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April 3, 2014


Representative Erin Murphy, Majority Leader  
State Office Building, Room 459  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
Saint Paul, MN 55155

Dear Representative Murphy,

Attached please find responses to questions you raised in a letter to me dated March 13, 2014. The responses reflect information that is known at this time; if further information is made available to better clarify these answers, I will provide it to you as soon as practicable.

I hope this is helpful. My staff and I would be able to meet with you at your convenience if you want to discuss these responses in more detail.

Sincerely,



Spencer Cronk  
Commissioner

Attachment

cc: Governor Mark Dayton  
Senator Tom Bakk  
Representative Kurt Daudt  
Senator David Hann



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**What would be the overall cost of leasing temporary space, including rent, build-out costs, operational costs, etc.?**

The new Capitol office building was planned to temporarily locate all of the Senate from the Capitol as of July 1, 2015 through the completion of Capitol restoration, including the chamber and 4 hearing rooms for the 2016 legislative session. This provided temporary space for approximately 240 occupants, including senators and staff. Broadcast Media equipment and operations were also planned to be located in the new building.

The main cost factors for a short term location, including through the 2016 session, are build-out, rent, relocation and parking. A request for proposal to provide the space required would need to be issued to identify the costs associated with this option.

The following are estimated costs:

- The build-out costs to be paid by the tenant on a short term lease are expected to be between \$2.5M - \$5M to address office, technology, security and other requirements. This is a build-out estimate for office space only and would not include legislative committee rooms, chambers or broadcast media functions as noted below.
- The rent paid for temporary space is estimate \$2M - \$2.5M
- The Capitol Restoration redesign, delay and scope costs are estimated be between \$20M - \$25M

The following are assumptions and other items for consideration:

- Capitol Restoration schedule/sequencing is revised to maintain chambers and hearing rooms in the Capitol through-out project.
- Broadcast Media in Capitol
- Additional space would be required for functions unable to be located back in the Capitol Post-Restoration
- Senate retains existing space in Capitol and State Office Building
- Senate Majority in Capitol, Senate Minority in State Office Building
- Three additional hearing rooms would be needed in Capitol
- Public ADA + staff Parking not included (Surface parking remains on Aurora Avenue and Lot N)
- Functional Impacts to Capitol not included

Any location not in close proximity to House functions and other Senate functions during legislative sessions would have operational impacts for the Senate and public. However, insufficient information is available to accurately estimate these costs.

**What current building and location leasing options are available to temporarily house the Senate during reconstruction?**

The space needed on a short-term basis depends on if all or portions of the Senate, including chambers and committee rooms, are relocated to leased space. Although there is not sufficient space available in immediate proximity to the Capitol, there are a number of buildings with sufficient space available to locate offices in downtown St. Paul. Multiple locations would be required to meet all space requirements for the Senate. The relocation of hearing rooms and chambers for the Senate for the 2016 session would likely require locating available convention type space. Legislative functions would not be well-suited for multi-tenant office buildings.

As noted above, there would be operational impacts for the Senate and public if House and Senate functions are not in close proximity during the legislative session. Those impacts would be further compounded if Senate functions are in multiple locations.

**What would be the overall cost of leasing permanent space for the Senate, including rent, build-out costs, operational costs, etc.? What is the likelihood that space is available on or near the Capitol complex to accommodate the Senate permanently?**

The new Capitol office building is programmed for approximately 255 occupants, including senators, full time staff, and session-only staff. Three large committee rooms and Senate Media equipment and operations are included in design the new Capitol office building. New construction would likely be required to provide this type of facility in close proximity to the Capitol. A request for proposal to provide the space required would need to be issued to identify the actual costs associated with this option.

The rent costs are estimated to be between \$5M and \$7M, with 2-3% annual escalation. The total cost over 30 years is projected to be between \$165M - \$210M.

Based on the assumption that portions of the Capitol Restoration project would be delayed until completion of the new building, the cost impacts to Capitol Restoration are estimated to be between \$15M - \$20M.

**Is the Department of Administration Building capable of providing the additional space needed? If so, what would be the cost to repurpose the Department of Administration? If not, what other options would need to be considered? What would be the cost of relocating the current tenants should this option be pursued?**

The Admin Building does not contain sufficient space to meet the space requirements. Other buildings, such as the State Office Building, could be considered to meet the space requirements unable to be met in the Administration Building.

The following are estimated costs related to repurposing the Admin Building for consideration:

- Build-out Cost: \$12M - \$16M
- Relocation Cost: (240 staff) - \$750K
- Lease TI: \$1.5M - \$3M
- Capitol Restoration Re-Design, Delay, & Scope Costs: \$20M - \$25M

The following are assumptions and other items for consideration:

- Senate Staff Office functions relocate to Admin Bldg.
- Hearing rooms and temporary chambers are not relocated to the Admin Building
- Senate retains existing space in Capitol and State Office Building
- Broadcast Media in Capitol

- Senate Majority in Capitol, Senate Minority in State Office Building
- Three additional hearing rooms in Capitol
- Public ADA + Staff Parking Not Included (Surface Parking remains on Aurora Avenue and Lot N)
- Phase 4 Capitol Restoration is delayed until completion of Admin Bldg. Build-out
- Capitol Restoration schedule/sequencing is revised to maintain chambers and hearing rooms in the Capitol through-out project.
- Functional Impacts to Capitol not included.

**Many members have had questions regarding repurposing of the existing Ford Building. Is the Ford Building capable of providing the additional space needed? If so, what would the cost to repurpose the Ford Building? If not, what other options would need to be considered?**

The Ford Building does not contain sufficient space to meet the space requirements. Expansion of the Ford Building, in combination with other buildings, such as the State Office Building, could be considered to meet the space requirements.

Based on a 2007 estimate, the cost to renovate and expand the Ford Building would be in the range of \$55M - \$60M. This scenario would also involve Capitol Restoration re-design, delay, & scope costs in the range of \$15M - \$20M.

The following assumptions are included in this estimate:

- Senate Staff Office functions relocate to Ford Building
- Hearing rooms and temporary chambers not included
- Senate retains existing space in Capitol
- Three additional hearing rooms in Capitol
- Parking structure included
- Functional Impacts to Capitol not included.

**Would it be possible to move the Senate to the Department of Transportation Building? If so, what would be the cost to repurpose the Department of Transportation Building? What would the cost be to relocate current tenants should this option be pursued?**

The trunk highway fund would need to be reimbursed for the value of the building. This value would be established via an appraisal of the property. Outstanding trunk highway bonds would also need to be redeemed or refunded. Specific legislation would be required.

The following are estimated costs:

- Trunk Highway Fund reimbursement cost: \$30M - \$40M
- Build-out cost: \$40M - \$50M
- Relocation cost: (700 staff) - \$2M - \$3M
- Lease tenant improvements: \$4M - \$5M
- Capitol Restoration delay costs: \$15M

The following assumptions are included:

- Senate functions relocate to Transportation Building
- Hearing rooms and temporary chambers included
- Public ADA + staff parking not included
- Phase 4 Capitol Restoration is delayed until completion of Transportation Building build-out