

# Administration

# Projects Summary

(\$ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds		
			2020	2022	2024
CAPRA (Capital Asset Preservation and Replacement Account)	1	GO	\$ 15,000	\$ 10,000	\$ 10,000
Real Estate Strategic Plan	2	GF	\$ 1,500	\$ 0	\$ 0
Power Plant Chiller Replacement	3	GO	\$ 30,200	\$ 0	\$ 0
Centennial Office Building Replacement, Rent Loss and Relocation	4	GO	\$ 191,000	\$ 0	\$ 0
		GF	\$ 4,000	\$ 0	\$ 0
Parking Management Access Controls	5	GO	\$ 19,500	\$ 0	\$ 0
State Building Efficiency Investments and Revolving Loan Fund	6	GO	\$ 15,000	\$ 5,000	\$ 5,000
		GF	\$ 15,000	\$ 0	\$ 0
Property Acquisition	7	GO	\$ 2,000	\$ 0	\$ 0
State Office Building Renovation Predesign and Design	8	GO	\$ 32,800	\$ 255,000	\$ 0
Ford Building Demolition	9	GO	\$ 1,700	\$ 0	\$ 0
Capitol Complex Security Upgrades Phase II	10	GO	\$ 17,000	\$ 0	\$ 0
		GF	\$ 10,800	\$ 0	\$ 0
ADA Building Accommodation Fund	11	GF	\$ 2,000	\$ 2,000	\$ 2,000
State Agency Relocation	12	GF	\$ 2,000	\$ 2,000	\$ 2,000
<b>Total Project Requests</b>			<b>\$ 359,500</b>	<b>\$ 274,000</b>	<b>\$ 19,000</b>
<b>General Obligation Bonds (GO) Total</b>			<b>\$ 324,200</b>	<b>\$ 270,000</b>	<b>\$ 15,000</b>
<b>General Fund Cash (GF) Total</b>			<b>\$ 35,300</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>

**CAPRA (Capital Asset Preservation and Replacement Account)****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.**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 emergency repairs and unanticipated hazardous material abatement needs for state agency facilities. CAPRA funds are dangerously low and need to be replenished to help 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**

Prior to 2003, CAPRA funding was requested and typically approved for any state 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.

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 unexpected 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, and life-safety system repairs (e.g. 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.

**Project Timeline**

Agencies request funds after an emergency occurs.

**Other Considerations**

Asset Preservation is an ongoing concern. 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 to agencies 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**

Previous appropriations for CAPRA in the last 14 years are: 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 the 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, the Centennial Office Building Ramp repairs, to bring interior walls up to code at the Silver Bay Veterans Home, and to add safety valves to the boiler at MCF Moose Lake.

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## 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**

Minnesota Statute 16B.24 requires the Commissioner of Administration to regularly update the Strategic Plan. The most recent plan was completed in 1993 and an updated plan is vital to focus on the following three geographical 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**

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 is not being met. While the core principles of the plan remain relevant and are still used by the department in decision-making, changes in the operating environment of Minnesota State Government and changes in the way we "office" need to be re-evaluated and incorporated in the context of creating a strategic facilities master plan for the next 20 years. 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 12-14 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 a state agency may also be maintained by the Commissioner.
- Assign and reassign office space in the Capitol and state buildings
- Regularly update the long-range strategic plan for locating agencies and follow the plan in assigning and reassigning space to agencies
- Sell, demolish, or dispose of state-owned buildings upon request from heads of agencies with control, or as needed
- Rent out state property that is not needed for public use
- Lease space in state-owned buildings under Department of Administration control to state agencies and judicial branch and charge rent based on square footage occupied
- Lease land and other premises when necessary for state purposes

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 restoration 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 state agency office space in the metropolitan area.

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**Power Plant Chiller Replacement****AT A GLANCE****2020 Request Amount:** \$30,200**Priority Ranking:** 3**Project Summary:** \$30.2 million from general obligation bonds for design, construction upgrades and chiller replacements in the Capitol Complex chiller plant located in the Power House building.**Project Description**

The project includes the design and construction funds necessary to restore the state's internal capacity to provide cooling for the Capitol Complex, currently being provided by District Energy. In the Power House building adjacent to the Judicial Center, four centrifugal chillers will be replaced. Work will involve sizing, design, and installation of a new chiller system, as well as removal and disposal of the existing equipment. It will also require modifications to the Power House building and the cooling loop infrastructure as necessary to accommodate the new chillers and their increased capacity.

**Project Rationale**

Since 2005, building cooling for the Capitol Complex has been provided by a contract with District Energy (DE), a nonprofit utility in downtown St. Paul. The contract with DE ends in 2025 and quick action may be required to provide state-owned cooling capacity. In this scenario, inaction could leave the state without internal capacity to cool the Capitol Complex.

With the contract's end nearing, Admin has commissioned a study to consider the best course of action for future cooling of the Capitol Complex. The study will compare the options of entering into a new contract for cooling from an offsite supply against restoring internal capacity to cool the complex. It will account for all costs including the removal of existing chillers, building modifications and staffing requirements to operate a chiller plant internally. The study results will inform how Admin proceeds with cooling the Capitol Complex.

The Capitol Complex Power House building provided cooling for the complex prior to 2005 through four centrifugal chillers, but a substantial upgrade will be required to again internally provide cooling loads for the complex given current equipment condition. By 2024, the chillers will reach their useful life expectancy, and three no longer meet federal guidelines pertaining to chlorofluorocarbon (CFC) use. Two are irreparable and only one is currently in service. This project will require replacement of the existing chillers along with the two irreparable cooling towers to accommodate cooling loads for the complex and provide redundancy.

The Power House building was constructed in the late 1800s as the source of power, heat, and electricity for the Capitol Building. It is a 20,000 square foot masonry building. Around 1960, absorption chillers were installed and a cooling loop was constructed to provide cooling to many of the buildings on the Capitol Complex. In 1989 the Facilities Management Division replaced the aging absorption chillers with three 1,000 ton centrifugal chillers to handle its cooling load, and in 1999, a

fourth 1,250 ton chiller was installed to accommodate the growing Capitol Complex cooling load of 4,000 tons.

### **Project Timeline**

DESIGN: July, 2020 – May, 2021

CONSTRUCTION: August, 2021 – July, 2022

COMMISSIONING: July, 2022 – November, 2023

OPERATION: March, 2024 (start of cooling season)

### **Other Considerations**

Based on the outcome of the pending study and to protect taxpayer dollars, Admin will move forward with the option that is most cost effective for the cooling of the Capitol Complex.

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

Assumption of Capitol Complex cooling could require an additional FTE to operate and maintain the chiller plant. However there could also be overall savings to Capitol Complex tenant agencies, the Legislature and constitutional offices over the 30-year life expectancy of the chillers.

### **Description of Previous Appropriations**

None

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**Centennial Office Building Replacement, Rent Loss and Relocation****AT A GLANCE****2020 Request Amount:** \$195,000**Priority Ranking:** 4**Project Summary:** \$191 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 designed to accommodate the existing Centennial Office Building population of approximately 1,000 people and a data center hub room. It will contain a cafeteria and a 604 stall parking ramp. The facility will be connected to the existing Capitol Complex tunnel system.

**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, it is significantly less energy efficient than what today's codes and standards require, and its functionality for today's workforce is sub-optimal.

- 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 energy codes. The new building will in turn ensure greater operational reliability and up-time while providing state-of-the-art 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 relocation of the MN.IT Hub Room that is on the 5th floor of the Centennial Office Building.

\$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**

Operating costs per square foot are expected to be approximately the same as the recently constructed buildings on the Capitol Complex. There will be an incremental increase in cost per square foot for the new building in order to pay for bond interest and building depreciation as a result of its construction. The Department of Administration will operate and maintain the building. The agency occupants will be responsible for programming and staffing the building's activities.

**Description of Previous Appropriations**

None

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## Parking Management Access Controls

### AT A GLANCE

**2020 Request Amount:** \$19,500

**Priority Ranking:** 5

**Project Summary:** \$19.5 million from general obligation bonds to design and install parking management access controls at 28 parking facilities on the Capitol Complex.

### Project Description

This project will install parking management access controls at 28 state-owned parking facilities around the Capitol Complex. The state-of-the-art 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 30 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. The lack of accurate occupancy rates causes those who administer the parking program to make conservative decisions when assigning spaces in order to not exceed the parking capacity of a facility and thus causes longer waiting times for contract holders.

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 is expected to facilitate parking patrons ability to park in their facility of preference faster.

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**

None: It is expected that there will be a shift of approximately 1 FTE from the parking administrative function to the system maintenance and repair function after the new controls are installed. The installation of new parking controls may impact electric utility costs. This may however, be offset by proposed solar generation. These costs will be paid by parking patrons through the parking fund.

**Description of Previous Appropriations**

None

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## State Building Efficiency Investments and Revolving Loan Fund

**AT A GLANCE****2020 Request Amount:** \$30,000**Priority Ranking:** 6

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

**Project Description**State Building Efficiency Revolving Loan Fund

The 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

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 and lead 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

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## Property Acquisition

**AT A GLANCE****2020 Request Amount:** \$2,000**Priority Ranking:** 7**Project Summary:** \$2 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. 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

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## State Office Building Renovation Predesign and Design

**AT A GLANCE****2020 Request Amount:** \$32,800**Priority Ranking:** 8**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 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 on the building was last completed in 1985. Since then only routine maintenance and repairs have occurred. Consequently, the plumbing, mechanical, controls, and air distribution systems are now at the end of their rated useful life, resulting in higher maintenance and repair needs and the risk of shut down in the event of a total system failure. The lighting system is outdated and inadequate and the windows and skylights do not meet today's energy codes. Additionally, the emergency power and emergency lighting systems are well beyond their rated life and may be inadequate in the event of an emergency. This project will provide a comprehensive approach for the reprogramming, restoration, and preservation of the building.

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.

This project will further enable the Department of Administration to fulfill its mission of providing

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

None.

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

Improvements to building systems, such as the replacement of obsolete mechanical systems will result in energy and cost savings. However, bringing spaces up to compliance with modern standards of lighting and air quality will also impact costs. To avoid unsustainable rent costs for tenants in the State Office Building, it is recommended that the debt service associated with this project be waived, 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.

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**Ford Building Demolition****AT A GLANCE****2020 Request Amount:** \$1,700**Priority Ranking:** 9**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 structure and preparing the site for future construction will cost \$1.7 million in general obligations 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, estimated to cost more than \$270,000, is completed.

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 is 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)

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**Capitol Complex Security Upgrades Phase II****AT A GLANCE****2020 Request Amount:** \$27,800**Priority Ranking:** 10**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 thus lessen the risk of damage to state facilities and potential harm to those who work on and visit the Capitol Complex.

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

**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.

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 identified Capitol Complex population, and building square footage, will not receive the security upgrades necessary to improve the safety and security on the Capitol Complex.

### **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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## ADA Building Accommodation Fund

**AT A GLANCE****2020 Request Amount:** \$2,000**Priority Ranking:** 11

**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 in building interiors, plazas, patios, and decks. Examples of 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.

Up to 15 percent off this fund may be used on administration for Admin and MCD.

**Description of Previous Appropriations**

None

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## State Agency Relocation

**AT A GLANCE****2020 Request Amount:** \$2,000**Priority Ranking:** 12**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, and/or enhances customer service and access. This funding helps optimize the use of state-owned facilities by backfilling pockets of vacant space and moving agencies from leased space. This request is for needs not covered under other capital requests.**Project Description**

Relocation funding is needed when an unanticipated situation occurs that requires 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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