

Administration

Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2020	2022	2024	2020	2022	2024
Capital Asset Preservation and Replacement Account (CAPRA)	1	GO	15,000	10,000	10,000	10,000	10,000	10,000
Real Estate Strategic Plan	2	GF	1,500	0	0	1,500	0	0
Centennial Office Building Replacement, Rent Loss, and Relocation	3	GO	179,000	0	0	0	0	0
		GF	4,000	0	0	0	0	0
Parking Management Access Controls	4	GF	19,500	0	0	0	0	0
State Building Efficiency Investments and Revolving Loan Fund	5	GO	15,000	5,000	5,000	0	0	0
		GF	15,000	0	0	5,000	0	0
Property Acquisition	6	GO	2,600	0	0	2,600	0	0
State Office Building Renovation Predesign and Design	7	GO	32,800	255,000	0	0	0	0
Ford Building Demolition - Phase I	8	GO	1,700	0	0	1,700	0	0
Capitol Complex Security Upgrades Phase II	9	GO	17,000	0	0	5,000	0	0
		GF	10,800	0	0	5,000	0	0
ADA Building Accommodation Fund	10	GF	2,000	2,000	2,000	2,000	2,000	2,000
State Agency Relocation	11	GF	2,000	2,000	2,000	0	0	0
Total Project Requests			317,900	274,000	19,000	32,800	12,000	12,000
General Obligation Bonds (GO) Total			263,100	270,000	15,000	19,300	10,000	10,000
General Fund Cash (GF) Total			54,800	4,000	4,000	13,500	2,000	2,000

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AT A GLANCE

- 489 employees in FY17
- Oversee nearly \$2.5 billion in state procurement annually, including negotiating more than \$21 million in contract savings and increasing purchasing from diverse businesses
- Reduced Capitol complex energy consumption by 21% percent and increased reliance on renewable energy sources to nearly one-third of annual usage since 2008
- Manage more than 280 construction projects and 850 property leases
- Monitor facility conditions and asset preservation needs of over 6,000 state-owned buildings
- Oversee a fleet of more than 1,800 vehicles, increasing use of electric and fuel-efficient vehicles
- Trained over 1,350 public officials and stakeholders about open government laws in FY18
- Provided direct training and informational resources to more than 10,812 individuals with developmental disabilities or family members in FY18

PURPOSE

The Department of Administration is a core central service agency serving the Governor, legislature, state agencies, local governments, and the public. Our mission is to benefit all Minnesotans by leading through exceptional service and creative solutions to help our partners succeed. That mission is achieved by focusing on four objectives: Partner satisfaction, technology optimization, and diversity, inclusion, and equity.

The purpose and benefit of effective centralized core administrative services is to achieve better value for state agencies by leveraging economies of scale, ensuring open and fair competition, reducing risk, and promoting success through standardized processes. Centralizing and standardizing core services, things like—procurement processes, contract terms, leasing, risk management, and many other centralized administrative functions—makes it easier for policy-makers and the public to be aware of what is expected to occur, and what does occur, in government, and to evaluate both.

Specifically, we provide enterprise leadership for a broad range of professional services and business functions essential to the efficient operation of government, including:

- overseeing real property and sustainable state operations;
- helping agencies comply with state procurement and contracting laws while also achieving the best value in purchasing goods, services, and vehicle fleets;
- overseeing state facilities' construction and leasing;
- providing property, liability, and workers compensation insurance coverage for state operations;
- establishing best practices for state grants administration and training agency staff;
- leading state 2020 Census efforts and providing government and non-governmental agencies, businesses, and the public with population data and demographic services;
- providing financial management and human resource support to a growing number of small state agencies, boards, and commissions;
- operating the Capitol Complex and other buildings efficiently and keeping the Capitol grounds beautiful;
- providing technical assistance to small businesses seeking federal or state contracts; and
- overseeing state and federal historic preservation laws and administering the state and federal historic preservation tax credits.

In addition, Admin provides key services directly to the public. We help individuals and organizations understand and access their rights to government data. We provide opportunities for those with developmental disabilities

and their families to advocate for their rights to education, work, and community participation. And, we provide assistive technology so those with physical disabilities can lead more independent and productive lives.

By ensuring Minnesota's executive branch agencies receive excellence in enterprise services, Admin contributes to the statewide outcome of: **Efficient and accountable government services.**

By providing persons with disabilities assistive technology to help them be productive and involved in their communities, Admin contributes to the statewide outcomes of: **Minnesotans have the education and skills needed to achieve their goals; and Strong and stable families and communities.**

STRATEGIES

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

- Sustainable services that leverage our enterprise expertise in fleet, leasing, construction, facilities, and purchasing services, and the expertise of our partner agencies to advance environmentally sustainable operations, avoid costs, and reduce the State's carbon footprint.
- Real property services that provide a single, enterprise-wide inventory of facility conditions necessary to strategically plan for asset preservation, workforce, and citizen service investments.
- Procurement services that leverages bulk purchasing opportunities to achieve best value by developing contracts for use by multiple government units; standardizing and consolidating purchases; and aggressively negotiating contract terms and pricing.
- Facilities management services such as maintenance, engineering, and energy retrofits that provide well-maintained facilities necessary for the daily operations of the state's executive, legislative, and judicial branches.
- Construction and space leasing services such as serving as the state's leasing agent and owner's representative on construction projects. We provide efficient and effective oversight of capital construction projects, ensure facility solutions that meet the space needs of state agencies and their customers, and facilitate effective management and optimal use of state real property assets.
- Government-to-Government shared services that provide financial and human resource services to small agencies, boards and commissions, continuous improvement (Lean) training, workers compensation, archeological services, and vehicle fleet services.
- Government management consultation to help agencies on achieve energy reduction goals, comply with open government requirements, reduce workers' compensation costs, and reduce the state's reliance on gasoline.
- Public services that include assistive technology, demographic services, and resources for people with developmental disabilities. We also facilitate the public's access to state government by educating citizens on their rights to government data, granting permits to stage public rallies, and administering public spaces in the State Capitol building.

The Department of Administration's legal authority comes from:

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

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

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

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

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

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

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

AT A GLANCE

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

Factors Impacting Facilities or Capital Programs

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

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

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

Admin also oversees the Office of Enterprise Sustainability (OES). Established in 2017, this office implements nationally and internationally recognized best practices based on successes in the private and public sectors, and is responsible for helping all state agencies achieve their sustainability goals in accordance with Executive Order 19-27. Focus areas include reducing greenhouse gas emissions, creating energy efficiency, utilizing renewable energy sources, promoting sustainable procurement, water efficiencies, waste reduction, and fleet modernization.

M.S. 16B.24 requires the Commissioner to "regularly update the long-range strategic plan for locating agencies." The most recent strategic plan was completed more than 25 years ago in 1993 and was updated in 1995. That plan was heavily relied upon to guide development of the Capitol Complex, including the additions of the Stassen, Freeman, and Anderson Buildings that relocated state agencies from leased space to more appropriately sized,

cost-effective state-owned space. However, significant changes in the marketplace over time, as well as evolving transit options and living patterns make that strategic plan no longer relevant.

Admin's capital budget requests, including facilities under the department's custodial control, have an enterprise focus impacting multiple agencies. In determining agency priorities, the following factors are considered:

- Deteriorating or failing infrastructure
- Life and safety considerations and code compliance
- Public access to the Capitol Complex
- Sustainability and energy efficiency
- Space and program requirements
- Emergency repair and hazardous materials abatement
- Capitol Complex land availability and optimum use

Self-Assessment of Agency Facilities and Assets

Admin operates and maintains 24 buildings, 23 memorials, 1 tribute and 26 parking facilities, located primarily in Saint Paul. Deferred maintenance at these facilities, based on the current data available in the ERPP, is estimated to be in excess of \$161 million.

Of particular concern for the department are:

- **Ability to Respond to Emergencies**
The **Capital Asset Preservation and Replacement Account (CAPRA)** funds emergency repairs and abatement needs for state agencies. In recent years, Admin has seen an increase in requests for funding from the CAPRA account due to the increasing age of state facilities and the lack of ongoing funding for facility maintenance. This program helps ensure that state facilities stay open following unanticipated emergencies and that construction projects are completed without compromising scope when hazardous materials are discovered during a renovation. This is our highest priority, as previously appropriated CAPRA funds are nearly exhausted and without an appropriation, no emergency funds will be available to assist agencies.
- **Rehabilitation of Buildings and Systems**
On the Capitol Complex, the State Office Building, Centennial Office Building, and the Ford Building are in need of significant repairs or replacement. Facility Condition Assessments support this conclusion. The needs of these buildings are urgent and ignoring them could result in more expensive and emergency repairs in the future.
 - The **Centennial Office Building** has multiple building systems that need to be significantly overhauled, including electrical, heating and cooling, hot water, and lighting. Additionally, the roof and windows need to be replaced and the layout should be updated to accommodate a modern workforce and to comply with Americans with Disabilities Act standards.
 - The **Ford Building** has languished unoccupied since 2004 when it was vacated due to failing systems that were too expensive to repair. This building sits on a valuable piece of property within the limited footprint of the Capitol Complex. The site should be efficiently used to maximize its size and location and best facilitate service delivery to Minnesotans.
 - The **State Office Building** also suffers from poor systems and structural deficiencies that need replacement or rehabilitation. Additionally, the building is not up to code and poses some safety hazards for its occupants.
 - In 2013, the Advisory Committee for Capitol Area Security commissioned a physical security study that identified significant vulnerabilities in and around facilities on the Capitol Complex. Initial funding to begin security upgrades on portions of the Capitol Complex was appropriated in 2018. The **Capitol Complex Security Upgrades Phase II** project will continue with the installation of

physical security improvements necessary to mitigate those vulnerabilities and lessen the risk of damage to state facilities and potential harm to those who work on and visit the Capitol Complex.

- To assist state agencies with making building accessibility improvements for employees and visitors with disabilities, Admin sees a need to establish an **Americans with Disabilities Act Accommodation Fund**. This fund would utilize general fund dollars to make moderate changes in state facilities to ensure that all people are able to freely access and move throughout the buildings.
- **Strategic Investments**
 - Section 16B.24 requires the Commissioner of Administration to **regularly** update the long-range strategic plan for locating agencies. Admin is requesting funding to update the **Real Estate Strategic Plan**, which was last drafted more than 25 years ago in 1993. The current Strategic Plan has been substantially implemented and lacks information on accommodating a modern workforce. A new Strategic Plan would guide the state with recommendations on agency location and co-location given the current transit infrastructure, telecommuting opportunities, and the needs of future government employees and service delivery opportunities for Minnesotans. Once completed, it will provide the foundation for decisions related to building ownership versus leasing for government operations.
 - In an effort to improve security and more efficiently manage the parking on the Capitol Complex, Admin is requesting funding for **Parking Management Access Controls**. These upgrades would ensure only those with authorized access are allowed in parking facilities and provide better data on facility vacancy rates and usage patterns. This will allow the state to more effectively manage the parking inventory on the Capitol Complex that is currently facing a shortage of employee and visitor parking.
 - There are times when state agencies experience emergency moving costs due to an unexpected facility change such as a landlord not renewing a lease or the opportunity to reduce rent. Admin recommends funding a **Relocation Fund** to assist those agencies with their moving costs.
 - Admin also recommends funding to **acquire a vacant parcel of property** in the Capitol Area that is currently for sale. The property is adjacent to an existing state parking lot and would help mitigate the loss of roughly 600 spaces when the Sears site is redeveloped.
- **Sustainability**
 - Since its inception, the Office of Enterprise Sustainability has engaged state agencies to determine baseline data, develop goals, and document best practices for the sustainable operation of facilities. As state assets continue to age, agencies are often forced to choose between maintenance and energy efficiency efforts. Maintenance is almost always the higher priority. To help improve energy efficiency in state owned facilities, and to help agencies meet their sustainability goals while reducing long-term operating costs, Admin proposes funding for a **State Building Efficiency Revolving Loan Fund**. This fund will allow agencies to make improvements and pay back the fund with savings derived from those improvements. The repayment of the fund will replenish the account and continue to fund projects each year well into the future. Funding from this appropriation will first focus on retro-commissioning state facilities, which typically yields 7% annual savings with an average payback of two years. After retro-commissioning is complete, the program will focus on projects with a Return on Investment (ROI) of seven years or less. Thirty-one other states have similar programs. This type of tool will be essential if the state is to meet its own sustainability goals.
 - Admin requests an appropriation for a **State Building Renewable Energy Fund**. General obligation bonds will fund renewable energy investments to help reduce the long-term operating costs of state facilities. Possible projects at state-owned facilities include solar, wind, battery storage, and biomass energy systems.

Agency Process for Determining Capital Requests

Admin is a central service agency providing state agencies with the expertise, resources and services they need to meet their mission of serving Minnesotans. Admin's approach to fulfilling that critical role is outlined in its mission to lead through exceptional service and creative solutions to help our partners succeed. Admin team members listen and learn from their colleagues across state government to understand their needs and obstacles in delivering services. That feedback is used to continually reevaluate the department's services and the recommendations provided to partners in areas such as sustainability, best use of existing resources, and thoughtful approaches to new leasing and new facilities.

Admin's 2020 Capital Budget Requests reflect our discussions internally with our Facilities Management, Real Estate and Construction Services, Office of Enterprise Sustainability and Enterprise Real Property divisions and externally with our agency partners. Those discussions informed decision making and elevated these important factors as a means of evaluating projects:

- Guaranteeing the wise use and maintenance of existing structures to address the most critical needs
- Ensuring the safety of our employees and visitors and identifying major liabilities
- Ensuring we can respond to emergencies
- Supporting sustainable investment in new facilities to maintain and extend the life of state-owned assets
- Leveraging technology to improve planning, management, and decision-making
- Providing expert service to our partners to help them achieve their missions
- Giving our team members the opportunity to thrive by supporting equity and inclusion
- Providing agencies with the tools to meet aggressive sustainability goals
- Thinking ahead to anticipate needs and preparing for the future workforce

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

Major Capital Projects Authorized in 2018 & 2019

2018

Statewide CAPRA - \$5,000,000

Capitol Security Upgrades \$10,000,000

Capital Asset Preservation and Replacement Account (CAPRA)**AT A GLANCE****2020 Request Amount:** \$15,000**Priority Ranking:** 1**Project Summary:** \$15 million from general obligation bonds for the Capital Asset Preservation and Replacement Account (CAPRA) to support emergency repairs and unanticipated hazardous material abatement needs for state-owned facilities throughout Minnesota. The account is fully depleted with pending agency requests.**Project Description**

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

No CAPRA funds are currently available, because requests exceed available funds. A new appropriation is imperative to ensure that Admin can continue to be responsive to state agency needs.

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

Project Rationale

CAPRA has served agencies well, but all previously appropriated funds have been put to use. As an emergency funding source, CAPRA provides rapid financial assistance to state agencies to help in disasters and to address urgent and unanticipated facility needs. It provides assistance for the unexpected failure of key components of systems, as well as unforeseen deficiencies discovered in state-owned buildings.

Examples of its past uses include:

- asbestos and lead abatement
- emergency roof, pipe and structural repairs
- fire and water damage repairs
- replacement of failed air conditioning
- boiler and water heater units
- life-safety system repairs (fire sprinkler protection, fire alarm/detection systems, emergency generators).

Asset Preservation funding across the enterprise continues to be a significant need and its inadequate

funding increases the need for emergency requests for CAPRA funding.

Prior to 2003, CAPRA funding was requested and typically approved for any agency asset preservation need. In 2003, as policy, the Department designated CAPRA as an emergency funding source only and required agencies to assess their facility needs and meet those needs through their Capital Budget Asset Preservation requests.

Project Timeline

Agencies request funds after an emergency occurs.

Other Considerations

Underfunding of Asset Preservation is an ongoing concern and exacerbates the demand for CAPRA funds. Adequately maintaining state facilities is imperative to support the efficient and effective delivery of services. To the degree that agency Asset Preservation requests are underfunded, there will be increased emergency requests for CAPRA funding.

Impact on Agency Operating Budgets

The program helps to minimize the impact on the delivery of services and programs due to unanticipated emergencies. Agencies often have insufficient operating funds to do replacements or repairs; expending CAPRA funds prevents or reduces additional damages to state facilities during emergencies.

Description of Previous Appropriations

2018: \$5 million

2017: \$5 million

2014: \$1 million

2012: \$1 million

2011: \$2.83 million

2010: \$2 million

2008: \$3.4 million

2006: \$4 million

These appropriations have been used to fund unanticipated emergency repairs and replacements such as:

- Repair of broken water main piping at the Minneapolis Veterans Home.
- Chiller and window replacement (including mold abatement around windows) at the Iron Range Rehabilitation & Resources (IRRRB) offices in Chisholm.
- Repair exterior walls at the Perpich Center for the Arts.
- Centennial Office Building Ramp repairs.
- Bring interior walls up to code at the Silver Bay Veterans Home.
- Add safety valves to the boiler at MCF Moose Lake.

Project Contact Person

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Capitol Area Architectural and Planning Board Review

The CAAPB is fully supportive of this request, as necessary maintenance of state assets.

Governor's Recommendation

The Governor recommends \$10 million in general obligation bonds for this request. Also included are budget estimates of \$10 million for each planning period for 2022 and 2024.

Administration

Project Detail

(\$ in thousands)

Capital Asset Preservation and Replacement Account (CAPRA)

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 11,000	\$ 15,000	\$ 10,000	\$ 10,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 11,000	\$ 15,000	\$ 10,000	\$ 10,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 1,500	\$ 1,000	\$ 1,000
Project Management	\$ 0	\$ 150	\$ 100	\$ 100
Construction	\$ 11,000	\$ 13,350	\$ 8,900	\$ 8,900
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 11,000	\$ 15,000	\$ 10,000	\$ 10,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 15,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Real Estate Strategic Plan

AT A GLANCE**2020 Request Amount:** \$1,500**Priority Ranking:** 2

Project Summary: \$1.5 million from the general fund to complete a modern, relevant Strategic Plan for locating state agencies. Statute requires the Commissioner of Administration to regularly update the plan (M.S.16B.24). The last strategic plan was drafted in 1993, more than 25 years ago, and no longer provides relevant guidance related to building locations, agency co-location opportunities, lease vs. own strategies, or transportation options.

Project Description

The most recent plan was completed in 1993 and an update is sorely needed to inform decisions on locating state agencies. The plan assesses the current and projected needs of state agencies along with the capacity of existing state-owned facilities and infrastructure. It also establishes design and locational criteria. Critically, it identifies needs for agencies to share space or to be near one another. The plan additionally develops strategies for ownership and leasing and identifies objectives for transportation management.

The plan focuses on three geographic areas:

- Capitol Area: for agencies with a high degree of interaction with legislators, the Governor, or the judicial branch, or those that have a prior facility investment.
- Capital City: for agencies with a high degree of interaction with the public and business community or which provide support services.
- Capital Region: for agencies throughout the state that offer state government services, consolidating over-the-counter services at locations near customers.

Many recommendations from the 1993 Strategic Plan have been implemented, including acquisitions, dispositions and new construction (Stassen Building-1997, Retirement Systems Building-1999, BCA-Maryland-2001, Andersen Building-2005, Freeman Building-2005, MDA-MDH Laboratory Building-2005, Minnesota Senate Building-2016).

Project Rationale

With the poor and deteriorating condition of the Centennial and State Office Buildings, substantial changes are expected on the Capitol Complex in the coming years. An update to the Strategic Plan is needed without delay so the future of these buildings can be planned within a strategic framework for the next 20 years.

The 1993 Strategic Plan for Locating State Agencies established a plan for meeting agencies' space needs during the next 20 years. The strategic plan has not been formally reviewed and updated since 1995. The plan exceeded its useful life in 2013 and the statutory requirement of having a regularly

updated plan has remained unfunded.

While some core principles of the plan remain relevant, changes in the operating environment of Minnesota State Government and changes in the way we "office" need to be re-evaluated and incorporated in the context of creating a strategic facilities master plan for the next 20 years. An updated plan will provide critical data and information to decision makers as they consider future state facility development, operations, occupancy, and investment.

Project Timeline

The update to the Strategic Plan is anticipated to take 16-18 months and have a 20-year useful life.

Other Considerations

Under M.S. 16B.24 the Commissioner of Administration is, among other duties, authorized to:

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

There is a space agreement between the Governor, Speaker of the House, and Senate Majority Leader that allocates space in the Capitol and State Office Building. There is also a lease agreement between the Senate and Admin for the Minnesota Senate Building. The Speaker of the House, Senate Majority Leader, and Governor, respectively, will determine the extent the Strategic Plan addresses long term space needs for each entity.

However, the Strategic Plan will take into consideration the long term maintenance and asset preservation needs for those buildings and potential resulting space impacts. As an example, the State Office Building is in need of comprehensive renovation and repair, which will require temporary office space to complete. The Strategic Plan will identify potential options for temporary office space during renovations.

Impact on Agency Operating Budgets

None

Description of Previous Appropriations

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

Project Contact Person

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Capitol Area Architectural and Planning Board Review

The CAAPB is fully supportive of this request, especially given the timing with wrap-up of the CAAPB in-house work in rewriting the Comprehensive Plan for the Capitol Area, along with coordinated, multi-agency work on mobility planning.

Governor's Recommendation

The Governor recommends \$1.5 million in general fund cash for this request.

Administration

Project Detail

(\$ in thousands)

Real Estate Strategic Plan

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Fund Cash	\$ 0	\$ 1,500	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 1,500	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 1,500	\$ 0	\$ 0
Construction	\$ 0	\$ 0	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 1,500	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	Yes
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Centennial Office Building Replacement, Rent Loss, and Relocation**AT A GLANCE****2020 Request Amount:** \$183,000**Priority Ranking:** 3**Project Summary:** \$179 million from general obligation bonds and \$4 million from the general fund for the design, construction, and temporary relocation of tenants for the replacement of the Centennial Office Building located on the Capitol Complex in St. Paul.**Project Description**

The project request involves the design and construction funds necessary for the replacement of the Centennial Office Building with a new 280,000 gross-square foot facility. The building would be designed to accommodate the existing Centennial Office Building population of approximately 1,000 people with the amenities to serve that population. The project will also accommodate the data center hub room which is currently located in the Centennial Office Building.

Project Rationale

The Centennial Office Building is now 62 years old. It has served the state well since it opened in 1958, but the building is now in poor condition and beyond its useful life. Maintenance and repair requirements are steadily increasing, its energy and carbon footprint is significantly larger than a modern replacement, and its functionality for today's workforce is sub-optimal.

Inaction on this project carries a significant risk for the building's tenants and should be considered a critical operational need. As the building's already poorly performing systems continue to age, the risk mounts of a major failure that would leave the building unsafe to occupy. This would disrupt agency work and force the emergency relocation of over 1,000 people and IT infrastructure and without funds available to cover the cost of relocation.

Specific concerns include:

- The main electrical gear is not in compliance with code requirements and is a safety concern
- The main electrical distribution system is outdated and inaccessible as a result of subsequent infrastructure installations that have occurred throughout the building
- The emergency power generator is not adequate for the current building load
- The return air capacity in the building is undersized and creates air flow deficiencies
- The supply air distribution system no longer works and must be replaced
- The domestic hot water and building heating systems need replacement due to age and corrosion
- The windows are approaching their life expectancy
- The roof shows signs of deterioration and will need replacement
- Interior temperatures are extremely difficult to control

- Lighting is outdated and inefficient
- The layout needs to be updated to accommodate the workforce of the future
- The building needs to be updated to fully comply with ADA requirements

This project will further enable the Department of Administration to fulfill its mission of providing functional, efficient, safe, attractive, and sustainable office space for building occupants on the Capitol Complex by replacing the existing building with a new one that meets today's safety and can help limit carbon emissions from government operations. The new building will in turn ensure greater operational reliability and up-time while providing modern energy conservation and sustainability attributes to the Capitol Complex building portfolio. The new building will provide the workplace standards of today and into tomorrow by providing a more collaborative work environment and more efficient use of floor space. Technology improvements will also make the work spaces more flexible. This new facility is also expected to significantly improve occupant efficiency and productivity.

Project Timeline

PREDESIGN: July, 2020 – December, 2020
DESIGN: December, 2020 – December, 2021
CONSTRUCTION: April, 2022 – March, 2024
COMMISSIONING: April, 2024 – July, 2024
OCCUPANCY: July, 2024

Other Considerations

\$5 million of the project cost is allocated for the design and construction of an MN.IT Hub Room.

\$27 million of the project cost will cover the cost of building a parking ramp.

\$4 million from the general fund will be necessary to temporarily relocate people currently housed in the Centennial Office Building during construction, and to move tenants into the new building once it is complete.

Impact on Agency Operating Budgets

The cost of the Centennial Office Building replacement would be collected through the established rent process with interest recovered over 20 years and depreciation over 75 years. Admin estimates a lease rate of \$24.90 per square foot for bond interest and building depreciation plus operating costs.

Description of Previous Appropriations

None

Project Contact Person

Erin Campbell
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Capitol Area Architectural and Planning Board Review

The CAAPB is very supportive of this effort to replace a building that has possibly outlived its

usefulness given current conditions. Should this request require re-development of a new site within the Capitol Area, the CAAPB must, by law, be involved in both site planning and in execution of a CAAPB-led Design Competition.

Governor's Recommendation

The Governor does not recommend capital funding for this request.

Administration

Project Detail

(\$ in thousands)

Centennial Office Building Replacement, Rent Loss, and Relocation

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 179,000	\$ 0	\$ 0
General Fund Cash	\$ 0	\$ 4,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 183,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 21,500	\$ 0	\$ 0
Project Management	\$ 0	\$ 500	\$ 0	\$ 0
Construction	\$ 0	\$ 143,990	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 4,000	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 13,010	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 183,000	\$ 0	\$ 0

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 179,000	100 %

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	Yes
Has the predesign been approved by the Department of Administration?	Yes
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	Yes
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Parking Management Access Controls**AT A GLANCE****2020 Request Amount:** \$19,500**Priority Ranking:** 4**Project Summary:** \$19.5 million from general obligation bonds to design and install parking management access controls at 27 parking facilities on the Capitol Complex.**Project Description**

This project will install parking management access controls at 27 state-owned parking facilities around the Capitol Complex. The modern access management controls will allow authorized individuals to enter and exit their assigned parking facility using their state ID and eliminate the antiquated and cumbersome hangtag system currently in place. It will also provide better data on facility vacancy rates and usage patterns which will in turn allow the state to more effectively manage the parking inventory on the Capitol Complex.

Project Rationale

Only two of the state parking facilities have parking management access controls which make our overall parking system outdated in today's urban parking environment. This lack of technology and control makes management of 6,343 parking stalls difficult and inefficient. Currently, there is no feasible way for the state to monitor daily parking occupancy rates in its facilities on and around the Capitol Complex.

Installation of controls that capture daily occupancy rates will allow parking administrators to better identify usage rates, resulting in more efficiently assigning parking contracts across the Capitol Complex parking portfolio. This will in turn, minimize unnecessary parking space vacancies and will facilitate parking patrons' ability to park in their facility of preference faster.

The impending loss of 500 parking spaces at Sears adds to the urgency to avoid further delays to modernize and maximize the use of state-owned facilities.

The upgrades will also provide more sustainable choices by allowing more multimodal commuting opportunities such as partial week parking options and facilitate other innovative parking programs that will meet the needs of a changing workforce. A better managed inventory may also, over time, allow us to eliminate some of the surface parking that is currently used as overflow because we will be better able to maximize the occupancy of the more desired facilities on and around the Capitol Complex. Finally, these improvements will also help improve security by limiting unauthorized vehicles in parking facilities that lie adjacent to many of the buildings in the Capitol Complex.

Project Timeline

DESIGN: August 2020 – July 2021

CONSTRUCTION: August 2021 – November 2023

Other Considerations

None

Impact on Agency Operating Budgets

While many parking projects have been fully user financed in the past, diminished land availability and increased demand have resulted in the need for higher cost parking ramps.

Description of Previous Appropriations

None

Project Contact Person

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Capitol Area Architectural and Planning Board Review

The CAAPB is fully supportive of this effort, totally in line with recent CAAPB studies and multi-agency work on parking and mobility, looking to reduce both the cost and amount of land in the Capitol Area tied up with parking.

Governor's Recommendation

The Governor does not recommend capital funding for this request.

Administration

Project Detail

(\$ in thousands)

Parking Management Access Controls

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Fund Cash	\$ 0	\$ 19,500	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 19,500	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 2,340	\$ 0	\$ 0
Project Management	\$ 0	\$ 5	\$ 0	\$ 0
Construction	\$ 0	\$ 16,355	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 800	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 19,500	\$ 0	\$ 0

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Pre-design Review (M.S. 16B.335 subd. 3):	
Does this request include funding for pre-design?	No
Has the pre-design been submitted to the Department of Administration?	No
Has the pre-design been approved by the Department of Administration?	No
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	No
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

State Building Efficiency Investments and Revolving Loan Fund

AT A GLANCE**2020 Request Amount:** \$30,000**Priority Ranking:** 5

Project Summary: \$30 million to create a Minnesota State Building Efficiency Investments and Revolving Loan Fund. \$15 million from the general fund will be used to capitalize a revolving loan fund to finance energy efficiency and water conservation improvements in state facilities. \$15 million from general obligation bonds will be used to install renewable energy on or near state facilities.

Project DescriptionState Building Efficiency Revolving Loan Fund

The \$15 million general fund appropriation establishes the State Building Efficiency Revolving Loan Fund to be administered by the Office of Enterprise Sustainability (OES) at the Department of Administration. The revolving loan fund will allow for improvements that lead to energy and water savings in state-owned buildings.

All cabinet-level agencies will be eligible to apply for funds and requests will be reviewed by OES and recommended for approval to the Commissioners of Administration, Management and Budget, and Revenue. Loan recipient agencies will enter into an interagency loan agreement with OES. Agencies will be responsible for contracting to complete the projects and repay the loan from the project savings in a maximum of 5 years as required by statute.

Possible energy and water investments include:

- Interior or exterior LED lighting conversions
- Digital controls for heating and cooling
- Variable-frequency speed fans and motors
- Low flow fixtures and toilets
- Faucet aerators and washing equipment sprayer heads
- Water heater replacements
- Ground and air source heat pumps
- Water softener controls
- Water irrigation sensors and controls

State Building Renewable Energy Fund

\$15 million in general obligation bonds will fund renewable energy investments to help reduce the long-term operating costs of state facilities. Possible projects at state-owned facilities include solar, wind, battery storage, and biomass energy systems.

OES will work with state agencies to identify site-specific opportunities for reducing energy and advancing renewable energy usage in state-owned buildings. OES will also develop criteria for evaluating projects and establish master contracts for energy efficiency and renewable energy.

All cabinet-level agencies will be eligible to apply for funding. Funding requests will be reviewed by OES and recommended for approval to the cabinet members represented on the Sustainability Steering Team, outlined in Executive Order 19-27. With assistance from OES, the Department of Administration's Division of Real Estate Management and Construction Services or other appropriate state agencies will manage the renewable energy projects.

Project Rationale

These investments provide an opportunity for a dual set of benefits. Water and energy costs driven by the operation of state government will be avoided while helping meet the goals of reducing water and energy consumption.

These investments also further the Governor's commitment to eliminate Minnesota's carbon emissions for electricity by 2050. According to the State Climatology Office, Minnesota's climate is increasingly more volatile with extreme precipitation and temperatures swings. Climate change will continue to impact Minnesota's environment, economy, and the quality of life for everyone. The state has an opportunity to reduce its energy use, operating costs, and carbon footprint all while leading the nation in reducing greenhouse gas emissions.

State Building Efficiency Revolving Loan Fund

This fund is modeled after similar efforts in 31 other states and represents a broad consensus that small-scale energy and water investments in government buildings are a sensible approach to avoid costs and reduce consumption.

Agencies often lack the upfront capital needed to make energy and water efficiency improvements to state-owned buildings. Limited operating funds are prioritized for an agency's core mission over building efficiency or sustainability initiatives.

State Building Renewable Energy Fund

Minnesota has abundant cost-effective renewable energy resources including wind, solar, and biomass. Due to technology advances, solar and wind energy costs are decreasing rapidly. For example, the Minnesota Department of Administration recently signed a contract for 640 kilowatts(kW) solar at five sites on the Capitol Complex which are expected to avoid \$87,915 in energy costs and cut greenhouse gas emissions each year equivalent to 467 metric tons of coal.

The appropriation is needed to realize this renewable energy opportunity for state buildings. The longer timeline to recoup the cost of these investments make a revolving fund a poor fit under current statute. Similarly, the significant upfront costs deter agencies from prioritizing these projects within existing funding.

Project Timeline

PROJECTS REVIEWED July – September 2020

CONSTRUCTION October 2020 – June 2021

Other Considerations

In M.S. 16B.86, the Department of Administration has the authority to establish a loan program “to finance agency projects that will result in either reduced operating costs or increased revenues, or both, for a state agency.” M.S. 16B.87 establishes a loan committee and repayment guidelines.

M.S. 16B.325 directs the Departments of Administration and Commerce to develop sustainable building guidelines that achieve the lowest possible lifetime cost for new building and major renovations and “must consider the long-term operating costs of the building, including the use of renewable energy sources.”

M.S. 216B.241 subd. 9 establishes cost-effective building performance standards, Sustainable Building 2030, for energy use and associated carbon dioxide emissions per square foot in buildings compared to the average energy usage of similar buildings in 2003. Every five years, the total carbon emissions target from buildings is reduced with an 80% reduction in 2020, 90% reduction in 2025 and 100% reduction (net zero carbon) is achieved in 2030.

Impact on Agency Operating Budgets

As more energy efficiency improvements and renewable energy are implemented, the state's long-term energy consumption, energy costs and greenhouse gas emissions will decrease and allow state agencies to focus on their core missions, thereby improving their quality of service for all Minnesotans

Description of Previous Appropriations

None

Project Contact Person

Erin Campbell
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Capitol Area Architectural and Planning Board Review

The CAAPB is supportive of this request due to interest in sustainability campus-wide.

Governor's Recommendation

The Governor recommends \$5 million in general fund cash for this request to create a revolving loan fund from which the Department of Administration will lend funding to other agencies to finance facility improvements geared toward energy efficiency and water conservation.

Administration

Project Detail

(\$ in thousands)

State Building Efficiency Investments and Revolving Loan Fund

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 15,000	\$ 5,000	\$ 5,000
General Fund Cash	\$ 0	\$ 15,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 30,000	\$ 5,000	\$ 5,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 3,300	\$ 550	\$ 550
Project Management	\$ 0	\$ 500	\$ 80	\$ 80
Construction	\$ 0	\$ 26,200	\$ 4,370	\$ 4,370
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 30,000	\$ 5,000	\$ 5,000

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 15,000	100 %

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	N/A
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	N/A
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Property Acquisition

AT A GLANCE**2020 Request Amount:** \$2,600**Priority Ranking:** 6**Project Summary:** \$2.6 million from general obligation bonds to acquire land adjacent to state-owned property to provide a future development site to meet space needs on the Capitol Complex, as well as to complete the design, site-work, paving, and equipment needed to provide additional temporary parking for the Capitol Complex.**Project Description**

There is a vacant parcel of privately-owned land on the Capitol Complex currently available for sale. The parcel is strategically located adjacent to a state-owned parking lot and in close proximity to the State Capitol, State Office Building, and Minnesota Senate Building. Funds will be used to acquire the property, design, and complete the site-work, paving, and equipment needed to provide additional temporary parking for the Capitol Complex. The property to be acquired, combined with the adjacent state-owned parking lot, will also be available to meet future development needs on the Capitol Complex.

Project Rationale

The acquisition of the land that is for sale will help satisfy several different needs on the Capitol Complex. Admin currently leases 500 surface parking spaces at Sears. The owner of the Sears site has indicated an intention to redevelop the site, which will make the surface parking spaces no longer available for lease.

The available parcel is adjacent to a state-owned parking lot and bound on the other side by the light rail line. This will allow Admin to maximize our current property and add additional parking capacity in the short term and provide a future development site to meet space needs on the Capitol Complex.

Visitor parking in close proximity to the Capitol, State Office Building, and Minnesota Senate Building is also strained when large events are held on the Capitol Complex. This parcel could help provide improved public access to legislators and agencies.

Project Timeline

The acquisition is anticipated to occur in 2020 with construction in 2021.

Other Considerations

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

Impact on Agency Operating Budgets

None

Description of Previous Appropriations

None

Project Contact Person

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Capitol Area Architectural and Planning Board Review

The CAAPB supports this request, especially given mounting pressure on land available to the State.

Governor's Recommendation

The Governor recommends \$2.6 million in general obligation bonds for this request.

Administration

Project Detail

(\$ in thousands)

Property Acquisition

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 2,600	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 2,600	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 1,800	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 60	\$ 0	\$ 0
Project Management	\$ 0	\$ 10	\$ 0	\$ 0
Construction	\$ 0	\$ 730	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 2,600	\$ 0	\$ 0

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 2,600	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Pre-design Review (M.S. 16B.335 subd. 3):	
Does this request include funding for pre-design?	N/A
Has the pre-design been submitted to the Department of Administration?	N/A
Has the pre-design been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

State Office Building Renovation Predesign and Design

AT A GLANCE**2020 Request Amount:** \$32,800**Priority Ranking:** 7**Project Summary:** \$32.8 million from general obligation bonds for predesign and design for the remodeling and renovation of the State Office Building (SOB) located on the Capitol Complex in St. Paul.**Project Description**

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

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

A major renovation of the building was last completed in 1985. Since then only routine maintenance and repairs have occurred.

The proposed funding and implementation plan is as follows:

2020 - \$32.8 million for predesign, design, pre-construction services, and temporary office space construction (estimate pending)

2022 - \$255 million construction and occupancy costs (estimate pending; based on Oct '23 Midpoint of construction)

Project Rationale

Based on the findings of the Facility Condition Assessment, which rated the facility as fair to poor, the comprehensive renovation of the State Office Building has been identified as a priority for the department. For logistical reasons, the renovation of the State Office Building needed to occur after completion of Capitol Restoration.

Major concerns include:

- Plumbing, mechanical controls, and air distribution systems are now at the end of their rated useful life, resulting in higher maintenance and repair needs and the risk of shut down in the event of a total system failure.
- Lighting system is outdated and inadequate.
- Windows and skylights do not meet today's energy codes.

- Emergency power and emergency lighting systems are well beyond their rated life and may be inadequate in the event of an emergency.

Renovation of the State Office Building will provide a comprehensive approach for the reprogramming, restoration, and preservation of the building. This project will also further enable the Department of Administration to fulfill its mission of providing functional, efficient, safe, attractive, and sustainable office space for building occupants on the Capitol Complex by upgrading the existing building to meet today's safety and energy codes. This will in turn ensure greater operational reliability and up-time while providing modern energy conservation and sustainability attributes to the Capitol Complex building portfolio.

This remodeled facility is also expected to significantly improve occupant efficiency and productivity. The rehabilitation will bring the antiquated office layouts to the standards of today and into tomorrow by providing a more collaborative work environment and more efficient use of floor space. Technology improvements will also make the work spaces more flexible and improve public access to the legislature.

Project Timeline

PREDESIGN: July 2020 - March 2021

DESIGN: April 2021 - April 2023

Other Considerations

Approximately \$2.5 million of project funds will be used to restore the parking ramp.

Impact on Agency Operating Budgets

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

Description of Previous Appropriations

\$225,000 from the 2011 Capitol Complex Asset Preservation appropriation was used to complete the 2011-2012 predesign. This predesign only addressed mechanical systems, not space functionality.

Project Contact Person

Erin Campbell
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Capitol Area Architectural and Planning Board Review

The CAAPB is fully supportive of this long-overdue study on the needs of the State Office Building, especially given the effects of inflation on a historic building, as experienced with the restoration of the State Capitol Building and the delay from original requests at turn of the century.

Governor's Recommendation

The Governor does not recommend capital funding for this request.

Administration

Project Detail

(\$ in thousands)

State Office Building Renovation Predesign and Design

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 32,800	\$ 255,000	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 32,800	\$ 255,000	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 250	\$ 0	\$ 0
Design Fees	\$ 0	\$ 32,500	\$ 0	\$ 0
Project Management	\$ 0	\$ 50	\$ 20,000	\$ 0
Construction	\$ 0	\$ 0	\$ 235,000	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 32,800	\$ 255,000	\$ 0

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 32,800	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Pre-design Review (M.S. 16B.335 subd. 3):	
Does this request include funding for pre-design?	Yes
Has the pre-design been submitted to the Department of Administration?	No
Has the pre-design been approved by the Department of Administration?	No
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	No
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Ford Building Demolition - Phase I**AT A GLANCE****2020 Request Amount:** \$1,700**Priority Ranking:** 8**Project Summary:** \$1.7 million from general obligation bonds for demolition of the Ford Building and site work necessary for future development.**Project Description**

This request will eliminate the annual operating costs on a deteriorating structure that is undersized for the valuable plot of real estate in the heart of the Minnesota State Capitol Complex. Removing the current Ford Building structure and preparing the site for future construction will cost \$1.7 million from general obligation bonds.

Project Rationale

The Ford Building, located at 117 University Avenue St. Paul, is under the custodial management of the Department of Administration. The Ford Motor Company constructed the building in 1913-1914 as a retail, service, and sub-assembly facility. The building was converted to office space for the federal government around 1951 and the state acquired the Ford Building in the late 1960s. The building has been vacant since 2004 due to deterioration, need for major repair and systems replacement, and the prohibitively high lease rates.

The vacant structure is obsolete and not suitable for the needs of state agencies. A recent facility assessment report notes that water intrusion through the roof system and windows will likely damage the concrete structure unless a building envelope repair project is completed. The repairs are estimated to cost about \$300,000.

The complex surrounding the Minnesota State Capitol Building hosts the state's three branches of government. The last decade has seen its transformation with the restoration of the State Capitol, construction of the Minnesota Senate Building, and the operation of the Green Line light rail. Such improvements position the state to better prepare for future public access and workforce needs, but the limited space on the complex curtails opportunities for strategic placement of the state workforce.

Project Timeline

The project would begin in the fall of 2020 and be completed by the spring of 2021.

Other Considerations

The vacant structure is connected to the Capitol Complex tunnel system and access to the tunnel will be maintained. It is also located adjacent to the Green Line light rail.

Impact on Agency Operating Budgets

Building operating costs are paid by tenant lease payments, but the Ford building has been vacant since 2004. Despite being vacant, the Department of Administration projects annual operating costs of

\$71,000. Funding for this project will eliminate future annual operating costs.

Description of Previous Appropriations

1984 - \$95,000 to connect to District Energy Heating

1990 - \$150,000 to repair ventilation system.

1998 - \$49,000 to repair exterior stucco (Asset Preservation appropriation)

Project Contact Person

Erin Campbell

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Capitol Area Architectural and Planning Board Review

While CAAPB policy does not require, but supports, re-use of the Ford Building, the CAAPB is open to the budget request for demolition of the Ford Building, given that the site would be reused. The CAAPB believes that an analysis of the range of options for the site redevelopment, including full or partial building re-use to complete demolition and redevelopment of a cleared site, should be executed.

Governor's Recommendation

The Governor recommends \$1.7 million in general obligation bonds for this request.

Administration

Project Detail

(\$ in thousands)

Ford Building Demolition - Phase I

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 1,700	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 1,700	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 170	\$ 0	\$ 0
Project Management	\$ 0	\$ 30	\$ 0	\$ 0
Construction	\$ 0	\$ 1,500	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 1,700	\$ 0	\$ 0

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 1,700	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Pre-design Review (M.S. 16B.335 subd. 3):	
Does this request include funding for pre-design?	N/A
Has the pre-design been submitted to the Department of Administration?	N/A
Has the pre-design been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Capitol Complex Security Upgrades Phase II

AT A GLANCE**2020 Request Amount:** \$27,800**Priority Ranking:** 9**Project Summary:** \$17 million from general obligation bonds and \$10.8 million from the general fund for Phase II design and construction of various physical security upgrades across the Capitol Complex.**Project Description**

The recommended improvements are the continuation of security upgrades currently underway across portions of the Capitol Complex. They are the result of a physical security study, commissioned by the Advisory Committee for Capitol Area Security in 2013. The study identified significant vulnerabilities in and around facilities on the Capitol Complex. This project will provide the physical security improvements necessary to mitigate those vulnerabilities, and implement enhancements as necessary to counter new threats that have evolved since the study was completed in 2013.

Resources will be used to fund:

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

In 2018, the Legislature provided \$10 million to begin installing the security enhancements and work is underway. However, even with the funds provided in 2018, there remains a \$27.8 million deficit in the funding necessary to satisfy the needs of the study and predesign. The funding allocation did not include a general fund appropriation and covered just 41% of the bondable recommendation. Consequently without this appropriation, over half of the Capitol Complex population, and building square footage, will not receive the security upgrades necessary to improve safety and security on the Capitol Complex.

Project Rationale

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

One of the first undertakings of the committee was to hire a consultant to conduct a Physical Security Study to assess the threats and vulnerabilities of the Capitol Complex. Previous studies focused on operational security vulnerabilities. This one was different because it focused on the physical vulnerabilities of the facilities. The study was performed by architects, engineers, and security professionals. It examined the structural, landform, and architectural elements of structures. It assigned security risk levels and priorities and it provided the recommended physical security improvements for the complex. The study was completed in June of 2014 and a predesign was completed in 2017.

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

Project Timeline

PREDESIGN: Completed November 2017

DESIGN: July 2020 – October 2021

CONSTRUCTION: November 2021- November 2023

Other Considerations

None

Impact on Agency Operating Budgets

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

Description of Previous Appropriations

2018: \$10 million

Project Contact Person

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Capitol Area Architectural and Planning Board Review

The CAAPB fully supports this critically needed project funding, as we have done in past several years, given the clear need for safety and security for all who come to the Capitol.

Governor's Recommendation

The Governor recommends \$5 million in general obligation bonds and \$5 million in general fund cash for this request.

(\$ in thousands)

Capitol Complex Security Upgrades Phase II

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 10,000	\$ 17,000	\$ 0	\$ 0
General Fund Cash	\$ 0	\$ 10,800	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 10,000	\$ 27,800	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 1,095	\$ 3,300	\$ 0	\$ 0
Project Management	\$ 5	\$ 5	\$ 0	\$ 0
Construction	\$ 8,900	\$ 11,795	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 12,700	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 10,000	\$ 27,800	\$ 0	\$ 0

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 17,000	100 %

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	Yes
Has the predesign been approved by the Department of Administration?	Yes
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	Yes
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

ADA Building Accommodation Fund**AT A GLANCE****2020 Request Amount:** \$2,000**Priority Ranking:** 10

Project Summary: \$2 million from the general fund to implement a centralized funding source for use by state agencies, boards, and commissions, the legislative and judicial branches of government, and constitutional offices to correct physical barriers in state-owned and state-leased buildings in order to improve the public's physical access to state services and employment opportunities.

Project Description

This \$2 million general fund appropriation will be used for the design and construction of building infrastructure and building equipment to correct physical barriers and improve the public's access to state services and employment opportunities. Example projects include:

- Install automatic door operators
- Additional or improved signage
- Reduce changes in elevation
- Modify fixtures in breakrooms, restrooms, and shower facilities
- Install drop-off zones, curb ramps, and ramps exterior to buildings
- Install handrails
- Add or modify public seating with bariatric benches
- Modify conference room and auditorium seating
- Lighting changes to accommodate ADA requirements
- Install auditory and sight assist equipment
- Modify work areas

The Minnesota Council on Disability (MCD) will review each request and recommend approval or disapproval. Department of Administration's Real Estate and Construction Services Division will manage the fund and deliver the construction improvements.

Project Rationale

This program will provide financial assistance to state agencies so they can better address the facility needs of their employees and public visitors. By improving the physical access to state government facilities, this program will also improve the independence and productivity of Minnesotans with disabilities.

Project Timeline

As agencies identify needs, projects will be reviewed and executed.

Other Considerations

The Department of Administration will initially request \$2 million to establish the fund. Demand will be monitored and subsequent requests will be adjusted based upon need.

Impact on Agency Operating Budgets

The appropriation will provide financial assistance to state agencies to help address ADA Building Accommodations. The program will help minimize the impact to agencies.

Description of Previous Appropriations

None

Project Contact Person

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Capitol Area Architectural and Planning Board Review

The CAAPB fully supports this request.

Governor's Recommendation

The Governor recommends \$2 million in general fund cash for this request. Also included are budget estimates of \$2 million for each planning period in 2022 and 2024.

Administration

Project Detail

(\$ in thousands)

ADA Building Accommodation Fund

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Fund Cash	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 200	\$ 200	\$ 200
Project Management	\$ 0	\$ 40	\$ 40	\$ 40
Construction	\$ 0	\$ 1,760	\$ 1,760	\$ 1,760
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	N/A
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	N/A
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	N/A
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

State Agency Relocation

AT A GLANCE**2020 Request Amount:** \$2,000**Priority Ranking:** 11**Project Summary:** \$2 million from general fund for agency relocation. Funding is used to facilitate the movement of state operations to new locations when doing so improves agency operations, yields cost savings, or enhances customer service and access. This funding helps optimize the use of state-owned facilities by back filling pockets of vacant space and moving agencies from leased space. This request is for needs not covered under other capital requests.**Project Description**

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

Since these events are typically unforeseen, the agency or the enterprise usually does not have funds to complete the move, and using operating funds is often a disincentive to beneficial moves. Relocation funding is used to cover costs incurred to facilitate relocations. This may include moving and installing furniture and equipment along with voice and data services.

Relocation funds are also needed to facilitate utilizing space effectively and efficiently. In situations where there is underutilized space or space that is not meeting current program needs, relocation funds could be used to re-stack or reconfigure existing floors and layouts to allow greater densities and other space and operational efficiencies.

Project Rationale

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

Project Timeline

Relocations would be completed as needed until funds are fully expended or cancel.

Other Considerations

The Commissioner of Administration is charged by M.S. 16B.24 to lease office space for state agencies in either state-owned or non-state-owned facilities. When contractual arrangements dictate the need for an agency to relocate, or when the agency believes it must relocate for other reasons,

the costs of relocating can be funded in one of three ways:

1. Agency reallocation within existing base
2. Capital budget
3. Biennial (operating) budget

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

Impact on Agency Operating Budgets

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

Description of Previous Appropriations

2002 - \$1.5 million

2003 - \$500,000

2005 - \$9,829,000

The majority of the funding in 2005 was to relocate the Departments of Agriculture, Health, and Human Services to new facilities on the Capitol Complex. In addition, funds were appropriated in 2013 and 2015 for relocations related to restoration of the State Capitol building. Funds were also appropriated in 2019 to the Minnesota State Art's Board to cover relocation expenses.

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Administration

Project Detail

(\$ in thousands)

State Agency Relocation

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Fund Cash	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 0	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	N/A
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	N/A
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	N/A
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A