## Projects Summary

($) in thousands

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Priority Ranking</th>
<th>Funding Source</th>
<th>2022</th>
<th>2024</th>
<th>2026</th>
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<td>Capitol Complex Parking Fund Debt Relief</td>
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<td><strong>Total Project Requests</strong></td>
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<td><strong>General Obligation Bonds (GO) Total</strong></td>
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<td><strong>Appropriation Bonds (AP) Total</strong></td>
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</tbody>
</table>
Administration

Project Narrative

($ in thousands)

Capitol Complex Parking Fund Debt Relief

AT A GLANCE

| 2022 Request Amount: | $13,000 |
| Priority Ranking:    | 1       |
| Project Summary:     | A permanent waiver of $13 million for the repayment of debt service for Ramp F is requested to provide financial relief to the Department of Administration’s Parking account. |

Project Description

The Department of Administration (Admin) recommends permanently relieving the state parking account of a statutory requirement to make a transfer to the general fund. This will reduce transfers into the general fund by $1,086,000 each year for 12 years. The debt associated with Ramp F is currently being paid by the Admin parking account. Costs are recovered by setting and charging parking fees for state employees and the public who park on the Capitol Complex. Admin is proposing the general fund pay this debt service rather than parkers starting in Fiscal Year (FY) 2023 by amending Minnesota Laws 2013, Chapter 136, Section 3, Subdivision 5, to permanently suspend the user financing requirement for Ramp F.

Project Rationale

Eliminating this transfer will help address the revenue shortfall in the parking account, which is managed by Admin. This shortfall is the result of significant parking contract cancellations and decreased use of state meters as a result of the pandemic. Revenue reductions began during the state’s work-from-home period. Additionally, since there are less visits to the Capitol Complex by the public, the meter revenue has been significantly reduced. State parking facilities and state employee transit pass programs are user-financed, and parking rates are set to cover expenses. This includes debt service expenses when required by legislation. Without relief, parking rates on the Capitol Complex would be expected to increase significantly to cover the shortfall.

Ramp F is a 530-stall parking ramp west of the Transportation Building that opened in 2015. The ramp was constructed for $13.6 million. In FY 2016, Admin made the first of 19 debt service payments of $1,085,227. If Ramp F is no longer user-financed starting in FY 2023, the general fund would be responsible for the last 12 payments totaling $13 million.

Admin also began an annual payment of $1 million for the Minnesota Senate Garage debt service in FY 2016. The addition of these debt service payments resulted in significant annual parking rate increases over three years beginning in FY 2015 with 25%, 15%, and 10% increases each year respectively.

In response to the steep decline in revenue and to avoid unsustainable parking rate increases on the
Capitol Complex, Admin recommends waiving the requirement for the Parking account to pay debt service for Ramp F.

**Project Timeline**

N/A

**Other Considerations**

Admin continues to pursue other solutions to address declining parking contract and meter revenue. Upon return to the Capitol Complex in the summer and fall of 2021, many employees are expected to utilize a hybrid office and telework schedule so there will be reduced demand for a typical five day per week parking contract. This will further exacerbate the problems caused by the drop in parking contracts over the last year. In order to effectively respond to the changing parking demands on the Complex, significant investments in parking access controls are needed in order to implement more flexible parking and transit options. These options will better accommodate a hybrid office and telework structure.

**Impact on Agency Operating Budgets**

Implementation of this request would result in reduced expenses in the parking account of $1,085,227 each year beginning in Fiscal Year 2023.

**Description of Previous Appropriations**

Laws of 2013, Chapter 136, Section 3, Subd 5. authorizes Admin to make transfers from the parking fund to the general fund to cover the debt service for Ramp F.

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Parking Management Access Controls

<table>
<thead>
<tr>
<th>AT A GLANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2022 Request Amount:</strong></td>
</tr>
<tr>
<td><strong>Priority Ranking:</strong></td>
</tr>
<tr>
<td><strong>Project Summary:</strong></td>
</tr>
</tbody>
</table>

**Project Description**

This project will install parking management access controls at 27 state-owned parking facilities around the Capitol Complex. Modern access management controls will allow authorized individuals to enter and exit their assigned parking facility using their state identification badge 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. Perhaps most importantly, it will allow for more flexible parking alternatives for the post-pandemic work environment where a combination of working in the office and working remotely will be the norm for many of the government entities located on the 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, Admin must manually count space usage in garages to assess occupancy and vacancy rates. Alternatively, there is no feasible way for the state to monitor daily parking occupancy rates in its facilities on and around the Capitol Complex.

Work locations and schedules have changed as a result of the pandemic, perhaps permanently, making it critical that the parking system become more flexible in order to meet the future needs of parking contract holders and to remain a viable business operation. Real time understanding of parking usage will allow the state to sell parking contracts in many different models and maximize income for debt service on the user financed garages.

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. It will also allow for more flexible parking alternatives for today’s state workforce, including accommodations for those who will be working partial workdays or work weeks on the Complex. This will in turn, minimize unnecessary parking space vacancies and will facilitate parking patrons’ ability to park in their facility of preference faster. These changes will help keep the
parking business competitive.

The impending loss of 500 parking spaces at the leased Lot X (former Sears building) 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.

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.

**Project Timeline**

- DESIGN: August 2022 – July 2023
- CONSTRUCTION: August 2023 – November 2025 (major project completion: September 2024)

**Other Considerations**

- None

**Impact on Agency Operating Budgets**

**Description of Previous Appropriations**

- None

**Project Contact Person**

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  erin.campbell@state.mn.us
### Project Narrative

**State of Minnesota Preliminary Capital Budget Requests**

**($ in thousands)**

### AT A GLANCE

<table>
<thead>
<tr>
<th>2022 Request Amount:</th>
<th>$15,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Ranking:</td>
<td>3</td>
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<tr>
<td>Project Summary:</td>
<td>$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.</td>
</tr>
</tbody>
</table>

### 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.

$4.5 million in CAPRA funds were appropriated in the 2020 bonding bill. Continued appropriations are imperative to ensure that state facilities remain operational to support the delivery of programs and services by state agencies as expected by the people of Minnesota.

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. 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 and detection systems, emergency generators).
Prior to 2003, CAPRA funding was requested and typically approved for any agency asset preservation need. However, asset preservation funding across the enterprise has become a significant need and its inadequate funding increases the need for emergency requests for CAPRA funding. Since 2003, as a policy, Admin has designated CAPRA as an emergency funding source only. Agencies are required to assess their facility needs and meet those needs through their Capital Budget Asset Preservation requests, leaving CAPRA dollars for enterprise emergencies.

**Project Timeline**

Agencies request funds after an incident occurs impacting state facilities or infrastructure.

**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 and to protect taxpayer investments in state facilities. 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**

2020: $4.5 million  
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 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 Minnesota Correctional Facility in Moose Lake.

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**Ford Building Demolition Phase I**

**AT A GLANCE**

<table>
<thead>
<tr>
<th>2022 Request Amount</th>
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<td>4</td>
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<td>Project Summary</td>
<td>$1.85 million from general obligation bonds for demolition of the Ford Building and site work necessary for future development.</td>
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</table>

**Project Description**

This request will fund the demolition of the Ford Building and prepare the site for future development. This 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. In 2020, $170,000 was appropriated to complete the design for demolition of the building. Removing the current Ford Building structure, constructing access to the tunnel, and preparing the site for future construction will cost $1.850 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 (Admin). 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 building has been assessed and it has been determined that it is not an historically significant property and is not eligible for the State Historic Register. The vacant structure is untenantable and not suitable for the needs of state agencies. A 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. Admin pays approximately $25,000 each year to minimally maintain the vacant building.

The Complex surrounding the Minnesota State Capitol 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. Demolition of the Ford Building and preparing the land for future redevelopment is the safest, most cost effective use of the property.

**Project Timeline**
The project would begin in the fall of 2022 and be completed by the spring of 2023.

**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.

The vacant building poses a security risk for break-ins and vandalism.

**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, Admin projects annual operating costs of $25,000. Funding for this project will eliminate future annual operating costs.

**Description of Previous Appropriations**

- 2020 - $170,000 to complete design for demolition
- 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**

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State Building Efficiency Investments and Revolving Loan Fund

**AT A GLANCE**

<table>
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<td>Project Summary:</td>
<td>$10 million from the general fund to expand a revolving loan fund to finance energy efficiency and water conservation improvements in state facilities. $15 million from general obligation bonds to install renewable energy on or near state facilities. $2 million of appropriation bonds to further build out the state's electric vehicle charging infrastructure.</td>
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</table>

**Project Description**

**State Building Efficiency Conservation Revolving Loan Fund**

This proposal provides a $10 million general fund appropriation to enhance the State Building Efficiency Conservation Revolving Loan Fund which is administered by the Office of Enterprise Sustainability (OES) at the Department of Administration (Admin). The revolving loan fund allows for improvements that lead to energy and water savings in state-owned buildings. All cabinet-level agencies, including the Metropolitan Council, will be eligible to apply for funds and requests will be reviewed by OES and recommended to the Commissioners of Admin, Management and Budget, and Commerce. 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 7 years as required by statute. Repayments would begin no later than one year after the project is complete.

Loan applications must include the following information:

- Description of the proposed project, including existing equipment, structural elements, operating characteristics, and other conditions affecting energy use,
- Total estimated project costs,
- Loan estimate sought,
- Detailed project budget,
- Projections of the proposed project’s expected energy and monetary savings,
- Information demonstrating the agency’s ability to repay the loan, and
- Any additional information requested by OES and Admin.

Possible energy and water investments include:

- Interior or exterior LED lighting conversions
- Digital controls for heating and cooling
• Variable-frequency speed fans and motors
• Ground and air source heat pumps
• Retro-commissioning
• Low flow fixtures and toilets
• Faucet aerators and washing equipment sprayer heads
• Water heater replacements
• 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, biomass energy systems, and other renewable energy projects defined in M.S. 216.2422. The projects would, a) be incorporated into the building or as permanent fixtures; b) have a useful life of more than twenty years; and, c) be designed to result in a demand-side net reduction in energy use by the state building’s electrical, heating, ventilating, air-conditioning, or hot water systems, which extends the life or enhances the value of the state building.

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 will establish master contracts for energy efficiency and renewable energy.

All cabinet-level agencies, including the Metropolitan Council, 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, Admin’s Division of Real Estate Management and Construction Services or other appropriate state agencies will manage the renewable energy projects.

Electric Vehicle Charging Infrastructure
$2 million of appropriation bonds will be used to install approximately 13 Fast Direct Current (DC) and 100 Level Two charging stations and the associated electrical infrastructure and upgrades at state-owned locations throughout Minnesota.

The OES has identified locations for the Fast DC chargers based on the distance range for electric vehicles to travel on a full charge, site suitability, and state employee concentration around the state. The locations are in state owned facilities, most of which are open and accessible to the public. If a state fleet vehicle is not using the station, private citizens could also use the charging station for a small fee. In addition, more stations will be installed in areas of the Capitol Complex for fleet vehicles that are also open and available to contract parkers. Locations for the Level Two chargers will be determined based on the anticipated demand.
A considerable share of the cost, between 60 and 70%, is to complete electrical infrastructure and associated physical upgrades. Often, transformers, distribution panels, and switchgears need to be upgraded to accommodate the increased electrical load. The cost of the charging stations accounts for the remainder of the project.

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 Conservation 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, Admin recently signed a contract for 436 kilowatts (kW) solar at four 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 all state buildings. The longer timeline to recoup the cost of these investments make a revolving fund a poor fit under current statute. The significant upfront costs deter agencies from prioritizing these projects with existing funding.

Electric Vehicle Charging Infrastructure

In an effort to lower the greenhouse gas emissions of state fleet vehicles, the state plans to acquire more electric vehicles and hybrid electric vehicles. To accommodate the charging needs of these new
vehicles around the state, new charging stations and electrical infrastructure will need to be installed at public facilities. Building out the statewide charging infrastructure will also encourage private citizens to purchase low or zero emission electric vehicles because more charging stations will enable these vehicles to travel longer distances.

Fast DC and Level Two chargers will be installed to allow more cars to utilize the stall per day. Fast DC chargers only take 30 minutes and Level Two chargers take 4 hours, as opposed to other slower chargers that typically need 8 hours to reach a full charge. This budget request advances the creation of a statewide electrical vehicle charging infrastructure, which should help to make the choice of owning an electric vehicle a more realistic option for residents living throughout the state, and make Minnesota a more desirable destination for tourists who are traveling in an electric vehicle.

Project Timeline

PROJECTS REVIEWED July – September 2022
CONSTRUCTION October 2022 – June 2024

Other Considerations

In M.S. 16B.86, Admin 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 Admin and the Department of 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.

M.S. 16B.54 directs Admin to manage an Enterprise Fleet for state agencies and M.S. 16B.58 gives Admin the authority to operate and supervise state parking facilities.

Executive Order 19-27 directs state government to conserve energy and water and reduce waste to save money. It also reaffirms the establishment of OES to assist agencies in their sustainability efforts and outlines the office’s duties.

Impact on Agency Operating Budgets

As more energy efficiency improvements and renewable energies 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**

- 2021: $5 million from the Renewable Development Account to capitalize the State Building Energy Conservation Revolving Loan Fund
- 2020: $2 million of appropriation bonds for electric vehicle charging stations and infrastructure

**Project Contact Person**

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Administration

State Agency Rent Loss and Relocation

AT A GLANCE

<table>
<thead>
<tr>
<th>2022 Request Amount:</th>
<th>$6,750</th>
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<tbody>
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<td>Priority Ranking:</td>
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<td>Project Summary:</td>
<td>$2 million from the general fund for agency relocation and $4.75 million from general fund for rent loss incurred in Department of Administration-managed facilities. This funding helps optimize the use of state-owned facilities by backfilling vacant space and moving agencies from leased to owned space. This request is for needs not covered under other capital requests.</td>
</tr>
</tbody>
</table>

Project Description

Relocation funding is needed when an agency needs to reduce space, reorganize staff, remodel space, or when an agency has an opportunity to substantially reduce its rent. Agencies also experience a relocation situation 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.

Since these events do not often occur, 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 costs incurred in vacating space to remove furniture, fixtures, and equipment along with voice and data services. New furniture is not included.

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.

The following are potential components of space configuration:

- Space Planning
- Demolition and disposal (furniture, information technology)
- Design services and minor construction work
- Reinstallation of furniture
- Minor parts for modular furniture modifications
- New information technology Installation
- Safety and security improvements
• Relocations
• Finish work (painting; carpeting; lighting; adjustments of heating, ventilation, and air conditioning; signage; security; key cards; etcetera)

The funding for rent loss is needed to pay expenses that will be incurred while state-owned space is vacant. These expenses will include utility services (electricity, heating, and cooling), and maintenance, groundskeeping, and custodial services.

**Project Rationale**

Funding is used to facilitate the movement of state operations to new locations as state agencies consolidate space due to a shift to hybrid office and telework environments, when doing so improves agency operations, yields cost savings, or enhances customer service and access.

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.

As state employees return to work after the pandemic, many are expected to work in a hybrid office and teleworking schedule. State agencies may reassess their office space needs based on this new environment and look to consolidate office space to reduce expenses for both the short and long term.

These space changes will create short-term vacancies in Department of Administration-managed facilities. These spaces will remain vacant while new tenants are identified, space planning is conducted to ensure maximum efficiency, current leases are expired or cancelled, the space is reconfigured to meet the needs of the new tenant, and agencies relocate to the state-owned space.

While the space is vacant, building expenses will be reduced, but not eliminated. This appropriation for rent loss will be used to cover the expenses of the vacant space.

**Project Timeline**

Funds will be spent based on agency needs and requests. Admin estimates expenditures to be as follows:

- FY 2022: $2,901,000
- FY 2023: $1,922,000
- FY 2024: $1,922,000

**Other Considerations**

Admin 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.

Actual Rent Loss will be based on actual vacant square feet.

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. If rent loss funds are not received, it would result in higher rates for remaining building tenants and could make it more difficult to find new tenants.

Description of Previous Appropriations
2021 $4 million in federal funding to develop facilities strategic plan, reconfigure space, and for relocation
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. Admin has previously received rent loss for the State Capitol Restoration and the remodel of the Transportation Building.

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### Administration

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<tr>
<th>Project Narrative</th>
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### Property Acquisition

#### AT A GLANCE

<table>
<thead>
<tr>
<th>2022 Request Amount:</th>
<th>$2,600</th>
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<tbody>
<tr>
<td>Priority Ranking:</td>
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<tr>
<td>Project Summary:</td>
<td>$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, sitework, paving, and equipment needed to provide additional temporary parking for the Capitol Complex.</td>
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</table>

#### 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 from the former Sears lot (Lot X). 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 2022 with construction in 2023.

#### 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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AT A GLANCE

2022 Request Amount: $210,000
Priority Ranking: 8
Project Summary: $204 million from general obligation bonds and $6 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 64 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 footprints are 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 continuity of government 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 information technology infrastructure 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 is not sized or configured properly to meet current needs 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 federal and state Americans with Disabilities Act requirements

This project will further enable Admin 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 requirements 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 and space layout improvements will also make the workspaces more flexible. This new facility is also expected to significantly improve occupant efficiency and productivity.

Project Timeline
PREDESIGN: July 2022 – December 2022
DESIGN: December 2022 – December 2023
CONSTRUCTION: April 2024 – March 2026 (major project completion: March 2025)
COMMISSIONING: April 2026 – July 2026
OCCUPANCY: July 2026

Other Considerations
$5.7 million of the project cost is allocated for the build out of the Department of Information Technology Services Hub Room that is currently located in the Centennial Office Building.

$30.9 million of the project cost will cover the cost of building a parking ramp.

$4.6 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.

The completion of Admin’s Real Estate Strategic Plan will inform the pre-design and design of the renovation of the Centennial Office Building.

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 $28.54 per square foot for bond interest and building depreciation plus operating costs.

Description of Previous Appropriations
None

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Capitol Complex Security Upgrades Phase II

AT A GLANCE

2022 Request Amount: $46,400
Priority Ranking: 9
Project Summary: $33.4 million from general obligation bonds and $13 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 the Capitol Complex and other Department of Administration (Admin) managed facilities. The needed upgrades 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 begin to fund additional enhancements that will be generated from an updated Admin-funded threat assessment. The update is expected to be completed in late 2021. The types of additional enhancements that are expected will focus on crowd control and vandalism protection measures in vulnerable areas.

Resources will be used to fund:
- Installation of bollards
- Projectile resistant glass
- Additional keycard readers
- Security kiosks
- Crowd control features and devices
- Vandalism protection
- Utility protection devices
- Parking access controls
- Additional emergency call stations
- Air Intake security protection
- Window well protective devices
- Additional security cameras
- Metal detection and screening stations
- Driveway intrusion protection
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 $36 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 at the time. Consequently, without this appropriation, over half of the 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 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.

The committee hired a consultant to conduct a Physical Security Study to assess the threats and vulnerabilities of the Capitol Complex. The study was focused on the physical vulnerabilities of the facilities on the Capitol Complex and 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 updated assessment will focus on identification of additional threats and vulnerabilities and those protective measures will be incorporated into this project.

If the vulnerabilities identified in the original and updated study are not removed, there could be loss of life, assets, and an impact to government operations. To reduce the vulnerabilities, the measures above should be implemented.

**Project Timeline**

PREDESIGN (original): Completed November 2017
PREDESIGN UPDATE: Completed December 2021
DESIGN: July 2022 – December 2023
CONSTRUCTION: April 2024 – December 2026 (major project completion: August 2025)

**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
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ADA Building Accommodation Fund

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<tr>
<td><strong>2022 Request Amount:</strong></td>
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<td><strong>Priority Ranking:</strong></td>
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<td><strong>Project Summary:</strong></td>
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**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 state and federal Americans with Disabilities Act (ADA) requirements
- Install auditory and sight assistance equipment
- Modify work areas

The Minnesota Council on Disability (MCD) will review each request and recommend approval or denial. Department of Administration’s (Admin) 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**
Admin 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 of this fund may be used for administration by Admin and MCD.

**Description of Previous Appropriations**
None

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### Bureau of Criminal Apprehension - Maryland Facility Parking Ramp

#### AT A GLANCE

<table>
<thead>
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<th>2022 Request Amount:</th>
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<tbody>
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<td>Priority Ranking:</td>
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<tr>
<td>Project Summary:</td>
<td>$12 million in state general obligation bonds is requested to design and construct a parking ramp with approximately 416 spaces adjacent to the Bureau of Criminal Apprehension (BCA) Maryland facility to accommodate staff, students, and visitors.</td>
</tr>
</tbody>
</table>

#### Project Description

This project will include the design and construction for a new multi-level parking ramp to be located adjacent to the BCA building at 1430 Maryland Avenue in Saint Paul. There are currently 365 parking stalls on this site: 328 in a surface lot and 37 in a parking garage. Upon construction of this ramp, there would be approximately 576 stalls: 123 in a surface lot, 416 in a ramp, and 37 in the parking garage. This project will result in approximately 211 additional stalls.

#### Project Rationale

There are currently 400 employees housed at BCA Maryland. Classes are offered for up to 82 students at a time and there is an auditorium that holds 140. The 363 current stalls cannot accommodate the parking needs of the employees, students, visitors, business vehicles, and evidence vehicles on this site.

Because there are not enough stalls in the lot, state employees are using the limited street parking which is problematic to local businesses, their customers, and residential neighbors.

#### Project Timeline

- **PREDESIGN:** Completed May 2021
- **DESIGN:** August 2022 – March 2023
- **CONSTRUCTION:** June 2023 – May 2024

#### Other Considerations

There is 7,592 square feet of unimproved space in the BCA Maryland building. This space is planned for future development that would house an additional 50-80 employees. This parking ramp will meet the needs for this future expansion.

Although many parking projects have been user-financed in the past, Admin does not recommend user-financing for this project because it would place additional burdens on an account that is already facing significant financial challenges as a result of the pandemic. Contract holders pay parking rates based on the type of facility where they park. Current monthly rates are: $47 for lots, $82 for ramps,
and $165 for garages.

**Impact on Agency Operating Budgets**

**Description of Previous Appropriations**

None

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