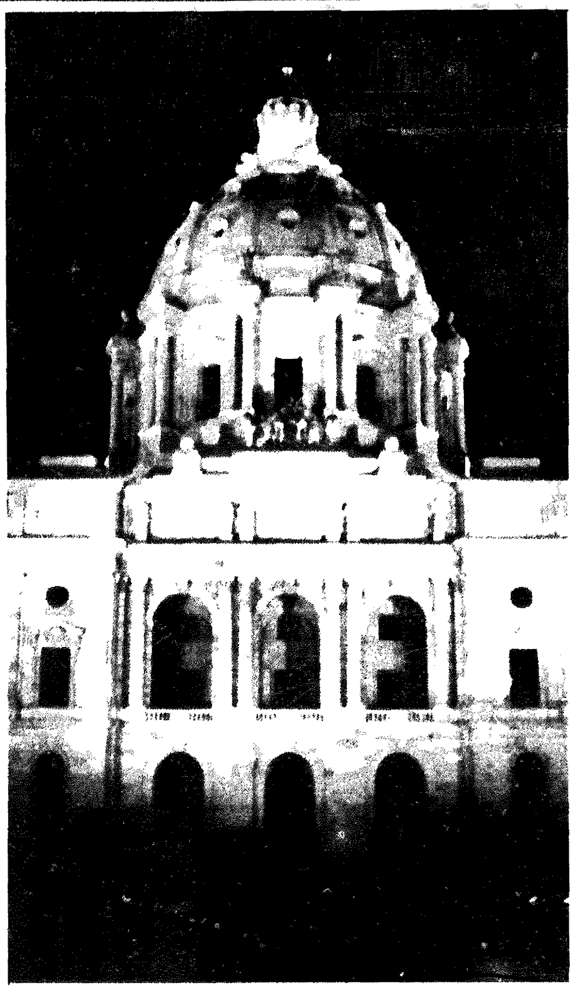
25. For every $2 invested in interior remodeling and the procurement of new furniture systems to improve overall space utilization, total present value, life-cycle costs will be reduced by $3. If applied on only one-half of the applicable owned space

inventory and all new space to be added, a $10,000,000 remodeling and conversion to open office planning would reduce present value, life-cycle costs by $15,000,000.

26. The feasibility of utilizing systems furniture is economically justified for a large portion of current State Executive branch administrative employees. More than 3,000 personnel are included in this category.

27. Initial costs to be incurred during calendar years 1980 and 1981 to begin the implementation of one of three recommended master plan options would necessitate establishing a budget of $14,000,000 to $31,000,000.

28. Total capital costs to implement all of Phase I will necessitate expenditures through 1986 for the acquisition of land and/or an existing building, the funding of additional programming, planning, and design activities, the procurement of new furniture, the renovation of existing State owned facilities and the construction of new buildings. This will require a budget over the next six years of $50,000,000 to $75,000,000. All costs are in 1980 dollars and do not include State administrative costs or inflation allowances.



MINNESOTA STATE CAPITOL BUILDING

G. Recommendations

Based on the analysis of available data and consideration of those subjective factors which are of importance to the State of Minnesota, the Consultant recommends the following:

1. The State's long-range facility planning strategy should support compound annual growth rates of 1% to 2½% applied to the "adjusted" staffing base (current employment level less 300 employees due to the "4% reduction" law) of 9,878 personnel.

2. The State should implement plans to provide approximately 2,080,000 NSF of total space to initially support a 1% annual growth rate with an ability to expand to 2,470,000 NSF to support a 2½% growth rate through the year 1990. This should be accomplished through phased development.

3. In order to satisfy lease consolidations and growth, this level of support would translate into a need for an addition of 530,000 to 910,000 NSF of space by 1990 through a two phase development strategy.

4. The State should be prepared to initiate a third phase of development if staff levels of included agencies grow beyond 13,000 employees and, although unlikely in the

forseeable future, a fourth phase of development if forecasted staff growth is beyond 17,000 employees.

5. Generally, the State can continue to lease cost effective office space if the lease rate is less than $7.00 to $8.00 per NSF except that leases currently totaling 337,487 NSF should be consolidated into new facilities to provide increased operational efficiency and long term cost savings.

6. If the State fails to attain the required space resources through leasing space at less than $7.00 to $8.00 per NSF or through cost effective remodeling of existing facilities, it will be necessary to acquire additional space in accordance with the following priority schedule, which is based on minimizing life-cycle costs:

   - Priority I - Purchase and renovate a facility in the Central Business District or renovate in the Capitol Complex area.

   - Priority II - Construct an appropriately sized State owned facility in a close-in suburban area to be occupied by departments which have the lowest Capitol Complex adjacency needs or which have special facility needs that can best be accommodated in a suburban location.

   - Priority III - Construct a State owned facility, modular and expandable in nature, on a relatively large site directly adjacent to the Capitol Complex.

   - Priority IV - Construct a new State owned facility on a high-access site between the State Capitol Complex and the CBD.

7. Three development options are recommended for consideration, one of which should be selected by the State for implementation (the option numbers are those which were used throughout the study):

   - Option One - Phase 1A of Option One purchases and renovates an existing facility of approximately 300,000 NSF in the downtown area. Phase 1B develops a 221,405 NSF suburban facility. When completed, Option One provides 521,405 NSF of additional space.

   - Option Four - Phase 1A of Option Four develops a 302,484 NSF building on a high-access site located between the Capitol and the CBD. Phase 1B of Option Four develops a 209,884 NSF facility in the Capitol Complex area. When completed, Option Four provides 512,368 NSF of additional space.

   - Option Five - Phase 1A of Option Five changes the combinations of components previously included in other options and commences with the procurement and renovation of a large existing facility in the downtown area totaling 300,000 NSF. Primary occupants are identical to those in Option One. Phase 1B of Option Five develops a 218,249 NSF facility adjacent to the Capitol Complex. When completed, Option Five provides 518,249 NSF of additional space.

8. Primary consideration should be given to adopting either Option One or Option Five. The decision should be made based on flexibility, functional needs and economic impacts rather than the insignificant cost differences between the two options.

9. A $31,000,000 budget should be established for calendar years 1980 and 1981 to implement initial work for either option.

10. The Consultant recommends that the State provide quantities of parking space in different locations based on the following percentages of employees housed within a new facility: Downtown - 50%, Capitol Complex - 55% and Suburban - 70%. Pro rata costs should be assumed by the users of all State owned parking facilities rather than being subsidized by the State or being the responsibility of only those employees assigned to the new facility.

11. Space utilization should be improved through cost effective remodeling, conversions to an appropriate degree of open-office planning and the acquisition of furniture systems for partial replacement of existing furniture.

12. Remodeling and conversion to furniture systems should be implemented immediately in approximately 400,000 NSF.

13. A continuing space management and long range planning system should be developed along with formats for the development of pre-architectural programs, detailed space programming data and the selection of highly qualified personnel to assist in implementation.

H. Space Inventory

Executive Branch agencies included within the study group are housed in 1,954,915 NSF in forty-four buildings within the seven county metropolitan area. Exhibit A on this page summarizes the total building inventory broken down by geographical area and owned versus leased space. The State currently owns approximately 64% of the occupied space with approximately 80% of the owned space located within the Capitol Complex, including the Capitol Square Building. More than 80% of the leased space is located in the downtown St. Paul area, including the Space Center Building.

The Capitol Complex area, with the major portion of occupied space, has the highest concentration of large buildings. Major buildings within this area include the Transportation building with approximately 250,000 NSF, the Centennial Building with about 240,000 NSF and the Capitol Square Building with about 175,000 NSF.

Major downtown area buildings include the American Center Buildings with approximately 87,000 NSF of State occupied space, the Metro Square Building with about 107,000 NSF and the Space Center with 126,000 NSF of State occupied space.

EXHIBIT A

TOTAL SPACE INVENTORY

LOCATION	OWNED			LEASED			TOTAL		
	No of Bldgs	Net Square Footage	% of Total	No of Bldgs	Net Square Footage	% of Total	No of Bldgs	Net Square Footage	% of Total
Capitol Complex	18	1,003,502	51.3	3	35,6[illegible]	1.8	21	1,039,175	53.2
St. Paul CBD	-	-	-	12	587,019	30.0	12	587,019	30.0
Remaining Ramsey County	2	132,338	6.7	5	66,459	3.4	7	198,797	10.2
Remaining Metropolitan Area	1	112,439	5.8	3	17,4[illegible]	0.9	4	129,924	6.6
SUBTOTALS	21	1,248,270	63.9	23	[illegible]	36.1	44	1,954,915	100.0

I. Space and Staffing Projections

"Unadjusted" Data Base Projections

Based on the questionnaire and interview process, current staffing levels and spaces occupied were identified for each Executive branch agency included in this study. The majority of all space was toured by the Consultant. Current space deficiencies (as identified by user representatives and space utilization patterns were identified. Exhibit B, columns A B, and C on page 10 identify current staffing levels, space occupancies and current net area factors. Columns D through I reflect the base "unadjusted" staffing and space projections for the years 1985 and 1990.

Adjustments were made for current space deficiencies or excesses prior to projecting these space requirements. It should be noted, however, that the spaces identified in the exhibit do not represent "buildable area," which is the definition of how large a building would have to be to house a given number of employees. Buildable area is approximately 20% larger than the "net area" identified in the exhibit and includes building core elements such as stairways, elevators, and mechanical areas.

Exhibit B, page 10, includes approximately 60,000 NSF of "miscellaneous spaces" at the bottom of Column B. This represents support spaces not assigned to departments, such as conference rooms, cafeterias, and janitor space.

Exhibit C page 11, indicates that the current study population of 10,178 employees is projected to increase to 11,301, a 1.8% annual growth rate, by the year 1985 and to 11,908, a 1.4% annual growth rate, by the year 1990. The unadjusted staffing projections indicate an annual growth rate of 1.1% between the years 1985 and 1990.

The unadjusted data base indicates that total space requirements, if unadjusted, would grow from the current 1,890,000 NSF to 2,140,000 NSF in the year 1985, a 2.1% annual growth rate, and to 2,170,000 NSF, a 1.3% annual growth rate, in the year 1990.

"Adjusted" Data Base Projections

The staffing projections presented in Exhibit B do not incorporate the Personnel Law of 1979 which mandates that the next biennium level of State funded positions be reduced by 4%. Although the budget for the next biennium is yet to be developed, direction provided by the State suggests it is appropriate to utilize current staff levels as a basis for the 4% reduction.

The application of this 4% reduction is illustrated in column C of Exhibit D, page 12. The overall results of the application of the 4% reduction is the loss of approximately 300 positions, reducing the current staff to an adjusted base of 9,878 for analysis purposes. Based on responses to preliminary staffing projections presented in Planning and Decision Session I, it was decided that an appropriate basis for future planning would be to employ staffing projections at annual growth rates of between 1% and 2½%. Exhibit C, page 11, illustrates these current and adjusted staffing levels at 1% and 2½% annual growth rates.

This approach yields staffing projections of approximately 11,000 employees at a 1% annual growth rate through the year 1990 and approximately 13,000 at a 2½% annual growth rate. It should be noted that the 1% projection, 11,021 employees for the year 1990, is less than the actual projection of 11,301 for the year 1985. This actual projection represents a 1.8% growth rate compared to current staffing levels and a 2.3% annual growth rate compared to the current level less the "4% reduction."

Multiplying these 11,000 and 13,000 employment projection figures by the total net area factor of 190 NSF per person, from column F of the unadjusted data base, yields space requirements of 2,090,000 NSF at 1% annual growth and 2,470,000 NSF at 2½% annual growth. Planning and Decision Session participants concurred that these would be appropriate space planning targets.

EXHIBIT B
UNADJUSTED DATA BASE

DEPARTMENT	Ⓐ CURRENT STAFF	Ⓑ CURRENT SPACE	Ⓒ B÷A CURRENT TOTAL (1) NAF	Ⓓ 1985 STAFF	Ⓔ 1985 SPACE	Ⓕ E÷D 1985 NAF	Ⓖ 1990 STAFF	Ⓗ 1990 SPACE	Ⓘ H÷G 1990 NAF
ALL ELECTED OFFICIALS	132	25,263	191	157	30,720	196	163	30,686	188
DOA - TOTAL	1,052	220,807	210	1,066	228,153	214	1,071	229,238	214
AGRICULTURE	208	64,000	308	224	66,560	297	239	68,960	289
ATTORNEY GENERAL	244	51,761	212	300	53,582	179	331	59,007	178
COMMERCE	160	46,566	291	180	35,202	201	207	40,738	197
ALL NON-HEALTH BOARDS	231	44,989	195	249	47,674	191	275	52,702	192
CORRECTIONS	209	25,931	124	200	32,000	160	200	32,000	160
ECONOMIC DEVELOPMENT	50	13,649	273	52	9,360	180	69	11,730	170
ECONOMIC SECURITY	924	134,618	146	935	138,131	148	938	138,518	148
EDUCATION	482	85,219	177	569	94,152	165	588	97,495	166
EDUCATION RELATED	231	41,699	181	246	43,631	177	253	44,824	177
ENERGY	167	22,153	133	240	29,040	121	240	29,040	121
FINANCE	127	16,217	128	141	19,410	138	141	19,410	138
HEALTH	569	113,568	200	584	122,342	209	591	123,532	209
HEALTH BOARDS	44	5,350	122	55	7,150	130	62	8,060	130
HISTORICAL SOCIETY	99	138,990	1,405	114	138,966	1,219	107	138,966	1,299
HOUSING FINANCE	118	15,979	135	125	18,613	149	140	20,683	148
HUMAN RIGHTS	55	13,540	246	73	12,629	173	79	13,509	171
LABOR & INDUSTRY	245	38,114	156	297	46,240	156	314	48,365	154
LAW LIBRARY	9	21,259	2,362	10	21,259	2,126	11	21,259	1,933
MEDIATION SERVICES	25	4,798	192	30	5,340	178	32	5,696	178
NATURAL RESOURCES	517	77,780	150	548	101,765	186	591	108,774	184
OMBUDSMAN FOR CORRECTIONS	10	2,088	209	10	2,090	209	11	2,189	199
PERSONNEL	112	24,415	218	137	26,227	191	144	27,424	190
POLLUTION CONTROL	312	41,551	133	380	54,118	142	395	55,978	142
PUBLIC SAFETY	801	120,212	157	952	141,684	149	1,040	146,724	145
PUBLIC SERVICE	85	31,045	365	96	29,260	305	108	32,340	299
PUBLIC WELFARE	650	76,019	117	735	108,900	148	850	125,000	147
RETIREMENT SYSTEMS	144	24,508	170	157	27,265	174	163	28,253	173
REVENUE	709	122,847	173	798	138,780	174	867	147,760	170
STATE PLANNING	179	28,498	159	225	35,318	157	225	35,318	157
TAX COURT	6	1,819	303	7	1,386	198	7	1,386	198
TRANSPORTATION	1,165	171,922	148	1,278	221,917	174	1,311	224,917	172
VETERANS SERVICES	107	26,024	243	131	29,873	228	145	32,585	225
SUBTOTAL	10,178	1,893,198	186.0	11,301	2,119,737	187.6	11,908	2,203,066	185.5
MISC. SPACES (Support)		61,717	(3.2%)						
TOTAL BUILDING SPACE		1,954,915							

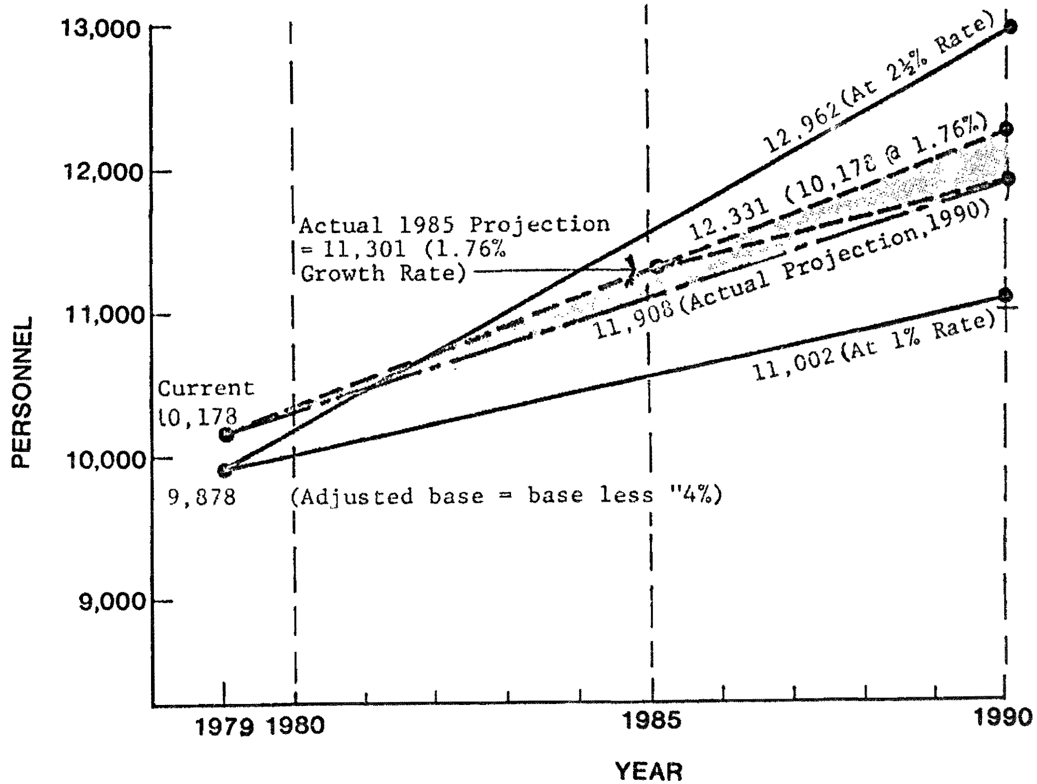
(1) Net area factor

The 1% space was then mathematically distributed to individual agencies and groups of agencies as shown in Exhibit D, Page 12. Column C of this exhibit identifies the number of positions reduced due to the "4% reduction" legislation. Column D, which results from the subtraction of Column C from Column B, represents the adjusted employment base totaling 9,878 employees. Column E, which identifies the unadjusted departmental projections for the year 1990, is presented for reference purposes only.

An agency called Department "X" appears in Exhibit E, page 13, and is identified with 578 employees in approximately 167,000 NSF. This represents a currently non-existent department or departments which may develop in the future. Recognizing the uncertainty of the future, the Consultant reserved 5% of the 11,577 adjusted staff for the year 1990 for allocation to this unknown department(s). The Department "X" space results from subtracting the departmental space total of 2,303,354 NSF from the planning number of 2,470,000 NSF.

EXHIBIT C

PERSONNEL PROJECTION ALTERNATIVES



(1) This graph is described on Page 9.

EXHIBIT D

SPACE REQUIRED AT 1% GROWTH RATE

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
					DEPT. PERSONNEL PROJECTIONS				
DEPARTMENT	CURRENT SPACE	BASE STAFF	4% REDCTION	ADJ BASE (B-C)	199[illegible]	1985	1985 1% (F-C)	TOTAL 1985 NAF	NET SPACE (GxH)
ALL ELECTED OFFICIALS	25,263	132	0	132	163	157	157	196	30,720
DOA - TOTAL	220,807	1,052	38	1,014	1,071	1,066	1,028	214	212,891
AGRICULTURE	64,000	208	8	200	239	224	216	297	65,280
ATTORNEY GENERAL	51,761	244	0	244	331	300	300	179	53,700
COMMERCE	46,566	160	6	154	207	180	174	201	34,974
ALL NON-HEALTH BOARDS	44,989	231	2	229	275	249	247	191	48,195
CORRECTIONS	25,931	209	8	201	200	200	192	160	30,720
ECONOMIC DEVELOPMENT	13,649	50	2	48	69	52	50	180	9,000
ECONOMIC SECURITY	134,618	924	5	919	938	945	930	148	137,640
EDUCATION	85,219	482	15	467	588	569	554	165	91,410
EDUCATION RELATED	41,699	231	3	228	253	246	243	177	43,011
ENERGY	22,153	167	2	165	240	240	238	121	28,798
FINANCE	16,217	127	5	122	141	141	136	138	18,768
HEALTH	113,568	569	8	561	591	584	576	209	120,944
HEALTH BOARDS	5,350	44	0	44	62	55	55	130	7,150
HISTORICAL SOCIETY	138,990	99	4	95	107	114	110	1,219	133,966
HOUSING FINANCE	15,979	118	5	113	140	125	120	149	17,880
HUMAN RIGHTS	13,540	55	2	53	79	73	71	173	12,283
LABOR & INDUSTRY	38,114	245	9	236	314	297	288	156	44,928
LAW LIBRARY	21,259	9	0	9	11	10	10	2,1[illegible]	20,460
MEDIATION SERVICES	4,798	25	0	25	32	30	30	178	5,340
NATURAL RESOURCES	77,780	517	21	496	591	548	527	186	98,022
OMBUDSMAN FOR CORRECTIONS	2,088	10	0	10	11	10	10	209	2,090
PERSONNEL	24,415	112	4	108	144	137	133	191	25,403
POLLUTION CONTROL	41,551	312	6	306	395	380	374	142	53,108
PUBLIC SAFETY	120,212	801	32	769	1,040	952	920	149	137,080
PUBLIC SERVICE	31,045	85	3	82	108	96	93	305	28,365
PUBLIC WELFARE	76,019	650	23	627	850	735	712	155	110,360
RETIREMENT SYSTEMS	24,508	144	4	140	163	157	153	174	26,622
REVENUE	122,847	709	28	681	867	798	770	174	145,640
STATE PLANNING	28,498	179	5	174	225	225	220	157	38,540
TAX COURT	1,819	6	0	6	7	7	7	198	1,386
TRANSPORTATION	171,922	1,165	48	1,117	1,311	1,278	1,230	174	214,020
VETERANS SERVICES	26,024	107	3	104	145	131	128	228	29,184
TOTAL	1,893,198	10,178	299(3)	9,879(3)	11,908	11,301	11,002(2)	190	2,083,838

(1) This chart is explained on the previous page
(2) 1% growth - 11,021 personnel approximated by 11,002 personnel.
(3) The figure of 299 employees was rounded to 300 for planning purposes, the figure of 9,879, an adjusted base, is quoted throughout the report as 9,878 employees.

EXHIBIT E
SPACE REQUIRED AT 2.5%

DEPARTMENT	(A) CURRENT ADJUSTED BASE	(B) ADJUSTED 1990 (6) STAFF	(C) CHANGE (B-A)	(D) PROJECTED (Cx1.7) (5)	(E) 2.5% STAFF (6) (A & D)	(F) PROJ 1990 NAF	(G) SPACE (ExF)	(H) ANN GROWTH RATE
ALL ELECTED OFFICIALS	132	163 (2)	31	9 (1)	167 (2)	148	31,3[illegible]	2.2
DOA - TOTAL	1,014	1,033	19	32	1,046	214	279,238 (9)	.3
AGRICULTURE	203	231	31	53	251	289	73,117	2.2
ATTORNEY GENERAL	244	331	-- (4)	-- (4)	331	--	59,007	2.8
COMMERCE	154	199	42	77	231	191	45,507	3.8
ALL NON-HEALTH BOARDS	229	271	43	73	303	192	60,495	2.5
CORRECTIONS	201	192	--	--	192	--	30,720	.4
ECONOMIC DEVELOPMENT	48	67	19	32	80	170	13,600	4.5
ECONOMIC SECURITY	919	933	14	24	943	148	139,564	.2
EDUCATION	467	573	106	180	647	166	107,402	3.0
EDUCATION RELATED	228	250	12	30 (3)	258 (3)	177	45,666	1.1
ENERGY	163	238	73	124	289	121	34,969	5.2
FINANCE	122	136	--	--	136	--	18,785	1.0
HEALTH	561	583	--	--	583	209	121,847	.4
HEALTH BOARDS	44	62	--	--	62	--	8,060	3.2
HISTORICAL SOCIETY	95	103	--	--	103	--	138,408	1
HOUSING FINANCE	113	135	22	37	150	148	22,200	2.6
HUMAN RIGHTS	53	77	--	--	77	--	13,167	3.5
LABOR & INDUSTRY	236	305	69	117	353	154	54,362	3.7
LAW LIBRARY	9	11	--	--	11	--	21,259	1.8
MEDIATION SERVICES	25	32	7	12	37	178	6,586	3.6
NATURAL RESOURCES	496	570	74	126	622	184	114,448	2.1
OMBUDSMAN FOR CORRECTIONS	10	11	--	--	11	--	2,189	.9
PERSONNEL	108	140	32	54	162	190	30,780	3.8
POLLUTION CONTROL	306	389	--	--	389	142	55,238	2.2
PUBLIC SAFETY	769	978	209	355	1,010	145	146,450	2.5
PUBLIC SERVICE	82	105	23	39	121	299	36,179	3.6
PUBLIC WELFARE	627	827	200	340	967	147	142,149	4.0
RETIREMENT SYSTEMS	140	159	19	32	172	173	29,756	1.9
REVENUE	681	839	158	269	950	170	161,500	3.1
STATE PLANNING	174	220	46	78	252	157	39,564	3.4
TAX COURT	6	7	--	--	7	--	3,016	1.4
TRANSPORTATION	1,117	1,263	145	247	1,365	172	234,780	1.8
VETERANS SERVICES	104	142	--	--	142	225	31,950	2.9
SUBTOTAL	9,878	11,577			12,422	185.4	2,303,354	2.1
DEPT. X	--	--			578	288	166,646	--
TOTAL	9,879	11,577	--	--	13,000	190	2,470,000	2.5

FOOTNOTES

(1) 1.7 applied only to Auditor

(2) Not equal to A & D because the 1.7 was not applied to all component agencies

(3) 1.7 not applied to Community College

(4) Where blanks appear, no adjustments were made due to very large or small unadjusted growth projections (E = B)

(5) 1.7 times C, where data is seen as changing or no change from 1990 projection for stable departmental projections

(6) A & D or adjusted 1990 projection in Column B

(7) With 4% reduction

(8) Unadjusted projection minus "4% reduction".

(9) Actual 1990 projection

J. Additional Space Requirements

Total future space requirements at 1% and 2½% annual growth rates were identified in the previous section as 2,090,000 NSF and 2,470,000 NSF respectively. The additional space required, however, is not only the difference between these space requirements and the current space inventory. Prior to the final definition of future space shortfalls and needs, it was necessary to develop recommendations regarding current leased space.

Lease Evaluations

For planning purposes, some departments were fixed in their current locations and others were consolidated into State owned space in all recommended options. The criteria applied to determine those departments to be consolidated into State owned space were:

- Is consolidation required for functional reasons?
- Does the department or unit occupy less than 5,000 square feet?
- Does the department project growth requiring at least 20% more than their current space?
- Is adjacency preferred with departments currently located in State owned space?

Exhibit F, this page, identifies "priority lease consolidations" totaling 337,487 NSF.

Exhibit G identifies the remaining existing leased space, 371,398 NSF, which is considered "fixed".

EXHIBIT F
PRIORITY LEASE CONSOLODATIONS

	AGENCY/DEPARTMENT LOCATION	SQUARE FOOTAGE LEASED
1	Agriculture - Agriculture Bldg.	64,000
2	Metro State University - Metro Sq	13,639
3	Pollution Control - Buetow	41,551
4	State Auditor - 390 N. Robert	186
5	P.O.S.T.	1,662
6	Water Resources Bd - 555 Wabasha	1,317
7	DOA - Energy Conservation - MEA	1,[illegible]
8	DOA - State Register - Hamm Bldg.	1,200
9	DOA - Bldg. LISAC - Hanover	181
10	DOA - Bldg Code - Metro Square	6,046
11	DOA - Bd. of Electricity - Griggs Midway	2,273
12	MOIS - American Center	2,180
13	Council on Handicapped - Metro Square	1,645
14	Economic Security - American Center	28,288
15	Economic Security - Space Center	13,[illegible]89
16	Education - Hanover	3,[illegible]
17	Education - Rossmor	[illegible]
18	Higher Ed. Facility Authority - Metro Sq	1,210
19	Indian Affairs Intertribal Bd - Griggs Midway	1,043
20	Livestock Sanitary Bd. - Metro Square	4,430
21	Investment Bd - MEA	4,894
22	Law Examrs/Lwyrs Prof. Respn Bd - 200 S. Robert	2,381
23	Personnel Bd. - Space Center	221
24	Municipal Bd - Metro Square	1,[illegible]00
25	Minnesota State Retirement - 521-529 Jackson	5,700
26	Natural Resources - Space Center	35,641
27	Public Safety - American Center	652
28	Public Safety - Hanover	3,514
29	Ombudsman for Corrections - Nalpak	2,088
30	Public Employees Relat. Bd. - Space Center	198
31	Public Welfare - Metro Square	4,943
32	Revenue - Nalpak Building	12,776
33	Revenue - 1266-1276 University	7,956
34	Transportation - Trans. Annex	7,500
35	Transportation (Maint.) - 521-529 Jackson	5,383
36	Tax Court - Space Center	1,819
37	Public Welfare - 690 N. Robert	21,821
38	Attorney General - Space Center	4,707
39	Personnel - Space Center	24,415
	TOTAL AMOUNT OF LEASE SPACE TO BE TERMINATED	337,487

EXHIBIT G
FIXED LEASES

	CURRENT SPACE
State Planning - Metro Square	4,000
DOA (Records Management) - NALPAK	25,987
Attorney General - American Center	11,321
Attorney General - Bremer Arcade	1,050
Attorney General - Metro Square	3,226
Commerce - Metro Square	35,501
Commerce Related Boards - Metro Square	5,286
Crime Control Planning Board - Space Center	10,023
Corrections - Metro Square	25,931
Economic Security - 390 North Robert	94,199
Economic Development - Hanover	13,649
Energy - American Center	22,153
Health - Hennepin Square	2,700
Health - 2829 University	6,534
Housing Finance - NALPAK	15,979
Human Rights - Bremer Arcade	13,540
Labor and Industry - Space Center	38,114
Public Service - American Center	22,284
Public Service - 1015 Currie	8,760
Revenue - NALPAK	11,660
TOTAL LEASE SPACE.	371,398

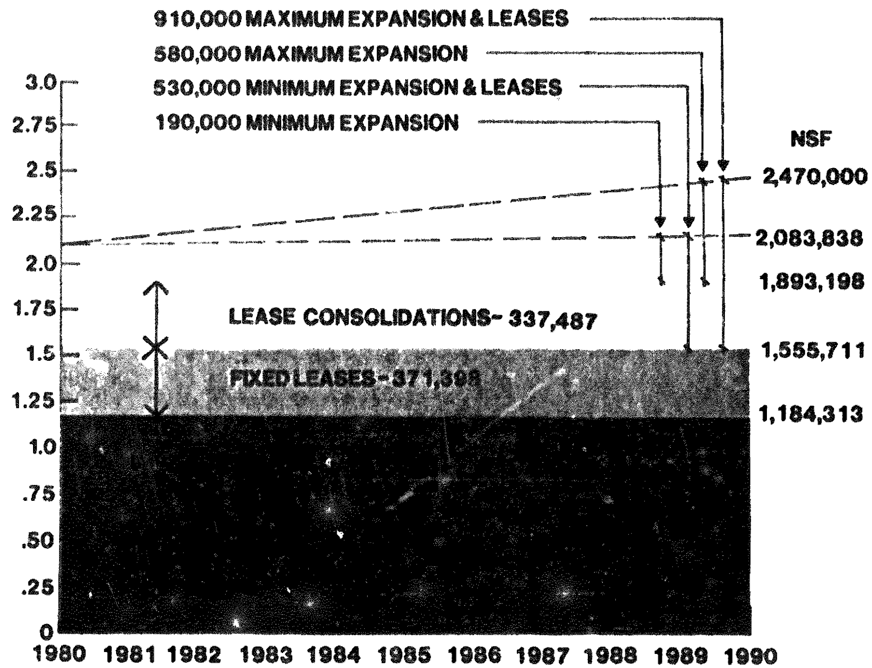
Space Shortfalls

Exhibit H, this page, graphically portrays potential space shortfalls due to departmental expansion. The largest portion of space, shown at the bottom of the graph in dark shading, represents the current inventory of State owned buildings included within this study. Adding in the two categories of leased space previously mentioned yields the current total space inventory of approximately 1,900,000 NSF.

The dotted lines extending from left to right to the year 1990 identify total space requirements of 2,083,838 NSF and 2,470,000 NSF at the 1% and 2½% annual growth rates respectively. The graph indicates that to provide for the minimum 1% growth, approximately 190,000 NSF of additional space would be required without terminating any leases. Approximately 530,000 NSF and 910,000 NSF would be required to support growth at 1% and 2½% respectively and to consolidate all lease space suggested for elimination in Exhibit F.

EXHIBIT H

SPACE SHORTFALLS



EXCLUDES SUPPORT AREAS (CAFETERIAS, ETC. NOT IN DATA BASE

K. Adjacency Analysis

Three criteria were utilized to evaluate departmental proximity requirements: government operation, accessibility and common clientele.

During the questionnaire and interview process, State agencies were asked to identify:

- Those agencies they visit, or are visited by, at least ten times per week;
- Those agencies they prefer to be located within the same building complex or within the same building;
- The degree to which they need to be located within the Capitol Complex; and
- The number of visitors and, if possible, who they are, e.g., general public, farmers, or trade unions.

Exhibit I, page 17, illustrates the degree of interface between the larger agencies. Adjacency linkages are shown as high, medium, and low level degrees of interface. The Treasurer is shown separately from Elected Officials and Information Services is separated from Administration in order to show their individual adjacency relationships.

Exhibit J, page 18, illustrates the degree to which the major adjacencies have need to be located in the Capitol Complex.

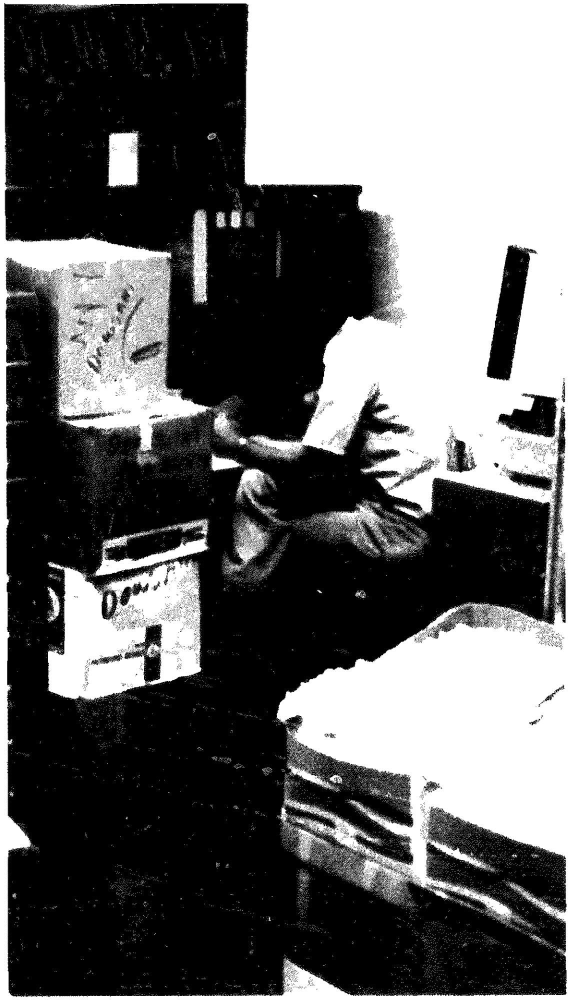
The economic costs of employee transit time which could be saved by relocating agencies to the Capitol Complex from other locations was also evaluated. The frequency of trips between various departments is not nearly as great as generally thought.

Therefore, cost savings actually available as a result of relocating agencies to alternative quarters will not produce sufficient present value life-cycle cost savings to justify the additional costs of remodeling space and relocating a department for that reason alone. Information regarding common clientele indicated that this factor alone would not outweigh cost and adjacency factors.

The primary determinants in finalizing recommended departmental area assignments were:

- agency consolidation to improve overall operational efficiency and,
- the minimization of present value life-cycle costs associated with remodeling.

Present value life-cycle costs are minimized primarily by using cost effective acquisition methods and improving space utilization through remodeling and conversion to full open-planned spaces employing systems furniture and other contemporary concepts.



SEVERE SPACE SHORTAGE

EXHIBIT I

MAJOR ADJACENCY RELATIONSHIPS

INTERACTIONS PER WEEK

HIGH

MEDIUM

LOW

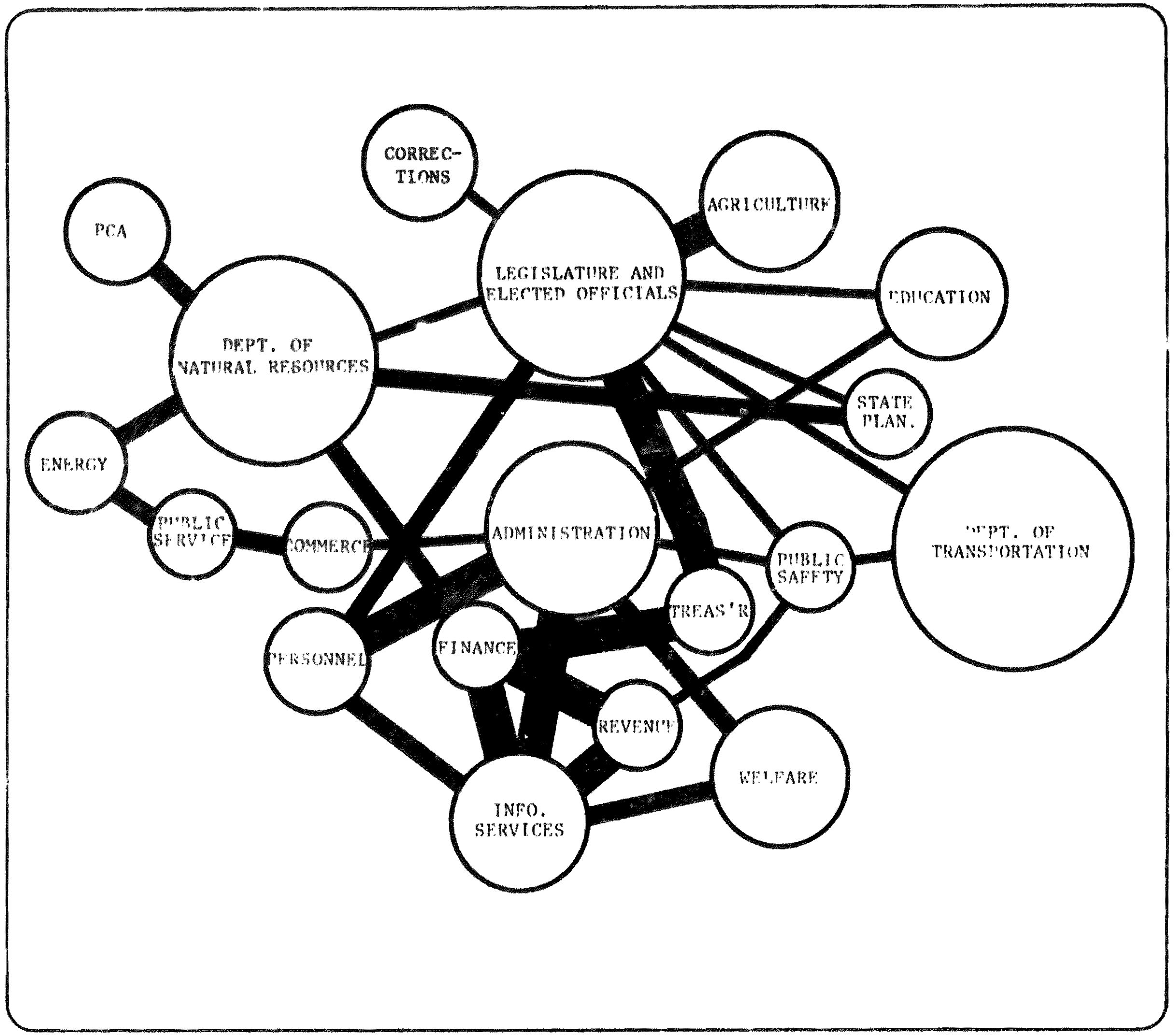
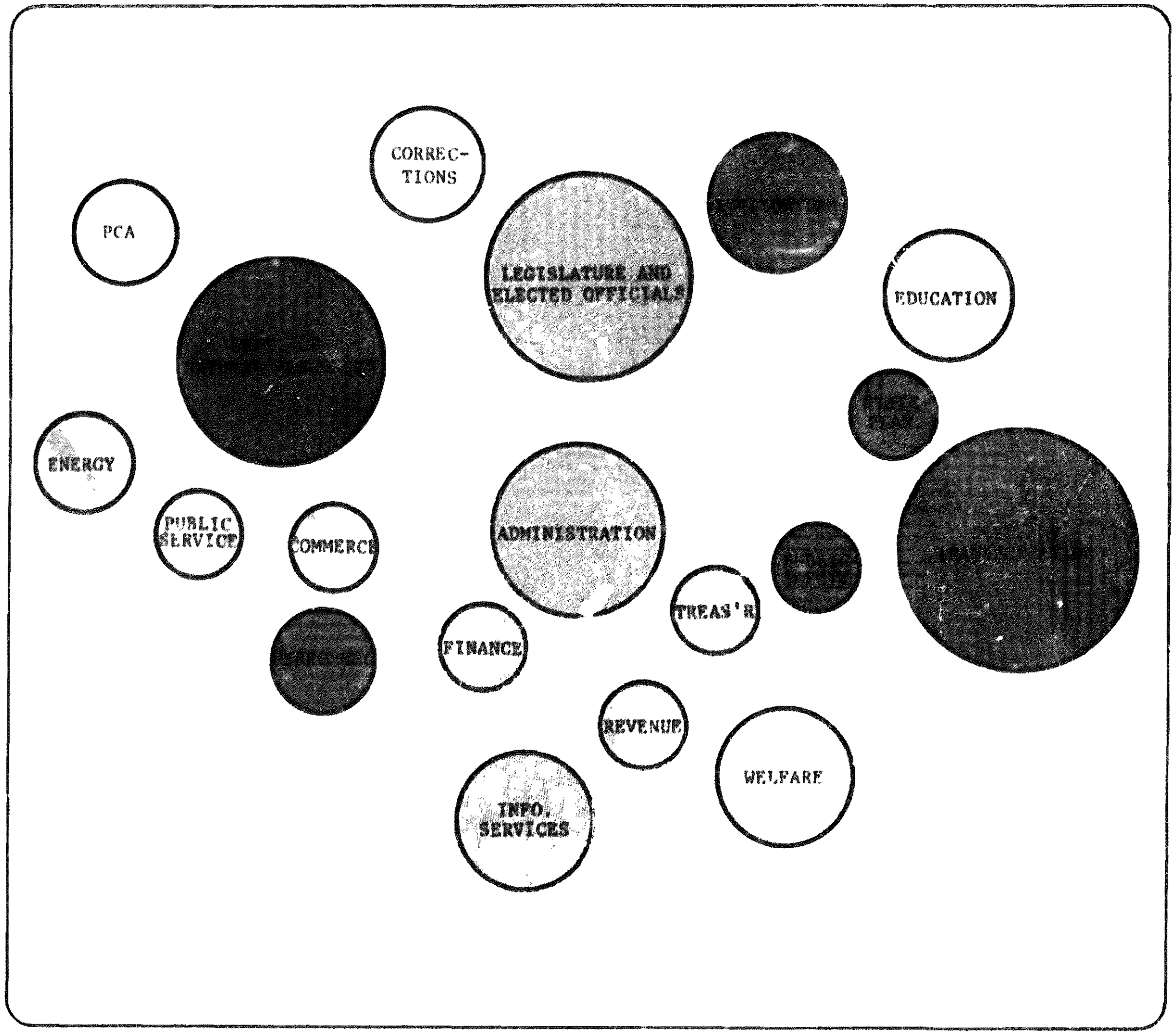


EXHIBIT J

MAJOR ADJACENCY RELATIONSHIPS

CAPITOL COMPLEX LOCATION



GIVEN

PRIORITY LEVEL ONE

PRIORITY LEVEL TWO

PRIORITY LEVEL THREE

L. Alternative Planning Concepts

The analysis of alternative long range planning concepts and the subsequent development of sound facility strategies requires careful attention to three elements:

- First, the proper amount of space must always be provided and overall space utilization should be maximized. The projected space requirement assumes efficient space utilization but not a utilization level so high that it would require costly investments in furniture systems.
- Second, the location of any new facility, be it leased or owned, must be considered.
- Third, the selected strategy should be built upon a variety of elements that, when compared to other options, are as economically feasible as possible.

Alternative Locations

From an analysis of statistical data developed by James B. McComb & Associates, it was found that the center of housing, the "Centroid", of all State employees responding to the survey is 5 to 7 miles northwest of the Capitol Complex. Average actual driving distances for a one-way commute are 10 to 12 miles.

Calculation of Employee Travel Costs

For each mile that an employee must drive from residence to work place, the employee will incur transportation costs of $28.60 to $40.00 annually.

Based solely on employee transit considerations, preference should be given to locating a new facility between 2½ and 5 miles to the northwest of the Capitol Complex. This would minimize driving distances for those employees who might be assigned to the new facility.

A number of sites are available for purchase at $2 to $5 per square foot. This study makes no attempt to analyze or recommend the purchase of any particular site. It is sufficient to note that large land parcels are available in acceptable geographical areas and at suitable prices to support development of a large complex in what will be termed a "suburban" location.

Economic Evaluation of Acquisition Methods

Preliminary present value life-cycle cost data was prepared to compare the relative economic advantages or disadvantages of alternative space acquisition methods.

The development options include typical leasing alternatives, purchase and renovation of existing facilities, procurement and extensive renovation of existing school facilities which may be available, and development of a facility designed to State specifications and occupied on a sale/lease back arrangement.

Ten different space acquisition alternatives were evaluated. These included three lease options, three options involving the purchase and renovation of existing space, three construction options at different sites and the renovation of the State owned Mechanic Arts High School.

The lease options evaluated were:

- New Lease Space - Although the State would not lease first quality "image" space due to its high cost, the new Town Square project being developed by Oxford Properties, Inc. was analyzed as an example of the new space available in the "close-in" downtown area. This project was utilized because there is little new space currently available downtown. Due to high occupancy rates the State could not lease large quantities of space in existing old and inexpensive buildings.
- Lease and Renovation of Existing Space - A downtown building of approximately 300,000 NSF was available.

- Lease of a School - Sheridan Junior High School in Minneapolis, a facility which could provide approximately 100,000 NSF, served as an example.

The purchase and renovate options evaluated were:

- Purchase of the 300,000 NSF downtown building - The available building analyzed above as a lease option was also evaluated for purchase.

- Purchase of Sheridan Junior High School - As above, this site was evaluated for both lease and purchase potential.

- Purchase of South St. Paul Junior High School - This school could provide approximately 120,000 NSF.

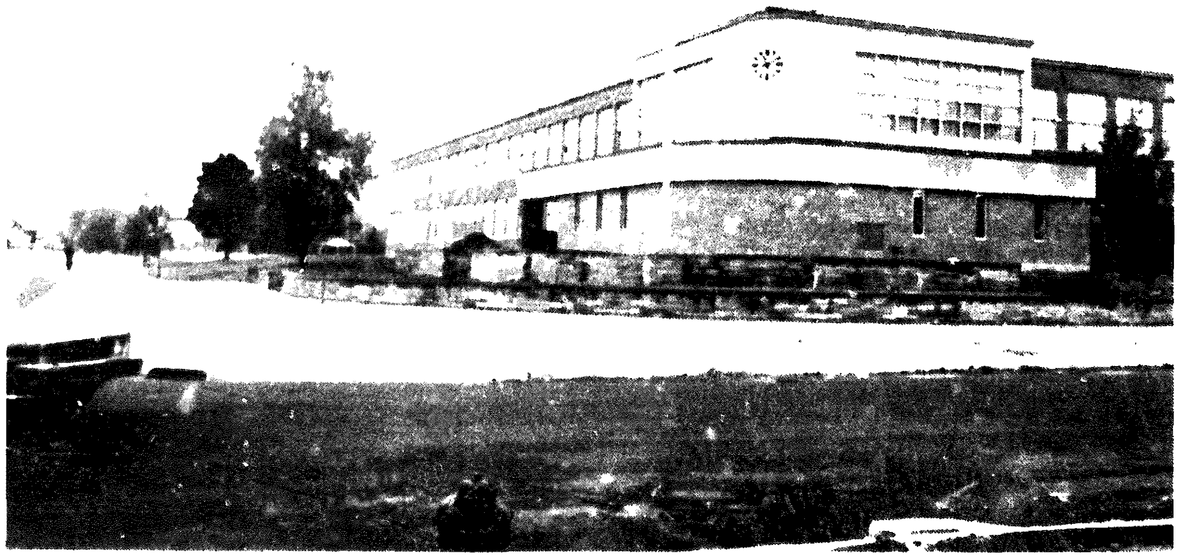
The construction options evaluated were:

- A Suburban Site - A site within five miles of the Capitol Complex, approximately 17 acres in size, and capable of supporting a three level 300,000 NSF building.

- The Centennial East Site - A prototypical 300,000 NSF building on the 2.5 acre State owned land parcel directly east of the existing Centennial Building. This site is capable of supporting an even larger building as described in the phased Master plan recommendations.

- A High Access Site - A prototypical 300,000 NSF building to be located near a major roadway, possibly near Interstate 94, between the Capitol Complex and the St. Paul central business district.

The State owned Mechanic Arts High School could provide approximately 80,000 NSF of usable office space without substantial renovation or structural change.



SOUTH ST. PAUL JUNIOR HIGH SCHOOL

Because many of the acquisition alternatives contain different amounts of office space, it was necessary to compare them on a common basis. The evaluation of each was reduced to identifying the present value life-cycle cost per NSF. This approach identified the amount of money in 1979 dollars which would be required to support occupancy throughout a thirty year time frame.

Exhibit K identifies the comparative costs of the ten prototypical acquisition alternatives both on a per square foot and per employee basis. Conversion to a "per employee" basis assumes that each person will require an average of 190 NSF, including support spaces such as reception and conference rooms. This Exhibit indicates that the four most beneficial alternatives, strictly from an economic basis, are the following:

- Purchase and renovation of an existing downtown building;
- Lease and renovation of an existing downtown building;
- Construction of a new facility at a suburban site; and
- Construction of a new facility at the "Centennial East" site.

It should be noted, however, that leasing alternatives below the "break-even" limit of $7 per NSF per year are economical and should always be strongly considered before beginning an analysis of whether ownership is more preferential. Given that "economical" leases for recycled or less than high quality space is a constant recommendation that should always be explored, the analysis of the relative cost advantages of leasing versus new construction limits the "leasing" analysis to new space in relatively high quality facilities that would have a rental rate somewhere in excess of $11 per rentable square foot per year.

Exhibit K identifies both fixed and variable components of occupancy costs. Variable costs are those operating costs which can change over time based on such factors as occupancy levels, energy utilization and labor costs. Fixed costs are capital acquisition and construction costs which are typically amortized over time and do not change.

The lowest variable cost would be displayed by the existing downtown building. New construction would display higher variable costs, but lower than new lease space. The utilization of renovated school space is penalized by very high variable costs, primarily due to the inherent inefficiency of the space.

EXHIBIT K
COMPARATIVE COSTS OF ACQUISITIONS

NO	ACQUISITION ALTERNATIVES	LIFE-CYCLE COSTS				RATIO (2)
		COST PER NET SQUARE FOOT			COST PER PERSON (1)	
		FIXED	VARIABLE	TOTAL		
1	LEASE EXISTING BUILDING AND RENOVATE	$ 67.55	$ 104.35	$ [illegible]	$ [illegible]	[illegible]
2	PURCHASE AND RENOVATION	28.45	104.35	132.80	25,232	[illegible]
3	RENOVATE MECHANICS ARTS SCHOOL	61.31	156.53	[illegible]	[illegible]	[illegible]
4	PURCHASE SHERIDAN JUNIOR HIGH SCHOOL	44.55	166.97	[illegible]	[illegible]	[illegible]
5	LEASE SHERIDAN JUNIOR HIGH SCHOOL	66.26	[illegible]	[illegible]	[illegible]	[illegible]
6	NEW LEASE SPACE	85.11	[illegible]	[illegible]	[illegible]	[illegible]
7	CONSTRUCT NEW FACILITY - I (Cent East)	72.50	[illegible]	[illegible]	[illegible]	[illegible]
8	CONSTRUCT NEW FACILITY - II (Suburban)	61.92	[illegible]	[illegible]	[illegible]	[illegible]
9	CONSTRUCT NEW FACILITY - III (High [illegible])	82.29	[illegible]	[illegible]	[illegible]	[illegible]
10	PURCHASE SOUTH ST. PAUL HIGH SCHOOL	51.06	[illegible]	213.39	[illegible]	[illegible]

(1) Assuming a net area factor of 190 square feet per person
(2) Cost per person for alternative as compared to alternative at 1.00

Geographic Area Analysis

The present value, life-cycle cost of leasing, building and buying space in each of seven geographic areas was identified for those areas where each acquisition mode is appropriate. Exhibit L identifies those costs on a per employee basis assuming 190 NSF per person.

The primary preferences are shown to be purchase and renovation in both downtown St. Paul and the balance of St. Paul and the construction of new space anywhere in Ramsey County except downtown St. Paul. The range of comparable per employee costs is $24,000 to $37,000 for these solutions. Building in Minneapolis could result in a life-cycle cost almost twice as much as purchasing and renovating a suitable existing building in St. Paul.

It should be noted that numerical values may differ between Exhibits K and L because Exhibit L results from a less detailed but geographically more extensive approach than that utilized for Exhibit K. The numbers in Exhibit L are those from Planning and Decision Session II. The dark circles denote solutions which are either not available or do not meet development criteria.

Exhibit L includes allowances for employee commuting costs, the development of the shuttle bus system, interface costs and parking costs that would be the responsibility of either the State or the employee. The shaded boxes indicate those space acquisition strategies and locations appropriate for further analysis in this report.

Overwhelming preference is given to the opportunity to purchase and renovate an appropriately sized and located facility. Secondary consideration must be given to construction of a State owned facility in either the Capitol Complex area or the

EXHIBIT L
LOCATIONAL PRESENT VALUE-LIFE CYCLE COSTS

SPACE ACQUISITION STRATEGY	CAPITOL COMPLEX	DOWNTOWN ST. PAUL	BALANCE OF ST. PAUL	BALANCE RAMSEY CO	MINNEAPOLIS	INNER RING	OUTER RING SUBURBS
NEW CONSTRUCTION FOR STATE OWNERSHIP	① $37,000	③ $44,000	① $35,000	① $34,000	③ $47,000	② $39,000	② $40,000
LEASE EXISTING MULTI-TENANCY SPACE	●	③ $45,000	② $40,000	② $38,000	③ $48,000	●	●
PURCHASE AND RENOVATE AS EXISTING FACILITY	●	① $26,000	① $24,000	●	●	●	●

① primary solution ② secondary solution ③ undesirable solution balance of the City of St. Paul. Also considered would be Ramsey County. However, movement to the inner ring suburbs or the outer ring suburbs begins to significantly increase employee driving time and penalize operating efficiency through the increased allocation of space and an increase in the cost of the shuttle bus system.

Undesirable alternatives would be to construct a new facility in the much more costly and urbanized Minneapolis area or to build within the immediate downtown St. Paul area. Leasing first class space would be more costly, but any opportunity to lease suitable space at less than the $7.00 "break-even" cost should be taken advantage of immediately.

Qualitative Compatibility

Although cost considerations should significantly affect the State's decisions regarding long term facility plans, there are a number of less quantitative and more subjective factors to be incorporated.

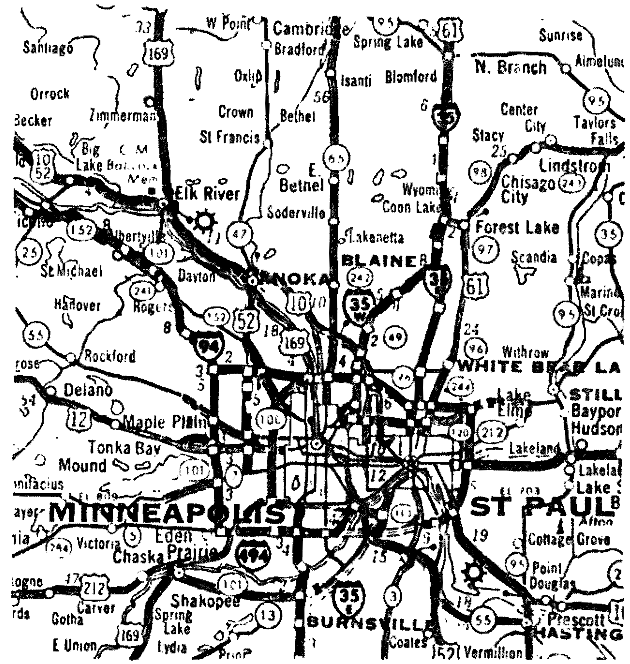
A number of alternative macro-models were developed, each expressing a particular philosophy relative to the location of space and its acquisition method. The seven macro-models included, as their primary object:

- Energy conservation;
- Business vitality in the downtown area;
- Minimum actual or initial costs;
- Government operational efficiency;
- Flexibility;
- Accessibility; and
- Life-cycle cost.

A weighted comparative evaluation of the application of these models to the three acquisition modes in each of seven general locations was then completed. The build mode of space acquisition was found to have the greatest number of positive characteristics. This strategy outweighs the purchase/renovate alternative and a lease alternative by a three to one margin. It should again be noted, however, that $7 per rentable NSF space should always be utilized if it is well located from a functional standpoint.

From a locational perspective, the Capitol Complex is much preferable to the balance of the metropolitan area and satisfies proximity requirements better than a downtown location.

Combining the acquisition modes and the locational characteristics indicated that construction in the State Capitol area satisfies the majority of the macro-models to the greatest degree. Construction in the balance of the City of St. Paul is equivalent to a suburban site. New construction in downtown St. Paul and a purchase alternative in the balance of St. Paul were very close in overall score. Leasing new space in downtown St. Paul and purchasing an existing building in downtown St. Paul did not exhibit strong positive characteristics.



FACILITY LOCATION AFFECTS COST

A comparison of the points awarded to each option on the following chart indicates 337 points are achieved by Option #5, 331 points by Option #1, 305 points by Option #4, 291 points by Option #2 and 260 points by Option #3.

The ranking of the preference for the options is in direct relationship to the points assigned. A ranking priority of Option #5, #1, #4, #2, and #3 results. It is of significance to note that the ranking based on points applied to qualitative and quantitative criteria produced nearly the same ranking of the five options as that found by utilizing only real present value life-cycle cost data. Options #1 and #5 are clearly preferable to all others and are nearly identical in the scores while the remaining three options are consistently distant in an order of preference of #4, #2, and #3.

Composite Ranking and Recommendations

Based on the above comparisons, and recognizing that Options #1, #4, and #5 include at least one significant facility located in or very close to the CBD, these three options were selected by the State for further development in more detailed Master Plan implementation recommendations discussed in Section III beginning on page 31.

ALTERNATIVE FACILITY - MASTER PLAN EVALUATION CRITERIA

NO.	CRITERIA	WGT.	OPTIONS 1 SC.	1 PTS.	2 SC.	2 PTS.	3 SC.	3 PTS.	4 SC.	4 PTS.	5 SC.	5 PTS.
	QUANTIFIABLE PARAMETERS (Worth 70%)											
1	Present-value life-cycle costs	10	5	50	3	30	2	20	1	10	4	40
2	Total capital costs (1979 to 1990)	4	5	20	2	8	2	8	3	12	4	16
3	Initial capital cost (1979-1983)	8	5	40	3	24	2	16	1	8	4	32
4	Proximity to Public Transit/Pot'l People Mover.	8	5	40	3	24	2	16	1	8	4	32
5	Number of phases or steps of development avail.	5	5	25	4	20	4	20	3	15	5	25
6	Min. initial addt'l space to add to inventory	3	5	15	4	12	3	9	5	15	2	6
7	Energy conservation characteristics	10	3	30	5	50	4	40	3	30	2	20
8	Flexibility options (level of development)	4	3	12	5	20	5	20	5	20	4	16
9	Prox. to housing and transportation patterns	6	5	30	4	24	4	24	2	12	3	18
10	Space utilization efficiency	5	2	10	5	25	4	20	3	15	1	5
11	Parking costs to be absorbed by employees	3	3	9	5	15	4	12	2	6	1	3
12	Economic impact on downtown	8	3	24	1	8	0	0	5	40	4	32
13	Economic impact on City of St. Paul	10	3	30	3	30	3	30	5	50	5	50
14	Economic impact on Ramsey County	4	2	8	4	16	4	16	5	20	2	8
	A) SUB-TOTAL		343		306		251		261		303	
	QUALITATIVE PARAMETERS (Worth 30%)											
15	Corrects current space-related deficiencies	7	5	35	5	35	5	35	5	35	5	35
16	Supports service levels	8	3	24	2	16	2	16	4	32	5	40
17	Supports adjacency criteria of State Govt.	10	1	10	2	20	3	30	5	50	4	40
18	Community acceptance potential	5	4	20	3	15	3	15	3	15	5	25
19	Consolidates Agencies	10	4	40	5	50	4	40	5	50	5	50
20	Conform. to gen'l or existing plans by others	3	0	0	4	12	4	12	5	15	3	9
21	Accommodates centralization to degree necessary and promotes efficient Govt. operations	10	1	10	2	20	3	30	5	50	4	40
22	Maximizes utilization of existing buildings	7	5	35	5	35	3	35	5	35	3	21
23	Terminates expensive leases	5	5	25	5	25	5	25	5	25	5	25
24	Recycles existing structures	7	5	35	0	0	0	0	0	0	5	35
25	Environmental sensitivity	4	3	12	1	4	1	4	2	8	4	16
26	Proximity to major street arteries	6	3	18	2	12	2	12	5	30	4	24
27	Proximity to food and shopping services	4	3	12	1	4	2	8	4	16	5	20
28	Access. by gen'l public, visitors & clients	9	3	27	1	9	2	18	5	45	4	36
	B) SUB-TOTAL		303		257		280		406		416	
	WEIGHTED TOTAL = (.7 x A) + (.3 x.B)		331		291		260		305		337	
	RATIO		98%		86%		77%		91%		100%	
	RANK		2		4		5		3		1	

II. ECONOMIC IMPACT EVALUATION

A. Introduction

The State accounted for approximately one-third of the total downtown area leased office space absorption between 1974 and 1978. The primary emphasis of this portion of the study is to assess the impact of the State's current and future downtown area presence and the potential economic effects of the three Master Plan options recommended.

B. Magnitude of the State's Presence in the Downtown St. Paul Area

Excluding the new Agriculture Building, Capitol Square and Space Center, the State's current total central business district employment is approximately 3,000 or only approximately 5% of the central business district total of 65,000 employees.

Excluding the Capitol Complex which contains 1.3 million square feet, the total remaining available downtown area office space is approximately 6.8 million square feet. The State occupies approximately 11% of this total.

Based on Coldwell Banker's calculation of 2.4 million square feet of "tenant occupied" space available in the central business district, the State occupies approximately 365,000 square feet after excluding the Agriculture Building and Space Center. This totals only about 15.2% of available rental space.

Thus, while the State's presence in the total leasing market is significant, it is not nearly as large as commonly believed.

C. Evaluation Factors and Assumptions

An evaluation of the economic impacts of State employee presence should consider a number of factors in light of the recommended facility options. It should be noted that this evaluation is not intended to define specific dollar values which would be gained or lost, but rather the magnitudes of economic impact which would be associated with alternative State actions.

Because the following evaluation is necessarily based on a number of assumptions, the specific dollar amounts associated with each alternative are less relevant than the magnitude of the differences between each of the alternatives and the relative importance associated with the potential recipients (i.e., retailers, landlords, and the city tax coffers).

D. Impacts of Factors and Assumptions

With respect to the three facility options, the primary factors have the following impacts:

1. Retail Spending Patterns

A 1979 survey of State employees conducted by James B. McComb & Associates provided data which led to the identification of the following monthly downtown spending patterns by the average State employee based on his or her work location:

TYPE OF MONTHLY EXPENDITURE	LOCATION	
	DOWN TOWN	CAPITOL COMPLEX
Parking	$31	$ -
Lunch	21	15
Shopping & Entertainment	16	8
TOTAL	$68	$23

A statistically significant sample size was not available for the Space Center but, based on Capitol Complex data and its physical and transit relationships to the central business district, it is assumed that the average Space Center occupant currently spends approximately one-half, or $12, in the central business district as does the typical Capitol Complex employee.

Monthly expenditures by occupants of the new Agriculture Building are assumed to be $12. The "High Access" site included in Option IV is assumed to display the same spending patterns as the Capitol Complex.

Exhibit M illustrates where the future building occupants currently are housed. From the perspective of the central business district, all employees except those listed in Columns B and C (i.e., from the Space Center and Agriculture Building or leased CBD space) can be considered "new" employees because their presence does not currently impact the central business district. The additional employees not accounted for in Exhibit M relocate into existing Capitol Complex buildings in all options.

Based on the above data, noting that Options I and V call for a downtown renovation without State provided parking and the continuation of payments to private or city lots, monthly loss of consumer spending can be associated with current employee locations. Each new employee or employee relocating would have the following monthly economic impact on the CBD:

- Addition of a new employee or relocation from a "suburban" site to the central business district........... + $68
- Addition of a current Space Center or Agriculture Building employee to the central business district........... + $56
- Movement of an employee currently in downtown leased space to the Capitol Complex or the "High Access" or "Centennial East" sites..... - $45
- Addition of a new employee to the Capitol Complex or relocation to there from the suburbs.................... + $23
- Relocation from the Space Center or Agriculture Building to the "Centennial East" or "High Access" sites...... + $11
- To downtown renovation from downtown lease space... No Change

Additional retail spending of approximately $29,300/month might be expected near the suburban site in Option One. This represents an average expenditure of $23/month for each of 1,273 staff personnel.

Should the "High Access" site be located in the CBD rather than closer to the Capitol Complex, 1,956 total employees would spend an additional $14/month on retail sales for a total of $27,384. This yields a total monthly expenditure differential, actually an increase, of $88,074 for Option IV.

EXHIBIT M

STAFF RELOCATIONS TO NEW BUILDINGS AT 1% ANNUAL GROWTH RATE

PERSONNEL RELOCATING TO A BUILDING LOCATED IN		PERSONNEL RELOCATING FROM AREAS				
BUILDING	TOTAL STAFF	A CAPITOL COMPLEX	[illegible]	[illegible]	[illegible]	[illegible]
OPTION I						
Downtown Renovation	1,773	[illegible]	369	35	312	156
Suburban	1,273	1,2?6	-	12	-	6
TOTAL OPTION I	3,046	2,075	369	67	31?	22?
OPTION IV						
High Access	1,956	929	663	37	312	2?5
Centennial East	1,274	921	115	[illegible]	24	153
TOTAL OPTION IV	3,230	1,85?	578		336	368
OPTION V						
Downtown Renovation	1,773	901	369	35	31?	156
Centennial East	1,446	9??	209	63	24	212
TOTAL OPTION V	3,21?	1,8?7	578	98	336	368

2. Rental Income Loss to Building Owners

The projection of future office space absorption rates, overall occupancy rates and rapidity of re-leasing space the State might vacate is complicated because history does not provide an adequate baseline for future absorption patterns. This is primarily due to the minimum amount of available new space during the 1970's as compared to the significant amount of new space currently under construction or in the planning stage.

Whereas the 7th Place/Galleria/Town Square Complex, new housing expansion and the Lowertown development project will no doubt instill new life to the downtown area, projection of future absorption rates is largely a matter of conjecture. This is because it is difficult to identify the magnetic power of these developments to draw potential tenants from both existing downtown buildings and from the suburban or downtown Minneapolis areas.

Effect of Downtown People Mover: At this time it would be unwise to plan for the future existence of a Downtown People Mover because of the uncertainty of the project funding.

In the "Downtown Development Plan," Hammer, Siler, George and Associates project significant economic benefits would result from the institution of the Downtown People Mover. It should be noted, however, that the report indicates that the presence of the Downtown People Mover could facilitate the economic growth of the downtown area but its absence would not necessarily suggest that significant commercial expansion would not occur.

Numerous forces which will affect the marketplace complicate identification of the absorption of what will primarily be new Class A office space. Existing space is effectively 100% occupied and will therefore have minimal impact on absorption needs. The potential re-absorption of State vacated space is, however, not directly related to absorption rates of new space. This is due to the fact that the State primarily occupies Class C space which would not be in direct competition with new space.

In the absence of any dependable Class C office absorption predictors within the future "new" St. Paul environment, the magnitude of rental loss due to State vacated space may be approximated by taking into consideration the following factors: Absorption sluggishness is anticipated for two to three years. It may result in a 50% to 60% occupancy followed by a long-term occupancy rate of 75%. Suburban or "other Ramsey County" space is assumed to be less adversely affected by new downtown construction. The specific building to be vacated is within an area of increasing rental rates. A long-term occupancy rate of 85% is used for this analysis

EXHIBIT N

POTENTIAL RENTAL INCOME LOSS

SPACE VACATED IN NSF AND LEASE INCOME LOSS AT $7/NSF	IMPACT ON LOCATION			
	CENTRAL BUSINESS DISTRICT	① OTHER ST PAUL LOCATIONS	② OTHER RAMSEY COUNTY	TOTAL AREA
Space Vacated	61,000	189,000	44,000	294,000
40% Space for 2 Years	24,400	75,600	17,600	117,600
Annual Income Loss	$170,800	$529,200	$123,200	$823,200
Long-term Vacancy Rate	25%	25%	15%	23.5%
Long-term Vacancy	15,250	47,250	6,600	69,100
Annual Long-term Income Loss ..	$106,750	$330,750	$ 46,200	$483,700

① Capitol Complex area, Space Center, Agriculture, Griggs-Midway

② Buetow Building - losses are less likely than those in St. Paul.

and an average lease rate of $7 is projected. These assumptions would yield the rental losses identified in the chart below.

3. Taxes

Those taxes which must be taken into consideration in this economic analysis are as follows:

Utility Franchise Fee: Also known as the Utility Companies Gross Earnings Tax, this fee is levied by certain localities as a percentage of gross revenues. For example, St. Paul - 8.67%, Minneapolis - 3%, South St.

Paul - 5% and White Bear Lake - 1.5%. Unlike sales taxes, the State is not exempted and pays these fees either directly for owned space or indirectly through leases.

At an annual utility expense of $1.25 per rentable SF, each SF the State occupies is worth 10.8¢ to the City of St. Paul, irrespective of whether the space is leased or owned by the State.

The net effect of vacating lease space is approximately a 20% reduction from current levels.

Where new space is included in the calculation, a long term franchise fee net gain would result as follows:

Option	Income Increase for Add'l Space @ 10.8¢	Income Loss for 20% Vacated Space @ 10.8¢	Annual Gain
I	$31,752	$5,400	$26,352
IV	55,296	5,400	49,896
V	55,296	5,400	49,896

Property Taxes: Property tax revenues would decrease as a result of the State adopting either Option I or IV, which call for the purchase and renovation of a downtown building. Upon purchase, this building would be removed from the property tax rolls.

A second potentially direct impact on property tax revenues is the possibility that property assessments and taxes might actually decrease if the State vacated space remained unoccupied for an extended period of time.

As indicated in the discussion of potential losses of rental income, the State would not, under any of the options, vacate more than 12% of the total space available in a CBD building. Based on the October 1979 occupancy survey, if the State-vacated space in the Metro Square and American Center were not re-leased, the occupancies in those buildings would still be over 80%. Even those minimum occupancy levels would certainly not justify property assessment reductions and, therefore, there would be no reduction in property tax collections.

In summary, should the State decide to proceed with a downtown renovation, the City's share of property tax losses would be approximately $28,000 annually. The County's share would be $25,600.

In addition, the City and County might suffer a temporary loss of property tax revenues because of vacancies. Total maximum annual losses to the City might approach $40,000 and losses to the County would be equivalent in amount.

E. Summary of Economic Impacts

Exhibit O, page 29, identifies the annual economic impacts on the CBD, the City of St. Paul and Ramsey County for the three recommended options. Potential employee transit, parking and housing related changes are not included because of their extremely small or indeterminate nature. The Exhibit shows an annual estimated reduction in landlord income within the central business district of $106,f)0 under all three options. Sales revenues will show increases in all cases, ranging from $728,300 under Option IV, the "High Access/Centennial East" alternative, to $1,682,100 under Option V, the "downtown renovation/Centennial East" alternative.

The Exhibit indicates that the estimated effect on countywide business profits, not revenues, from food service, retail sales, parking and landlord income is a net increase at today's levels under all options. These profit increases range from $25,700 for Option IV to $126,700 for Option I annually.

With respect to taxes, the only option which results in a tax loss to St. Paul is Option I which calls for a suburban located site and downtown renovation. The loss is, however, insignificant in relationship to total tax revenues and State differential costs. Options IV and V would yield net annual tax gains to St. Paul of $28,900 and $900 respectively. On a combined city/county basis, Option IV shows a $4,900 annual gain in taxes, Option V shows a $48,700 loss and Option I shows an $89,200 loss. The substantial loss associated with Option I is due to the removal of both a downtown building and suburban land from property tax rolls.

In conclusion, it appears that the potential economic impacts of State actions are less than generally believed when placed in a total city/county/downtown economic perspective The three options recommended herein will increase private business revenues in all cases and result in an appreciable City and County tax loss in only one case.

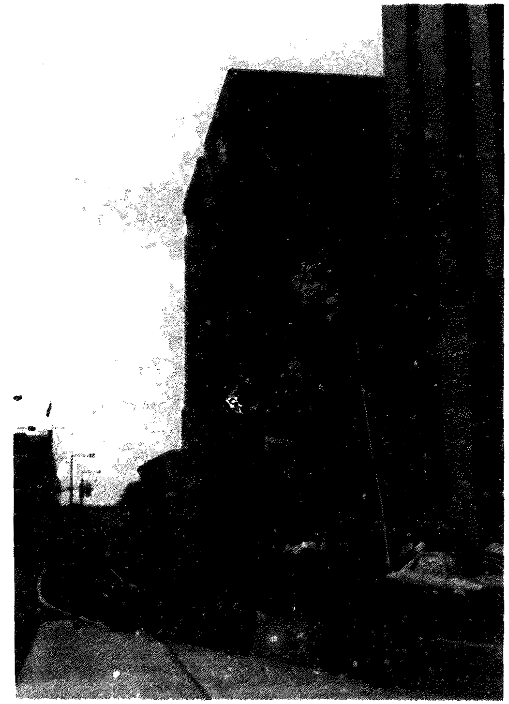
F. Impact of Potential Actions on Other Geographic Areas

It is possible to generalize as to the economic impacts of alternative State actions on other geographic areas.

The addition of approximately one half million square feet within Minneapolis would result in annual Utility Franchise Fees of roughly $19,000. If these employees were located within the central business district, their monthly expenditures would most likely be higher than those of State employees currently in downtown St. Paul due to higher parking rates and a larger commercial area. At $75/month/employee, 3,000 people would generate a $2,700,000 annual expenditure.

If space were leased at roughly $12/SF, if available, annual landlord income would be $6,000,000. If 500,000 NSF were purchased by the State and removed from the tax rolls, the annual tax loss to the City of Minneapolis and Hennepin County would be approximately $250,000 each. If the State were to build in downtown Minneapolis, the City and County would lose taxes currently collected on vacant or underutilized land. This loss could be $10,000 to $20,000 annually for each jurisdiction. Although difficult to quantify, residence patterns would shift from the St. Paul area to Minneapolis and Hennepin County with associated increases in property taxes and other expenditures.

If the State were to locate in suburban Hennepin County, Minneapolis would not gain Utility Franchise Fees or property taxes. The city would also not suffer tax losses due to removal of properties from the tax rolls. Total property taxes paid indirectly by the State through leased space would be lower in suburban areas than in either downtown St. Paul or Minneapolis by an estimated 30 - 40%. A suburban Minneapolis location, if close to the downtown area, would generate approximately $690,000 annually for lunchtime spending in the downtown area and at suburban shopping centers.



STATE ACTIONS WOULD RESULT IN A NET GAIN TO CBD BUSINESS

EXHIBIT O

ANNUAL ECONOMIC IMPACTS ON CBD,ST. PAUL AND RAMSEY COUNTY OF ALTERNATIVE STATE ACTIONS

ANNUAL ECONOMIC IMPACT, POSITIVE AND (NEGATIVE) OF DIFFERENT LOCATIONAL STRATEGIES	DATA FOUND ON EXHIBIT	MASTER PLAN OPTION		
		OPTION I RENOVATE/ SUBURB	OPTION IV HIGH ACCESS/ CENTENNIAL	OPTION V RENOVATE/ CENTENNIAL
CENTRAL BUSINESS DISTRICT				
1) Changed Sales Revenue (Lunch, Parking, Retail)............	X.2	$1,339,000	$ 728,300[1]	$1,682,100
2) Reduced Annual CBD Landlord Income.(3).....................	X.3	(106,800)	(106,800)	(106,800)
3) Subtotal: Additional Gross Income to CBD Businessmen		1,232,200	621,500	1,575,300
ST. PAUL IMPACTS				
4) Additional Annual Reduced Landlord Income	X.3	(330,800)	(330,800)	(330,800)
5) Subtotal: Reduced CBD/St. Paul Landlord Income (2+4).....	X.3	(437,600)	(437,600)	(437,600)
6) Subtotal: Gain to CBD/St. Paul Businessmen (3+4)		901,400	290,700	1,244,500
7) Property Tax Loss Due to Removal from Tax Rolls -		(28,000)	-	(28,000)
8) Property Tax Reductions		(21,000)	(21,000)	(21,000)
9) Utility Franchise Fees Charge	X.4	26,400	49,900	49,900
10) Subtotal: Net City Tax Charge (7+8+9)		(22,600)	28,900	900
RAMSEY COUNTY IMPACTS				
11) Additional Reduced Landlord Income........................	X.3	(46,200)	(46,200)	(46,200)
12) Subtotal: Reduced CBD/St. Paul/County Rentals (5+11).....	X.3	(483,800)	(483,800)	(483,800)
13) Additional Suburban Retail Sales (1273x$23/Mo.x12)		351,300	-	-
14) Subtotal: Gain to Ramsey County Businessmen (6+11+13)		1,206,500	244,500	1,198,300
15) Property Tax Loss Due to Building Removal from Tax Rolls		(25,600)[2]	-	(25,600)
16) Property Tax Loss Due to Suburban Land Removal		(17,000)[2]		
17) Property Tax Reductions		(24,000)	(24,000)	(24,000)
ESTIMATE OF REDUCTION OF COUNTY WIDE BUSINESS PROFIT (4)		$ 126,700	$ 25,700	$ 125,800
CITY/COUNTY TAX GAIN (LOSS)		($ 89,200)	$ 4,900	($ 48,700

[1]Plus an additional $328,608 if the high access site were downtown.
[2]Includes both the county and locality's shares (assumes ½ of 2% tax on $1.45M).
3Reduces in subsequent years as a result of decreased vacancy rates
4Line #14 times 15% profit less 30% for income and business taxes)
*Losses are shown in parentheses

III. MASTER PLAN RECOMMENDATIONS

During the third planning session, the State selected master plan Options One, Four, and Five for further detailing to provide the Legislature with three acceptable courses of action to take to support a 1% annual growth rate through the year 1990.

EXHIBIT P
STATE EMPLOYEE GROWTH-CURRENT TO YEAR 2000

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	9,878	9,878	9,878	9,878	9,878	← I. CAPACITY
[illegible]	9,977	10,076	10,125	10,174	10,273	
[illegible]	10,077	10,27[illegible]	10,378	10,480	10,684	
[illegible]	10,177	10,483	10,638	10,794	**11,112**	
[illegible]	10,279	10,692	10,904	**11,118**	**11,556**	
[illegible]	10,382	10,906	**11,176**	**11,451**	**12,018**	← II. CAPACITY
[illegible]	10,486	**11,124**	**11,455**	**11,793**	**12,499**	
[illegible]	10,591	**11,347**	**11,742**	**12,149**	**12,999**	
[illegible]	10,696	**11,574**	**12,035**	**12,513**	13,519	
[illegible]	10,803	**11,805**	**12,336**	**12,889**	14,059	
[illegible]	10,911	**12,041**	**12,645**	13,275	14,622	
[illegible]	**11,021**	**12,282**	**12,961**	13,673	15,207	
[illegible]	**11,131**	**12,528**	13,285	14,084	15,815	← III. CAPACITY
[illegible]	**11,242**	**12,778**	13,617	14,506	16,448	
[illegible]	**11,355**	13,034	13,957	14,941	**17,106**	
[illegible]	**11,468**	13,294	14,306	15,399	**17,790**	
[illegible]	**11,583**	13,560	14,664	15,851	**18,501**	
[illegible]	**11,699**	13,832	15,031	16,327	**19,241**	
[illegible]	**11,816**	14,108	15,406	16,817	**20,011**	← BEYOND III.
[illegible]	**11,934**	14,390	15,791	**17,321**	**20,811**	
[illegible]	**12,053**	14,678	16,186	**17,841**	**21,644**	
2000	**12,174**	14,972	16,591	**18,376**	**22,510**	

Each of the three master plan options is discussed as three sequential phases of development. Phase I supports a 1% growth rate through 1990, Phase II supports a 2½% growth rate through 1990, and Phase III accommodates either a 2½% growth rate through the year 2000 or a 4% growth rate through the year 1992, which have space requirements equal to a 2½% growth rate through the year 2000.

Exact space and personnel capacities of each of the three phases, regardless of the year those staff levels are attained, are shown below. They are the same for all three options. Exhibit P shows the capacity of each phase in terms of total personnel and relates when that capacity will be reached at different annual growth rates.

In all cases, Phase II is compatible with all actions that would be taken in Phase I. Phase II is implemented after Phase I and would allow a continuation of a 1% growth pattern well beyond the year 2000. If a 2½% growth rate were realized, Phase II would have to be completed by 1990. Phase III adds to existing facilities and develops an extensive suburban facility that incorporates new spaces and activities.

A Phase IV goes beyond the year 2000 at all growth rates that might be realized and develops a significant suburban service center that incorporates new decentralized activities that were not involved in Phase I and Phase II.

EXHIBIT Q
PHASED EXPANSION REQUIREMENTS

	PHASE I	PHASE II	PHASE III
State Employees	11,021	12,961	17,000
Net Square Feet Occupied by Study Group	2,090,000	2,470,000	3,220,000
Net Area Factor	190	190	189
Incremental Space Acquired/Constructed (owned)	525,000	275,000	700,000
Cumulative New Construction/Acquisition (owned plus leased)	525,000	800,000	1,500,000
Cumulative Space Added to Inventory	575,000	875,000	1,675,000

A. Recommended Facility Master Plan Options

In all three options, certain departments are held constant or "frozen" in specific buildings. These conditions are designated by department names which are shaded in gray on pages at the end of this summary. A total of 16 buildings out of 19 State owned facilities have identical space profiles in all three options. Additionally, all options use the same ten buildings and assign the same departments to them. The remaining departments vary in their location for each of the options.

The options show the need for significant additional space due to the termination of leases.

Detailed occupancy profiles showing the assignment of all space users in all existing and new facilities are shown at the end of this summary.

Option One - Phase I

The main components of Option One are the purchase and renovation of a downtown St. Paul facility of 300,000 NSF and the construction of 221,405 NSF at an unspecified semi-suburban location. The first step of implementation would be to purchase and renovate the downtown structure and relocate departments when the structure is ready for occupancy. The next action would be to backfill the Centennial Building space.

The second step is to build a facility of 221,405 NSF on a suburban site of at least 25 acres for occupancy by DOT and support groups. After this project is completed, the Transportation Building can be remodeled.

Suboptions

If Mechanic Arts High School were to be renovated and made available without substantial modification to the existing structure, an additional 80,655 NSF would be available for occupancy. The downtown site would then either be underutilized by about 80,000 NSF, thus not requiring renovation, and could be subleased at very low rates until needed by the State, or would allow the further termination of up to 80,000 NSF of leases in the CBD. This would yield cost savings if the space in the renovation project would otherwise be vacant.

Option Four - Phase I

The new construction in Option Four totals 512,368 NSF with 302,484 NSF at a high access site and the remaining 209,884 NSF to be built at a site east of the Centennial Building in the Capitol Complex. Detailed area assignments for all departments in all included facilities are presented at the end of this summary.

The first step would be to construct the high access site of approximately 302,484 NSF. "High access" could be described as a site along a major artery, fixed somewhere between the Capitol Complex and the CBD. The prime attractions of this site would be its centrality and good access. The initial task would be to relocate departments in and backfill both the Centennial and DOT Building.

The second step would be to construct a new facility on the Centennial East site. Again, the main advantage of this site is the location and immediate adjacency with other State buildings in the Capitol Complex.

Suboptions

If Mechanic Arts High School were renovated and used for occupancy by some of the departments included in this study data base, the scale of initial construction of the new Centennial East facility could be reduced by almost one half or that project could be deferred by about three or four years. If the Agriculture Building lease were continued and the school extensively renovated, the Centennial East project could be deferred as many as eight years as long as the High-Access Site project were initiated as soon as possible.

Option Five - Phase I

Option Five new construction totals 518,249 NSF with 300,000 NSF in a renovated downtown site as in Option One and 218,249 NSF of new construction on the Centennial East site.

The first step is to purchase and renovate the downtown site. When the building is ready for occupancy, the first task would be to relocate large departments, as in Option One, into it and then backfill the Centennial Building.

The next step would be to build on the Centennial East site and backfill the Transportation Building.

Suboptions

The alternative to this option involves the utilization of the Mechanic Arts site in the same way as in Option Four. Agriculture and related boards would not relocate in the Centennial East Building, reducing new construction requirements at Centennial East to 157,856 NSF or deferring the project three years. If the Agriculture Building lease is continued, the project could be deferred up to eight years with the use of the school.

B. Phase II. and III. Development

In all options presented, five potential sites are employed:

- a Centennial East site;
- a high access site;
- a suburban site;
- a general office building within the Capitol Complex; and,
- a downtown building acquisition and renovation.

Phase II expands upon Phase I while Phase III utilizes sites not previously included in the Option. Phase II adds about 300,000 NSF to the inventory and is roughly equal to the difference between 1% and 2½% growth requirements. Phase III would require construction of 750,000 NSF beyond the Phase II space requirement of 2,470,000 NSF. Details of how Phases II and III evolve follow:

Option One - Phase II and III

In Option One, Phase II adds a new 206,000 NSF general office building in the Capitol Complex and expands the suburban building by approximately 80,000 NSF. Phase II adds 284,595 NSF in total.

In Phase III, a Centennial East Building would be developed to provide 450,000 NSF and a high access site of 300,000 NSF would be completed. Total space added by the conclusion of Phase III would be 1,556,000 NSF, an increase of the current space inventory by over 80%. A total space inventory of 2,466,114 NSF is provided as shown in Exhibit R, page 33. Phase II is an easy transition from Phase I.

Option Four - Phase II and III

In Option Four, Phase II expands the high access site to 355,000 NSF and expands the Centennial East site to 465,000 NSF. A total of 307,632 NSF are added to increase the total inventory to 2,460,708 NSF. In Phase III, Centennial East grows by 125,000 NSF, a general office building is developed northwest of the State Capitol at 250,000 NSF, and a suburban service center would be programmed at 385,000 NSF, similar in occupants to the one developed in Option One. A total of 760,000 NSF is added in Phase III, bringing the total space inventory increase to 1,580,000 NSF.

Option Five - Phase II and III

Phase II in Option Five simply adds 281,751 NSF to the Centennial East Building. When Phase II is completed, the space inventory will total 2,460,708 NSF. In Phase III, a suburban site service center is added at 300,00 NSF, a general office building is developed in the Capitol Complex at 185,000 NSF, and a high access site facility is added at 265,000 NSF. A total of 750,000 NSF is added to the inventory.

Comparison of All Phases for All Three Options

A comparison of construction or renovation levels of activity for all three development phases for the three options is presented in Exhibit R for review. As can be seen in Exhibit R, the three options are very consistent and provide nearly identical incremental and total amounts of net area in each of the three phases of development. By the time Phase III is completed, just over 1.5 million NSF will have been added to the total space inventory which will then equal nearly 3.25 million NSF. All three Options are comparable and accommodate the same growth level. Exhibits S through U on the next pages illustrate the main components of Phase I for all three options.

C. Growth Beyond Phases II and III

Once the personnel and space inventory grows beyond the 2½% rate, which supports a maximum of 13,000 State employees and provides 2,470,000 NSF, Phase II is completed and Phase III initiates.

It is clear that the Capitol Complex will become increasingly congested and that, even with at least one new site to accommodate growth at both 1% and 2½% levels, long range trends must lead to an eventual decentralization of those agencies that have less than critical needs to be in or near the Capitol Complex.

Phase III will support more than 17,000 employees and provides a total of nearly 3,200,000 NSF of space.

Beyond Phase III, growth will continue and be satisfied by the further development of the suburban site that was used in earlier phases and by the construction of a suburban service center to allow the relocation of departments and special purpose facilities (e.g., records center, warehouse, maintenance) from existing buildings in the Capitol Complex that can then be used to support further growth of departments that have a critical need to remain adjacent to one another within the Capitol Complex.

Suburban Service Center

The suburban service center developed in Phase IV for all three options is the only site included in Phase IV where potential occupants could be presently identified. The other sites for Phase III and Phase IV would be programmed as general office space for unspecified tenants at this time.

EXHIBIT R

NSF SPACE PROVIDED

	TOTAL NET SQUARE FEET PROVIDED		
PHASED DEVELOPMENT	OPTION ONE	OPTION FOUR	OPTION FIVE
Phase I Total	521,405	512,368	518,249
Phase II Additional	284,595	307,632	281,751
Phase II Total	806,000	820,000	800,000
Phase III Additional	750,000	760,000	750,000
Phase III Total	1,556,000	1,580,000	1,550,000
Phase I Space Provided	2,132,228	2,123,191	2,129,072
Phase I Space Occupied	2,083,838	2,083,838	2,083,838
Surplus NSF	48,390	39,353	45,234
Surplus %	2.27%	1.85%	2.12%
Phase II Space Provided	2,466,114	2,460,708	2,460,708
Phase II Space Occupied	2,470,000	2,470,000	2,470,000

EXHIBIT S

OPTION ONE

PHASE ONE

SUBURBAN SITE

221,405 NSF

- Transportation	214,020
- Atty. Gen.	7,385

DOWNTOWN RENOVATION

300,000 NSF

- Natural Resources	98,022
- Public Welfare	110,360
- Personnel	25,403
- Pollution Control	53,108

PHASE TWO

SUBURBAN SITE

78,079 Additional NSF

- Add PCA	55,238

CENTENNIAL EAST SITE

206,525 NSF

- Add State Planning	39,564
- Add Department 'X'	128,734
- Add Secretary of State	6,650

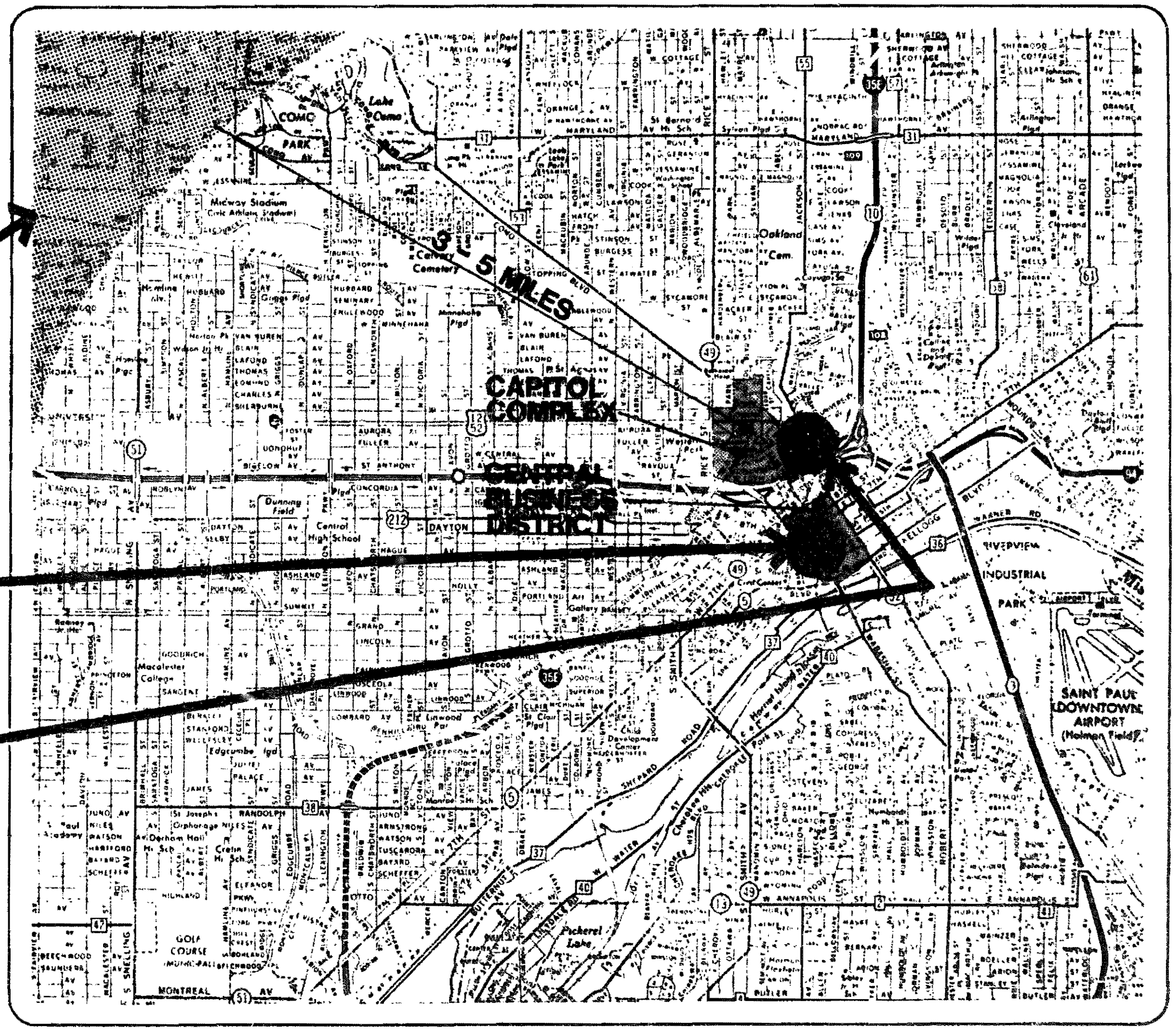


EXHIBIT T

OPTION FOUR

PHASE ONE

CENTENNIAL EAST SITE

209,884 NSF

- State Planning	34,940
- Personnel	25,403
- Public Welfare	110,360
- Sec. of State	8,406
- Atty. General	11,318

HIGH ACCESS SITE

302,484 NSF

- Natural Resources	98,022
- Public Safety	74,742
- Pollution Control	53,108
- Agriculture	65,280

PHASE TWO

HIGH ACCESS SITE

32,235 Additional NSF

CENTENNIAL EAST SITE

254,648 Additional NSF

- Add Retirement Systems 29,756

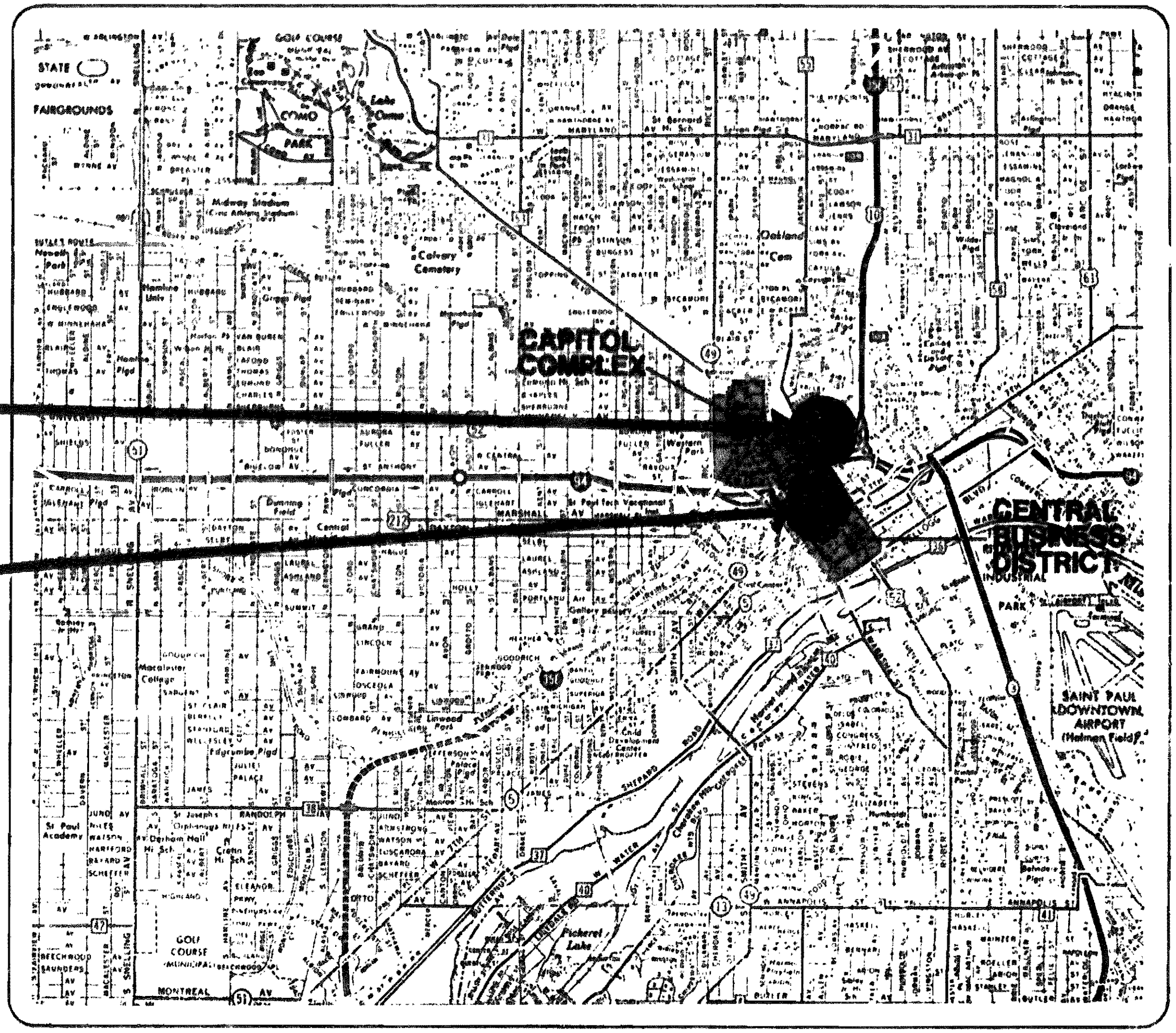


EXHIBIT U

OPTION FIVE

PHASE ONE

CENTENNIAL EAST SITE

218,249 NSF

- Public Safety	74,742
- Agriculture	65,280
- State Planning	34,540
- Atty. General	13,506

DOWNTOWN RENOVATION

300,000 NSF

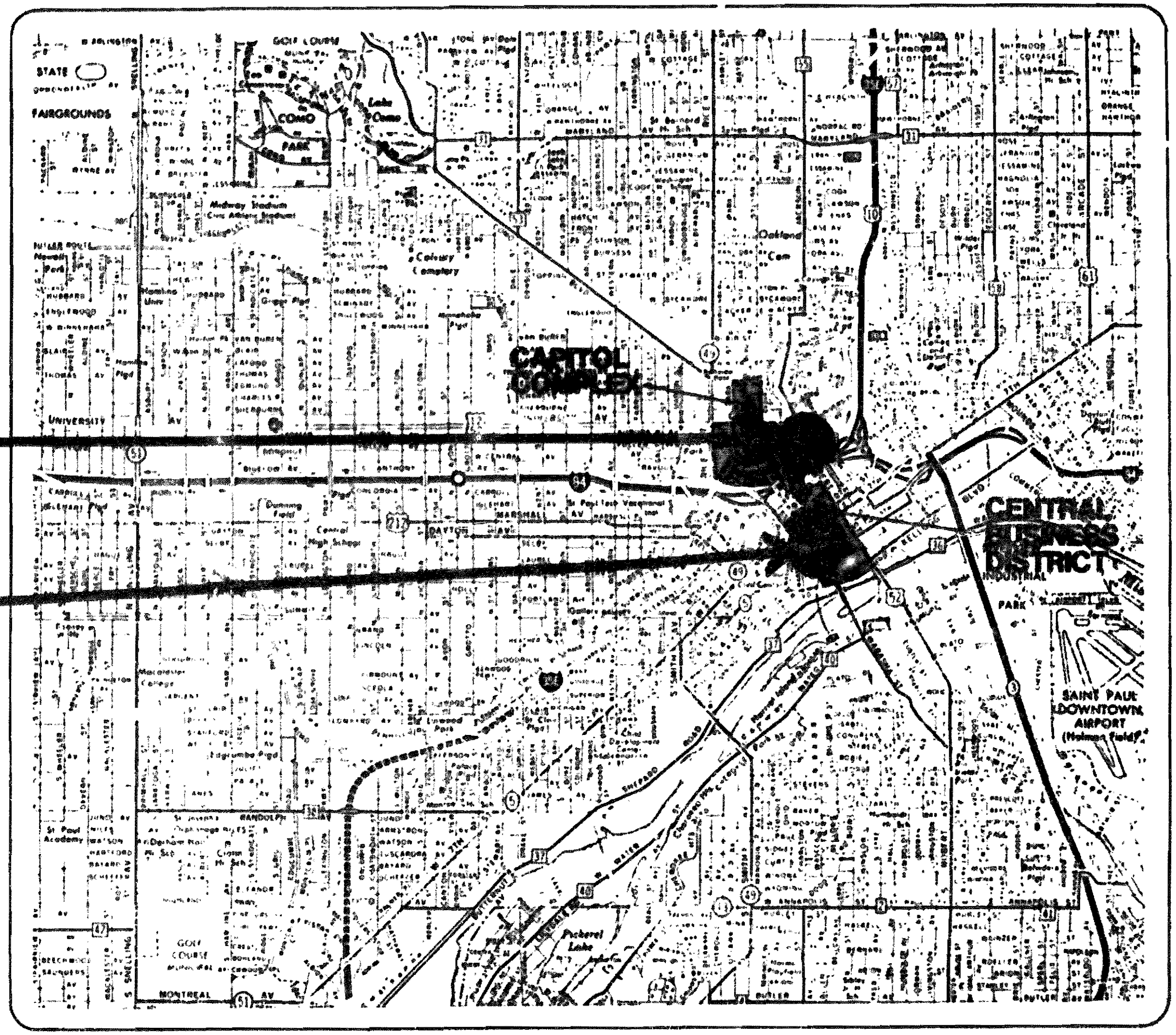
- Natural Resources	98,022
- Public Welfare	110,360
- Personnel	25,403
- Pollution Control	53,108
- Atty. General	4,913

PHASE TWO

CENTENNIAL EAST SITE

281,002 Additional NSF

- Add Pollution Control	53,108
- Add Retirement Systems	29,756
- Add Atty. General	14,841



D. Parking Requirements

The provision of adequate and properly located employee parking in the Capitol Complex has been a problem to the State for some time. Based on available data, a parking allocation percentage of 58% of the total Capitol Complex State employee population is required. The Consultant subsequently reduced the reliance on this parking allocation for the Capitol Complex by anticipating future increased reliance on car pools and existing or new mass transit systems. Thus, a 55% parking allocation rate for State employees in the Capitol Complex is assumed. This percentage is to be applied to both 1% and 2½% growth rate levels.

Utilizing a 55% allocation level, employment projections for 1990 at a 1% growth rate indicate a need for 3246 parking spaces, a shortage of 385 spaces, and at 2½% a need for 3817 spaces, a shortage of 956.

DOWNTOWN EMPLOYEE PARKING REQUIREMENTS

Because of the existing transit systems available for downtown use, projections show that a 50% parking allocation for downtown State employees is reasonable. This reduction of 5% from the Capitol Complex percentage is due to the availability and efficiency of public transit systems and the resultant employee accessibility to work.

PARKING REQUIREMENTS AT A SUBURBAN LOCATION

If a suburban location is chosen for a new facility, it will be necessary to increase the allocation of parking spaces for employees to 70% to reflect the probable decrease in the use of car pooling by employees who previously pooled with other State employees who continue to work in the Capitol Complex Area.

VISITOR PARKING REQUIREMENTS

For planning purposes, a ratio of one visitor parking space for every twenty State employees is assumed based on survey data.

SUMMARY OF ADDITIONAL PARKING REQUIREMENTS

Available parking within the Capitol Complex is insufficient to accommodate current needs and will become more acute at both 1% and 2½% growth levels. The shortfall of parking spaces projected for the future at either a 1% or 2½% growth rate can, however, be accommodated by the parking provided by the construction of a new facility. If an option is selected for implementation that does not include a new facility in the Capitol Complex, the growth would be stabilized and only the current shortage of 277 parking space needs to be satisfied by construction of a small, but expandable, parking structure.

PARKING COST ANALYSIS

A comparative analysis of the costs associated with developing additional parking in three different areas through the use of surface parking and parking structures was developed. Based on a thirty year present value life-cycle cost analysis, the total monthly break-even cost would be:

Downtown........$50.95
Capitol Complex.$43.91
Suburban........$15.36

These monthly figures include operating expenses plus amortization of land purchase and construction costs.

CONCLUSIONS AND SUMMARY OF PARKING RECOMMENDATIONS

If the State must construct additional parking facilities, the Consultant recommends that all costs associated with the acquisition and construction and the annual maintenance and operation of those facilities be passed on to all State employees using State provided parking. No particular employee group should be "penalized" by having to personally absorb high monthly parking costs resulting from the construction of a large new parking structure. The basis should recognize cost differentials for surface parking lots, covered parking structures and enclosed and possibly heated garages.

E. Master Plan Option Budgets

After the Legislature selects one of the three master plan options for implementation, it will be necessary to adopt a budget for the next two years that provides necessary funding for land acquisition, building procurement, continuing space programming and pre-architectural facility planning studies, furniture acquisition, and a number of remodeling projects.

Budgets for each of the three options for all activities that could be completed within the next two years, prior to funding construction of a major new facility, are presented in Exhibit V. Budgets appropriate for new construction are also provided in the budget for 1982 and later years through the completion of all included projects by 1986. All costs are presented within the context of current, early year 1980 costs. Allowances for inflation should be incorporated into resultant budgets after a particular option and time frame is chosen for implementation.

The budget clearly indicates those costs that are common to all three options, those costs that are likely to be incurred during calendar years 1980 and 1981 and those costs likely to be incurred after the beginning of 1982. All of these expenditures will be necessary to complete Phase I of the development process and provide an additional 525,000 NSF of State owned space.

EXHIBIT V
MASTER PLAN OPTIONS BUDGET

NO.	COST CATEGORY	CURRENT COST OF ACTIVITY		
		OPTION ONE	OPTION FOUR	OPTION FIVE
	COMMON ACTIVITIES			
A.1	Remodel 400,000 NSF to improve space utilization	$ 4,666,000	$ 4,666,000	$ 4,666,000
A.2	Procure Furniture Systems and installation	3,600,000	3,600,000	3,600,000
A.3	Programming, planning, and interior design	500,000	500,000	500,000
A.4	Contingency for remodeling(15%)	1,314,900	1,314,900	1,314,900
	• Subtotal	($10,080,900)	($10,080,900)	($10,080,900)
B.1	Terminate 74,909 NSF leases and relocate 403 employees into new quarters totaling 80,874 NSF	450,000	450,000	450,000
	UNIQUE ACTIVITIES			
C 1	Purchase existing facility	4,000,000	-	4,000,000
C 2	Planning and design fees	875,000	-	875,000
C 3	Renovation and contingency	8,365,000	-	8,365,000
C 4	Furniture system for 400 personnel and supplemental components for balance of building	1,265,000	-	1,265,000
	• Subtotal	($14,505,000)	-	($14,505,000)
D.1	Purchase suburban site of 25 acres	4,000,000	-	-
D.2	Detailed program of requirements and pre-architectural studies for new facility and consolidated DOT support	200,000	-	-
	• Subtotal	($ 4,200,000)	-	
E 1	Remodel Centennial Building space vacated by DNR and Welfare	$ 750,000	$ -	$ 750,000
E.2	Planning and design fees	50,000	-	50,000
E 3	Backfill Centennial East using existing furniture and rearrange	200,000	-	200,000
	• Subtotal	($ 1,000,000)	-	($ 1,000,000)
F 1	General rearrangement of personnel and miscellaneous remodeling	351,800	200,000	351,800
G.1	Purchase and prepare high-access site	-	3,000,000	-
G 2	Detailed programming and pre-architectural studies for high-access site	-	200,000	-
	• Subtotal		$ 3,200,000	
H	TOTAL 1980-1981 BUDGET	$30,587,700	$13,930,900	$26,387,700

Inflationary costs are not taken into account nor are any costs associated with the procurement of land for surface level parking or the construction of a parking facility included. As previously indicated, these costs could be born by the State employees who utilize new and existing parking on an actual cost reimbursement basis.

Parking Budgets

Should the cost of procuring land and constructing parking facilities require budgeting by the State, total initial costs would be between $3,000,000 and $8,000,000 depending on the option selected for implementation.

In order to support Option Four, the high access site and the Centennial East site, costs approaching $8,000,000 would be expected. Should the State select Option One and privately owned parking facilities provide accommodations for those employees assigned to the purchase/renovation project and the balance of parking requirements be satisfied at a suburban site, a cost of $3,000,000 might be anticipated. The initial development cost for Option Five would be approximately $5,000,000, again assuming privately provided parking for the downtown renovation.

Total Budget

For land procurement, new construction, or the procurement and renovation of an existing facility, the total initial costs presented in Exhibit V are used as they have been adjusted to reflect exact space requirements for each master plan option. A review of Exhibit V on page 38 indicates that a budget of $30,587,700 is appropriate for funding for 1980 and 1981 for Option One (line H). The budget necessary to support activities for Option Four for 1980-1981 would be $13,930,900. A similar two year budget for Option Five would be $26,387,700.

EXHIBIT V (cont.)
MASTER PLAN OPTIONS BUDGET

[illegible]	COST CATEGORY	CURRENT COST OF ACTIVITY		
		OPTION ONE	OPTION FOUR	OPTION FIVE
	UNIQUE ACTIVITIES-1982 & LATER			
I	Construct suburban facility including design fees, furniture, and contingency of 15%	$16,500,000	-	-
J	Remodel and backfill DOT facility including design fees, furniture, and contingency of 15%	2,600,000	1,300,000	1,300,000
K	General rearrangement of personnel and misc. remodeling	350,000	622,000	270,000
L	Remodel Centennial East Bldg. including plan[illegible]g and design fees, furniture procurement, and 15% contingency	-	1,[illegible]00,000	-
M	Construct Centennial East site facility including design fees, furniture, & contingency of 15%	-	21,200,000	24,500,000
N	Construct high-access site including design fees, furniture, and contingency of 15%	-	36,900,000	-
O	TOTAL BUDGET 1982 AND LATER	$19,450,000	$61,022,000	$26,070,000
P	TOTAL CAPITAL BUDGET	$50,037,700	$74,952,900	$52,451,700

Clearly Option Four requires one-half the level of expenditures during the next two years as compared to Options One and Five. This results because Option Four does not provide additional space until after 1984 and construction costs are not incurred during the first two years. Very little cost difference is shown during the first two years between Option One and Option Five.

Activities that would begin in 1982 and continue well past 1985 are summarized on line O of Exhibit V. A budget for subsequent years for Option One would be $19,450,000. A much larger budget of $61,022,000 is indicated for Option Four.

Option Five requires subsequent expenditures of a more modest level of $26,070,000.

Line P presents the total capital costs associated with implementing the three master plan options. These costs include all procurement, renovation, re-arrangement, furniture procurement, construction, and programming, planning and design fees associated with providing approximately 525,000 NSF of additional State owned space but specifically <u>exclude</u> inflationary factors and any costs associated with the development of parking facilities.

A total budget of $50,037,700 is indicated for Option One. Option Five is nearly as cost effective with an indicated budget of $52,457,700. Significant additional capital investment is required to implement Option Four - a total budget of $74,952,900.

Exhibit W illustrates recommended building occupancies for Option I at a projected 1% annual growth rate. Exhibits X and Y, which follow, illustrate the same information for Options IV and V, respectively.

Summary Of All Comparative Costs For Master Plan Options

Option One has the lowest present value, life-cycle cost and is therefore the most cost effective. It is 6% more cost effective than Option Five and 46% more cost effective than Option Four. Indications are that the total initial implementation costs for new construction only for Option One are

EXHIBIT W

OPTION ONE - 1% GROWTH

EXISTING BUILDINGS

Building / Occupant	Occupant NSF	Total NSF
•ADMIN. BUILDING		[illegible] NSF
DOA	24,198	
ATTORNEY	1,317	
FINANCE	18,747	
TREASURER	3,511	
TOTAL		52,035 NSF
SURPLUS/OVERFLOW		1,114
• 127 UNIVERSITY AVENUE		3,[illegible] NSF
HUMANE SOCIETY	[illegible]	
GOV. OFC. VOL. SVCS.	780	
TOTAL		[illegible] NSF
SURPLUS/OVERFLOW		1,[illegible]
•CAPITOL BUILDING		19,745 NSF
GOVERNOR	7,995	
LT. GOVERNOR	1,440	
LAW LIBRARY/ATTY.	9,115	
TOTAL		18,553 NSF
SURPLUS/OVERFLOW		1,192
•CAPITOL SQUARE		167,931 NSF
EDUCATION	91,410	
EDUC. BLTB.	41,011	
HOIS	2,180	
ATTY. GENL.	2,631	
DOA (Publctns)	1,500	
RETIREMENT SYST.	26,622	
TOTAL		167,354 NSF
SURPLUS/OVERFLOW		577
•CENTENNIAL BUILDING		227,232 NSF
REVENUE	133,980	
DOA (ISD)	3[illegible]	
DOA (Publctns)	2,200	
ATTY. GENL.	9,827	
DOA	25,550	
CAAPB	1,100	
TOTAL		210,549 NSF
SURPLUS/OVERFLOW		16,683
•HEALTH BUILDING		112,430 NSF
HEALTH DEPT.	111,210	
TOTAL		111,210 NSF
SURPLUS/OVERFLOW		280
•CHAMPION BUILDING		35,858 NSF
DOA (Motor Pool)	22,603	
CENTRAL STORES	13,255	
TOTAL		35,858 NSF
SURPLUS/OVERFLOW		0
•DMV LICENSE CENTER		4,814 NSF
E.O.S.T.	3,216	
CLINICAL PRACTICES	1,230	
TOTAL		4,446 NSF
SURPLUS/OVERFLOW		368
•FORD BUILDING		42,553 NSF
DOA	23,116	
LAW LIBRARY	11,345	
ATTY. GENL.	5,155	
TOTAL		39,616 NSF
SURPLUS/OVERFLOW		2,937
•GROUNDS SERVICES		7,290 NSF
DOA	7,290	
TOTAL		7,290 NSF
SURPLUS/OVERFLOW		0
•HISTORICAL SOCIETY		68,408 NSF
HISTORICAL SOC.	68,966	
TOTAL		68,966 NSF
SURPLUS/OVERFLOW		558
•MAINTENANCE/POWER HOUSE		24,619 NSF
DOA	24,619	
TOTAL		24,619 NSF
SURPLUS/OVERFLOW		0
•MATERIALS MANAGEMENT		9,302 NSF
HEALTH BOARDS	7,150	
INDIAN AFFAIRS	1,500	
TOTAL		8,650 NSF
SURPLUS/OVERFLOW		652
•1246 UNIVERSITY		62,338 NSF
PUBLIC SAFETY	62,338	
TOTAL		62,338 NSF
SURPLUS/OVERFLOW		0
•VETERANS BUILDING		40,019 NSF
ALL VETS BLTD.	29,184	
MEDIATION SRVCS.	5,340	
STATE AUDITOR	5,365	
TAX COURT	1,386	
MUNICIPAL BD.	1,025	
TOTAL		42,300 NSF
SURPLUS/OVERFLOW		2,361
•1500 MISSISSIPPI		70,000 NSF
HISTORICAL SOC.	70,000	
TOTAL		70,000 NSF
SURPLUS/OVERFLOW		0
•TRANSPORTATION BUILDING		234,214 NSF
PUBLIC SAFETY	74,746	
AGRICULTURE	65,289	
WATER RES. BD.	950	
ATTY. GENL.	6,122	
LIVESTOCK SAN. BD.	3,289	
PUB. EMP. REL. BD.	326	
STATE PLANNING	34,540	
SEC. OF STATE	8,406	
LAW EX./LWYRS. PRO.	2,951	
INVESTMENT BD.	7,178	
COUN. ON HNDCPD	2,[illegible]45	
HEARING EXMRS.	4,872	
DOA (Publctns)	4,846	
TOTAL		215,7[illegible] NSF
SURPLUS/OVERFLOW		18,509

•SPACE OCCUPIED IN LEASED BUILDINGS	NSF
AMERICAN CENTER	55,759
BREMER ARCADE	14,590
HANOVER	13,649
HENNEPIN SQUARE	2,200
390 N. ROBERT	94,199
HALPAK	53,626
METRO SQUARE	73,94[illegible]
SPACE CENTER	48,137
2829 UNIVERSITY	6,534
1015 CHERIE	8,760
SUBTOTAL	371,394
NEW LEASES (@ 1%)	12,707
FARM CREDIT BANK	43,443
TOTAL	427,546

NEW BUILDINGS

Building / Occupant	Occupant NSF	Total NSF
•DOWNTOWN RENOVATION		300,000
DNR	96,022	
PUB. WELFARE	110,360	
PERSONNEL	25,401	
PERSONNEL BD.	222	
ATTY. GENL.	4,913	
OMBUD. - CORR.	[illegible]020	
POLLUTION CONT.	53,108	
TOTAL		294,118 NSF
SURPLUS/OVERFLOW		5,882
•SUBURBAN SITE		221,405 NSF
DOT	214,020	
ATTY. GENL.	7,385	
TOTAL		221,405 NSF
SURPLUS/OVERFLOW		0

TOTAL SPACE PROVIDED	2,132,228
TOTAL SPACE OCCUPIED	2,083,838
NET SURPLUS	48,390

7.3% more cost effective than for Option Five and 58.9% more cost effective than for Option Four. The data presented in Exhibit V indicates that total capital requirements for Option One activities are $2,414,000 less than those for Option Four and are thus approximately 4.8% more cost effective. In comparison to Option Four, a cost reduction or cost avoidance of almost $25,000,000 is indicated - a savings of 33.2% of the costs that would be incurred if Option Four were selected.

Options For Final Consideration

Based on this analysis, the Consultant recommends that Option Four be eliminated from further consideration and that only Options One and Five be further reviewed. The extremely small cost differentials on both a present value life-cycle cost basis and a total capital cost basis between Options One and Five are not significant.

These two options should be reviewed by the State based on philosophy, concept, overall flexibility, and impact on the community rather than giving any consideration to the relatively insignificant cost differences identified between the two options.

F. Implementation/Building Occupancies

Options One and Five can provide additional office space within one year by procuring an existing large facility. Option Four would require a minimum of four and possibly five years to implement and provide the first increment of additional space.

EXHIBIT X

OPTION FOUR - 1% GROWTH

[illegible]

•[illegible]		[illegible]
DOA	26,1[illegible]	
ATTORNEY	1,552	
FINANCE	18,768	
TREASURER	7,511	
TOTAL		52,035 NSF
SURPLUS/OVERFLOW		1,[illegible]
•12 [illegible]		1,155 NSF
HUMANE SOCIETY	940	
GOV. OFC. VOL. SVCS.	780	
TOTAL		1,222 NSF
SURPLUS/OVERFLOW		1,[illegible]
•CAPITOL BUILDING		19,747 NSF
GOVERNOR	7,998	
LT. GOVERNOR	1,440	
LAW LIBRARY/ATTY.	9,115	
TOTAL		18,553 NSF
SURPLUS/OVERFLOW		1,192
•CAPITOL SQUARE		167,931 NSF
EDUCATION	91,410	
EDUC. BLDG	43,[illegible]	
HOLS	2,180	
ATTY. GENL.	2,611	
DOA (Publicns)	1,500	
RETIREMENT SYST.	26,622	
TOTAL		167,354 NSF
SURPLUS/OVERFLOW		577
•CENTENNIAL BUILDING		227,[illegible] NSF
REVENUE	133,980	
DOA (ISD)	37,692	
DOA (Publicns)	2,200	
ATTY. GENL.	9,627	
DOA	25,550	
CAAPS	1,500	
TOTAL		210,549 NSF
SURPLUS/OVERFLOW		16,[illegible]
•HEALTH BUILDING		112,430 NSF
HEALTH DEPT.	113,210	
TOTAL		113,210 NSF
SURPLUS/OVERFLOW		780

•[illegible] BUILDING		15,[illegible] NSF
DOA (Motor Pool)	12,603	
CENTRAL STORES	13,255	
TOTAL		15,358 NSF
SURPLUS/OVERFLOW		0
•[illegible] CENTER		[illegible] NSF
P.O.S.T.	3,216	
ETHICAL PRACTICES	1,230	
TOTAL		4,446 NSF
SURPLUS/OVERFLOW		368
•FORD BUILDING		42,[illegible] NSF
DOA	23,116	
LAW LIBRARY	11,349	
ATTY. GENL.	5,155	
TOTAL		39,616 NSF
SURPLUS/OVERFLOW		2,937
•[illegible] SERVICES		7,[illegible] NSF
DOA	7,290	
TOTAL		7,290 NSF
SURPLUS/OVERFLOW		0
•HISTORICAL SOCIETY		66,496 NSF
HISTORICAL SOC.	68,966	
TOTAL		68,966 NSF
SURPLUS/OVERFLOW		558
•MAINTENANCE/POWER HOUSE		24,619 NSF
DOA	24,619	
TOTAL		24,619 NSF
SURPLUS/OVERFLOW		0
•[illegible] MANAGEMENT		9,302 NSF
HEALTH BOARDS	7,150	
INDIAN AFFAIRS	1,500	
TOTAL		8,650 NSF
SURPLUS/OVERFLOW		652
•1246 UNIVERSITY		62,338 NSF
PUBLIC SAFETY	62,338	
TOTAL		62,338 NSF
SURPLUS/OVERFLOW		0

EXISTING BUILDINGS

•VETERANS BUILDING		60,232 NSF
ALL VETS BLDG	39,186	
MEDIATION SRVCS	5,140	
STATE AUDITOR	5,363	
TAX COURT	1,386	
MUNICIPAL BD.	1,025	
TOTAL		52,100 NSF
SURPLUS/OVERFLOW		2,[illegible]61
•1506 MISSISSIPPI		70,000 NSF
HISTORICAL SOC.	70,000	
TOTAL		70,000 NSF
SURPLUS/OVERFLOW		0
•TRANSPORTATION BUILDING		234,214 NSF
DOT	214,020	
DOA ([illegible])	4,840	
TOTAL		218,860 NSF
SURPLUS/OVERFLOW		15,354
•SPACE OCCUPIED IN LEASED BUILDINGS		
AMERICAN CENTER		55,259
BREMER ARCADE		16,590
HANOVER		13,649
HENNEPIN SQUARE		2,200
390 N. ROBERT		94,193
[illegible]		52,626
METRO SQUARE		73,944
SPACE CENTER		48,137
2829 UNIVERSITY		6,534
1015 [illegible]		8,766
SUBTOTAL		371,398
NEW LEASES [illegible]		12,707
FARM CREDIT BANK		43,441
TOTAL		427,546

NEW BUILDINGS

•HIGH ACCESS SITE		302,686 NSF
DNR	98,022	
PUB. SAFETY	74,767	
PCA	53,208	
AGRICULTURE	65,786	
ATTY. GENL.	7,192	
LIVESTOCK SAN. BD	3,290	
WATER RES. BD	950	
TOTAL		302,686 NSF
SURPLUS/OVERFLOW		0
•CENTENNIAL EAST SITE		209,884 NSF
STATE PLANNING	34,[illegible]	
PERSONNEL	25,403	
PERSONNEL BD.	222	
HEALTH [illegible]	4,925	
ATTY. GENL.	11,118	
SEC. OF STATE	8,606	
OMBUD. CORRS	2,020	
PUB. EMP. RL. BD	396	
PUBLIC WELFARE	110,309	
LAW EXAMINERS BRD.	2,951	
HANDICAPPED COUN	2,145	
INVESTMENT BD	7,178	
TOTAL		209,684 NSF
SURPLUS/OVERFLOW		0
TOTAL SPACE PROVIDED		2,123,191
TOTAL SPACE OCCUPIED		2,083,838
NET SURPLUS		39,353

This would necessitate leasing additional space, more double moves and intensify the need to remodel existing space. Clearly, Options One and Five support the immediate needs for additional space. Option Four does not. When the State selects a master plan option for implementation, additional work will be necessary to develop a detailed implementation program, to develop formats for detailing space programming and space planning requirements, and to develop prototypical systems for the preparation of pre-architectural programming and facility planning documents if new construction is indicated.

The Legislature should appropriate funds to allow the implementation of the selected master plan option and the State should immediately initiate activity to improve current space utilization and complete a series of open office planning and furniture system remodeling demonstration projects to validate space saving potentials and to demonstrate the advisability of this approach before plans are initiated for any new facility. Space management guidelines presented in a separate document will help the State implement this planning process and establish procedures to program and plan new facilities.

EXHIBIT Y

OPTION FIVE - 1% GROWTH

[illegible]

•AD[illegible]		[illegible]
DOA	25,[illegible]	
ATTORNEY	1,[illegible]	
FINANCE	8,765	
TREASURER	2,[illegible]	
TOTAL		[illegible] NSF
SURPLUS/OVERFLOW		1,11[illegible]
•[illegible]		
[illegible]	[illegible]	
GOV[illegible]	[illegible]	
TOTAL		[illegible] NSF
SURPLUS/OVERFLOW		1,[illegible]
•C[illegible]		[illegible]
GOVERNOR	[illegible]	
LT. GOVERNOR	[illegible]	
LAW LIBRARY/ATTY.	2,115	
TOTAL		1[illegible] NSF
SURPLUS/OVERFLOW		1,192
•CAPI[illegible]		[illegible]
EDUCATION	91,410	
EDUC. BLDG.	42,011	
LOIS	2,180	
ATTY. GENL.	[illegible]	
DOA (Publicns)	1,200	
RETIREMENT SYST.	26,622	
TOTAL		167,[illegible] NSF
SURPLUS/OVERFLOW		577
•C[illegible] BUILDING		[illegible] NSF
REVENUE	131,[illegible]	
DOA (LSD)	37,892	
DOA (Publicns)	2,[illegible]	
ATTY. GENL.	2,027	
DOA	25,550	
CAAPB	1,100	
TOTAL		210,[illegible] NSF
SURPLUS/OVERFLOW		16,[illegible]
•HEALTH BUILDING		1[illegible] NSF
HEALTH DEPT.	113,210	
TOTAL		113,210 NSF
SURPLUS/OVERFLOW		180

•[illegible]		[illegible]
DOA (Motor Pool)	2[illegible],603	
CENTRAL STORES	11,[illegible]	
TOTAL		3[illegible] NSF
SURPLUS/OVERFLOW		0
•[illegible]		[illegible]
[illegible]	[illegible],21[illegible]	
[illegible]	[illegible]	
TOTAL		[illegible] NSF
SURPLUS/OVERFLOW		36[illegible]
•[illegible]		[illegible] NSF
DPS	2[illegible]	
LAW LIBRARY	11,34[illegible]	
ATTY. GENL.	[illegible],15[illegible]	
TOTAL		39,61[illegible] NSF
SURPLUS/OVERFLOW		2,9[illegible]
•[illegible]		7,[illegible] NSF
DOA	[illegible]	
TOTAL		7,29[illegible] NSF
SURPLUS/OVERFLOW		0
•[illegible]		68,[illegible] NSF
HISTORICAL S[illegible]	[illegible]	
TOTAL		68,9[illegible] NSF
SURPLUS/OVERFLOW		558
•MA[illegible]		24,[illegible] NSF
DOA	2[illegible]	
TOTAL		24,619 NSF
SURPLUS/OVERFLOW		0
•MA[illegible]		9,[illegible]02 NSF
HEALTH BOARDS	7,150	
INDIAN AFFAIRS	1,500	
TOTAL		8,650 NSF
SURPLUS/OVERFLOW		652
•1[illegible]		62,3[illegible] NSF
PUBLIC SAFETY	62,318	
TOTAL		62,318 NSF
SURPLUS/OVERFLOW		[illegible]

EXISTING BUILDINGS

•[illegible]		[illegible]
ALL VETS. BLDG.	29,[illegible]	
LEGISLATIVE SRVCS	[illegible]	
STATE AUDITOR	[illegible]	
TAX COURT	1,[illegible]	
MEDICAL BD.	1,0[illegible]	
TOTAL		4[illegible] NSF
SURPLUS/OVERFLOW		[illegible]
•[illegible]		[illegible] NSF
HISTORICAL SOC	70,[illegible]	
TOTAL		70,[illegible] NSF
SURPLUS/OVERFLOW		0
•T[illegible]SPORTATION BUILDING		[illegible]
[illegible]	[illegible]	
[illegible]	[illegible]	
TOTAL		[illegible]
SURPLUS/OVERFLOW		[illegible]
•SPACE [illegible]		
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible] UNIVERSITY		[illegible]
LOIS C[illegible]		[illegible]
SUBTOTAL		[illegible]
[illegible]		[illegible]
FARM CREDIT BANK		[illegible]
TOTAL		[illegible]

NEW BUILDINGS

[illegible]		30[illegible]
DNR	[illegible]	
[illegible]	[illegible]	
[illegible]	25,[illegible]	
[illegible]	[illegible]	
ATTY. GENL.	[illegible]	
[illegible]	[illegible]	
[illegible]	2,[illegible]	
TOTAL		[illegible]
SURPLUS/OVERFLOW		[illegible]
•[illegible]		[illegible]
PUBLIC [illegible]	[illegible]	
A[illegible]	[illegible]	
A[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
TOTAL		[illegible]
SURPLUS/OVERFLOW		0

TOTAL SPACE [illegible]	2,[illegible],372
TOTAL SPACE OCCUPIED	2,981,8[illegible]
NET SURPLUS	[illegible]