

Project Title	2012 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations		Governor's Planning Estimate	
		2012	2014	2016	Total	2012	2014	2014	2016
University Ave Tunnel	1	\$6,600	\$0	\$0	\$6,600	\$6,600	\$0	\$0	
Asset Preservation	2	21,000	20,000	20,000	61,000	21,000	10,000	10,000	
Capitol Campus Parking Replacement	3	900	8,000	0	8,900	900	0	0	
Statewide CAPRA	4	5,000	5,000	5,000	15,000	2,500	2,500	2,500	
Agency Relocation	5	1,500	500	500	2,500	1,000	500	500	
State Office Building Design	6	2,250	25,000	0	27,250	0	0	0	
Ford Building	7	1,271	0	0	1,271	0	0	0	
<b>Total Project Requests</b>		<b>\$38,521</b>	<b>\$58,500</b>	<b>\$25,500</b>	<b>\$122,521</b>	<b>\$32,000</b>	<b>\$13,000</b>	<b>\$13,000</b>	

**At A Glance****Facilities management services**

- 4.4 million square feet of space cleaned, repaired, and maintained
- 22 facilities involved in improving energy efficiency
- 18 million pieces of mail processed

**Procurement services**

- \$2.1 billion in state purchases annually
- Approximately 1,500 goods and services contracts negotiated and managed
- Over 900 local government and other eligible members in Cooperative Purchasing Venture
- 46 states are members of Minnesota's pharmaceutical and medical supply purchasing cooperative

**Government-to-government services**

- \$12 billion in property and 13,400 vehicles insured
- 60,000 employees served through workers' compensation program
- 145 rapid improvement events at 18 agencies
- \$18.4 million in state agency surplus goods sold
- 15 small agencies, boards, and commissions served by SmART
- 92 development projects reviewed for archaeological significance

**Construction and space leasing services**

- 400-plus building projects and \$166 million in capital appropriations under management
- Over 3.6 million square feet of non-state space leased
- Provides guidance to ensure state-funded capital improvements achieve sustainability objectives

**Government management services**

- 17% of state agency motor fuel purchases are E85
- 14% decline in energy consumption in two years at 17 state-owned buildings
- 31% lower workers' compensation costs for state employees compared to other employers
- 98% of labor grievances resolved before arbitration

**Citizen services**

- Second-highest Census 2010 state response rate
- 25 cabinet-level agencies report goals, measures, performance at [www.accountability.state.mn.us](http://www.accountability.state.mn.us)

- 578 Capitol-area public rallies and other events

- 789 Minnesota graduates of Partners in Policymaking leadership training program

- 1,146 assistive technology devices loaned to citizens through five non-profit partnerships

**Agency purpose**

The Department of Administration (Admin) for over 80 years has provided a diverse portfolio of services, products, and tools that help state government agencies successfully address the needs of citizens.

Admin's mission is to help its customers succeed; its goals are to:

- provide customers with valuable services, products, advice, and expertise;
- be recognized for innovation and efficiency;
- reduce costs by working across government; and
- offer a safe environment where people thrive and enjoy their work.

Although the agency primarily serves other state agencies, some activities serve many other populations as well. For example, Materials Management Division assists local governments, the education community, and other states to achieve best value in the procurement of goods and services. The Developmental Disabilities Council and the System of Technology to Achieve Results (STAR) Program assist government and the public by working to ensure that persons with disabilities are fully engaged in society. The Minnesota Geospatial Information Office coordinates the development, implementation, support, and use of geospatial information technology among state agencies; between the state and other units of government; and among non-government stakeholders.

**Core functions**

The agency's primary strategies are to:

- Ensure the wise use, allocation, and maintenance of existing structures and make sustainable investments in new facilities that support the mission and service delivery of the agencies we serve;
- Conserve natural and economic resources through the wise use of energy, sustainable design, and environmentally responsible purchasing;

- Offer customers sound policy and organizational advice, based on well-grounded research and experience, for better state decision-making;
- Build and sustain a continuous improvement culture in the delivery of government services; and
- Manage the state's procurement process to achieve enterprise-wide economies of scale.

#### Operations

Admin's operations are categorized as either Government and Citizen Services or Admin Management Services.

#### Government and Citizen Services:

- The **Developmental Disabilities Council** seeks to assure that people with developmental disabilities receive necessary services and support for achieving increased independence, productivity, integration, and inclusion into the community.
- **Enterprise Performance Improvement** provides enterprise-wide expertise and training for improving organizational performance and results in state government agencies.
- The **Environmental Quality Board** develops policy and reviews proposed projects that could significantly affect the environment and provides staff and administrative support to the board. To avoid duplication in the operation of state government, the Minnesota Pollution Control Agency is fulfilling these responsibilities.
- **Fleet and Surplus Services** provides fleet management services to state agencies, including long-term vehicle leasing, and manages government surplus-property acquisition, storage, and disposal.
- **Information Policy Analysis Division** promotes the understanding of and compliance with the Minnesota Government Data Practices Act, the Open Meeting Law, and other government-information policy laws.
- The **Minnesota Geospatial Information Office** provides leadership and coordination for the effective use of geographic information and technology tools and systems across the state enterprise.
- **Materials Management Division** purchases more than \$1.8 billion in goods and services annually for state agencies, operates Minnesota's Bookstore, and directs the Minnesota Multi-State Contracting Alliance for Pharmacy purchasing cooperative and the state's Cooperative Purchasing Venture.

- The **Office of State Archaeologist** sponsors, conducts and directs research into the prehistoric and historic archaeology of Minnesota, and enforces state laws concerning archaeological sites.
- **Plant Management Division** maintains 3.7 million square feet of space in 21 state-owned facilities, operates the state recycling center, and provides mail processing and delivery services.
- **Real Estate and Construction Services** designs, acquires, leases, and disposes of office and other space, and manages remodeling and construction projects.
- **Risk Management Division** operates the state's insurance program and manages the state workers' compensation and safety programs.
- The **Office of Grants Management** is responsible for standardizing, streamlining and improving statewide grant-making practices and for increasing public access to information about state grant opportunities.
- The **Small Agency Resource Team (SmART)** program offers professional human resource and financial management services to state agencies, boards, and councils.
- The **STAR Program** helps people of all ages with disabilities acquire, use, and re-use assistive technology for maintaining, improving, or increasing their functional capabilities at home, school, and work.
- The **State Demographic Center**, Minnesota's liaison to the U.S. Census Bureau, estimates, forecasts, and investigates changes in the state's population, analyzes census data, and distributes information.

#### Admin Management Services:

- **Executive Support** provides project management and communications expertise for the Drive to Excellence; and communications, legislative, emergency preparedness planning and support, and data practices compliance services for the department.
- **Financial Management and Reporting Division** provides financial management support for the department and carries out the department's Fiscal Agent function.
- **Human Resources Division** provides training, safety, and personnel services to employees; administers labor agreements; and is responsible for department payroll and employee benefit services.

**Budget**

Admin is funded through a variety of sources including general, special revenue, federal, gift, and internal service/enterprise funds:

**Internal service/enterprise funds** are the largest source of funding for the agency. Internal service funds raise revenues through fees charged to users of primarily internal support services such as insurance, fleet management, office supplies, mail services, and facility leases. These activities prepare annual business plans and develop rate structures for product and service offerings. Enterprise funds are generated through the purchase of goods and services by government entities and the public. They include the bookstore, surplus property, and purchasing cooperatives.

**General funds** are primarily used for operations with statewide significance including procurement, resource recovery, real estate and construction services, information policy analysis, geographic data coordination and documentation, central mail delivery, and pass-through grants.

**Special revenue funds** are fee-based and include land management information services, parking, and workers' compensation.

**Federal and gift funds** comprise the smallest segment of the agency's funding. The Developmental Disabilities Council and the STAR Program secure federal funds through the U.S. Department of Health and Human Services and the U.S. Department of Education. Gift funds are donations accepted for the Governor's Residence Council.

**Contact**

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**At A Glance: Agency Long-Range Strategic Goals**

- Provide services, products, expertise, and advice that help state government fulfill its mission of serving citizens.
- Provide safe, reliable, clean facilities and space that, over their lifetime, efficiently and effectively serve customers, employees, and citizens.
- Ensure the safety of employees and the public and guard the state's investment in facilities by providing timely, cost-effective maintenance, repairs, and renewal.
- Lead the Enterprise Real Property Team to improve tracking, reporting, management, and decision-making for the state's 5,000-plus buildings and associated land.
- Provide commuting options that leverage existing and planned transportation systems, including light rail transit and employee and public parking in the Capitol Complex.
- Provide functional, effective, and energy efficient work environments that enhance employee productivity, encourage agency co-location, and maximize opportunities for shared space.
- Leverage opportunities for efficient acquisition and disposition of property at the lowest possible cost.

The mission of Minnesota's Department of Administration (Admin) is to help its state-agency customers succeed in fulfilling their diverse missions of serving citizens. Among the department's strategic objectives are ensuring the wise use, allocation, and maintenance of existing structures; supporting sustainable investment in new facilities; leveraging technology to improve the planning, management, and decision-making regarding the State's Real Property, and conserving natural and economic resources through waste reduction, the wise use of energy, and sustainable design.

In support of these objectives, Admin continues oversight and sponsorship of Enterprise Real Property Project. This project envisioned the evolution of state government from an organization of relatively independent agencies into an organization in which these individual components think and act as an enterprise. The multi-agency Real Property Project Team has established an enterprise information system for tracking and managing the state's 5,000-plus buildings, and is implementing modules that focus on consolidating and

standardizing space management, facility condition assessment, and building operations. Twenty agencies are documenting and loading data, assets, and information into the system. This statewide repository of data will provide all levels of management with reports that contain new and advanced information that is necessary to improve capital planning, space utilization, facilities management, and to reduce maintenance costs.

**Technology Improvements**

Enterprise Project Management Software is being developed by Admin to enhance the delivery, communication and transparency of capital improvement projects. Admin is developing this software for enterprise participation by all state agencies. Once fully developed, this software will link with the State's Enterprise Real Property software to provide comprehensive management and delivery of the state's capital assets and property.

**Facilities Management and Capital Project Planning and Budgeting**

In addition to its work in implementing the Real Property Project, the following factors influence the department's approach to facilities management and capital project planning and budgeting:

- Central Corridor Light Rail Transit development
- Deteriorating and/or failing infrastructure
- Life/safety and code compliance
- Sustainability and energy efficiency
- Space/program requirements
- Emergency repair and hazardous materials abatement
- Capitol Complex land availability and optimum use
- Enterprise-wide needs and opportunities

In fulfilling its mission, Admin offers a variety of services to provide customers safe, reliable, and efficient facilities and space. These services include space evaluation and design; construction project management; facility management, maintenance, repair, and renovation; lease management; property acquisition and disposal; and relocation assistance. Recent examples include:

- The consolidation of state print-to-mail locations at 321 Grove Street will facilitate full utilization of the entire state-owned building and provide rent reductions for state programs. The planning effort involved significant space planning, space programming, and cost-benefit analysis for existing operations at the Departments of Administration, Employment and Economic Development and Human Services.
- Negotiation of a lease extension/renewal for the State Auditor resulting in cost savings of \$89,000 and a reduced rental rate for the term of the lease.
- Space planning and relocation services provided to the Department of Human Rights (DHR) for their relocation to the state owned Freeman Office Building. This involved creation of a furniture inventory and installation plan, coordination of furniture delivery and installation, construction coordination, management of the physical move, coordination of data installations, and disposal of surplus furniture. The move was coordinated and completed in just over one month. By relocating to the Freeman Office building, DHR was able to reduce their square footage by nearly half and realize a rent savings of \$57,600 over the next biennium. The relocation also facilitated full utilization of the building.
- Combination of three separate leases into one renegotiated lease for the Office of Higher Education that resulted in a rental reduction of 13.41% during the first year of the lease and a total savings of \$381,073 over a 7 year lease term.
- Abatement and demolition of 12 buildings, and tunnels and utilities at the DHS Brainerd Regional Treatment Center to facilitate potential future land sale. Similarly, the appraisal and land sale of the DHS Ah-Gwah-Ching/ Walker property.
- *Planning, design, and construction* to facilitate collocation of multiple agencies' data centers into an Enterprise Data Center located in the Anderson Building.

#### Central Corridor Light Rail Transit Development

The development of the Central Corridor Light Rail Transit (CCLRT) system along University Avenue, Robert Street and Cedar Avenue offers significant benefit potential for people who work in or visit the Capitol Campus. This project will have significant, long-term development and operational impacts on the Capitol Campus, also impacting visitor (pedestrian, CCLRT riders,

Metro Transit bus riders and private vehicle operators) access to the Capitol Campus. The design/construction of the Freeman Office Building and the state lab building anticipated CCLRT on Robert Street. Looking forward, the CCLRT also poses considerable planning challenges for the state. Admin has established three objectives regarding the relationship between the CCLRT and the Capitol Complex:

- Achieve full and seamless integration of the LRT system with Capitol Complex facilities, including coordination of the construction of the University Avenue tunnel segment, a one-time opportunity to protect the future development options of state property on the north side of University Avenue.
- Develop operational strategies for employees and visitors that encourage the use of LRT.
- Identify facilities and land necessary to support the state's long-term staffing needs and program objectives as well as leverage LRT development.

#### Deteriorating and/or Failing Infrastructure

Admin operates and maintains 21 buildings, 23 monuments/memorials, and 28 parking facilities, located primarily in or near the Capitol Complex. Deferred maintenance at these facilities, based on the 2010 Facilities Condition Audit, is estimated to be in excess \$158 million. Of particular concern to the department are:

The **State Capitol**, which requires significant modernization of its heating, ventilation, and air conditioning (HVAC) plant; plumbing; wiring; lighting; technological systems; security; and visitor facilities, including restrooms and accessibility compliance. It is in need of comprehensive restoration, as evidenced by a recent facility condition assessment, which identifies approximately \$49 million in near-term system renewal costs as well as a recognized need for a thoughtful strategic planning process to identify and secure consensus for future functions and operational requirements of this historic building.

The **Governor's Residence**, donated to the state in 1965, which is also in need of comprehensive restoration, as evidenced by the recent facility condition assessment (\$1.8 million), to ensure long-term safety, reliability, maintainability and achievement of programmatic needs.

The **State Office Building**, now approaching its 80<sup>th</sup> year, is also in need of substantial renovation/restoration as evidenced by the recent facility condition assessment (\$18 million). The systems identified as "currently critical" and "potentially critical" account for \$7.5 million of total cost.

#### **Life/Safety and Building Code Compliance**

Ensuring compliance with building codes, life/safety codes, and the Americans with Disabilities Act is an ongoing effort that is complicated by the wide range of age of Admin-managed buildings. Code compliance is a significant issue at the State Capitol and the Governor's Residence. Studies of the Capitol have determined that mechanical systems are at risk of catastrophic failure, air quality is marginal, and air quantity is below current day code requirements. Many key areas of the building are inaccessible to persons with disabilities. Portions of the Governor's Residence are of limited use because of accessibility and code compliance issues.

The department continuously evaluates life/safety and security needs throughout the Capitol Complex, a process heightened following the events of 9-11-2001. In 2006, the Minnesota National Guard conducted Full Spectrum Integrated Vulnerability Assessments of all Capitol Complex facilities. These assessments now serve as a guide for addressing the most critical vulnerabilities, including standoff zones and vehicular and personal access, in Capitol Complex buildings.

#### **Sustainability and Energy Efficiency**

The 2001 Minnesota Legislature established a goal of reducing energy consumption in new public buildings by 30 percent. Charged with implementing the legislation, the departments of Administration and Commerce initiated a conservation benchmarking program for the 10,000-plus public buildings in the state and developed the state's Sustainable Building Design Guidelines for all new buildings. The designs for the Andersen, Freeman, and state lab buildings on the Capitol Complex utilized the "beta" versions of these guidelines, which included the 30 percent energy efficiency goal. In 2001, Admin implemented sustainability guidelines for minor building additions and renovation projects. In 2009, the Department of Administration and the Department of Commerce, with the assistance of other agencies, developed sustainable building design guidelines for all major renovations of state buildings. Included in the 2009 update is the establishment of performance standards, also known as Sustainable Building

2030, which can significantly reduce carbon dioxide emissions by lowering energy use for new and substantially reconstructed buildings.

State government, as a major consumer of energy, can effectively reduce energy costs through an aggressive conservation strategy. Executive Order #11-12 – Providing for Job Creation through Energy Efficiency and Renewable Energy Programs for Minnesota's Public Buildings was signed on April 8, 2011. Among the provisions in this order, state agencies are directed to adopt cost-effective energy efficiency and renewable energy strategies to achieve no less than an aggregate 20% reduction in energy use. In a two-year period, Admin has reduced total energy consumption by over 14% and achieved net savings of over \$1.2 million in utility costs and has established goals, objectives, and budget plans to achieve the new EO target.

#### **Space/Program Requirements**

Space and program requirements of state government have evolved from the old standard of equating office size, location, and amenities with the individual's position in the organization to one that focuses on providing efficient space that supports job functions and the sharing of space.

Sustainable design is key to this new paradigm. Natural light, good indoor air quality, and comfortable ambient indoor air temperatures help reduce absenteeism and turnover, and increase productivity. Sustainable design is dynamic and addresses changing needs economically and efficiently. New building designs address the legislature's energy efficiency mandate, while Admin continues to seek opportunities for reducing energy consumption in existing facilities through retrofit projects.

Long-term cost savings can be achieved through improved space utilization. Admin is updating the State's Space Standards to incorporate hoteling, shared-space, and other flexible work environment strategies and will be working with state agencies to implement the new standards.

State government is continually assessing its space requirements and often, due to operational and financial changes, must respond quickly to both challenges and opportunities to move and consolidate. Key to the ability to seize these opportunities is the availability of relocation funding.

#### Emergency Repair and Hazardous Materials Abatement

Although agencies typically anticipate asset preservation projects and seek funding through their agency's capital budgeting process, unforeseen events or conditions require immediate remediation. The Capital Asset Preservation and Repair Account (CAPRA), created in 1990, is a statewide program specifically for these situations. The program helps minimize the impact on the delivery of services and programs from unanticipated emergencies and prevent or reduce additional damage to state facilities.

#### Admin Capital Projects Authorized in 2010

CAPRA - \$2.0 million  
Asset Preservation - \$8.075 million

#### Admin Capital Projects Authorized in 2011

CAPRA - \$2.830 million  
Asset Preservation - \$8.150 million

#### Capitol Complex Land Scarcity

The 1998, 2000, 2002, and 2008 Minnesota Legislatures appropriated funds for the acquisition of land and options for land in the Capitol Complex for properties meeting current or future state development needs. Land available for development in and surrounding the Capitol area is rare; furthermore, the state typically only considers land purchases when there is a willing seller. This scarcity of land can have a profound effect on state government's ability to serve citizens.

#### Agency Process Used to Arrive at These Capital Requests

The department is concentrating its efforts on preserving state assets while watching for opportunities that would align with the state's *Strategic Plan for Locating State Agencies* as well as the program needs of state agencies.

For this budget cycle, Admin evaluated previous capital proposals, the state Facilities Condition Audit and other materials, and held discussions with other agencies regarding their capital needs. Admin also reviewed its CAPRA request with affected agencies. Projects were ranked based on the following priorities:

- CCLRT – Work that must be undertaken as part of the LRT Project
- Facilities with significant life/safety and/or code issues
- Facilities with a compelling need for repairs or maintenance
- Projects that offer long-term economic advantages for the state of Minnesota
- Requests that help realize Admin's mission of helping its customer succeed



2012 STATE APPROPRIATION REQUEST: \$6,600,000

AGENCY PROJECT PRIORITY: 1 of 7

**PROJECT LOCATION:**

**Project At A Glance**

\$6.6 million is requested for final design and construction of the University Avenue segment of the Capital Campus Pedestrian and Materials Handling Tunnel system. This is to coincide with construction of the Central Corridor Light Rail Transit (CCLRT) system.

Department of Administration believe it would be impractical and cost prohibitive to construct this tunnel after CCLRT is constructed.

**Vacated Street Adjustments**

The Light Rail project will result in the termination of two streets which presently operate as through streets:

- Capitol Boulevard at University Avenue
- Martin Luther King Boulevard at Robert Street

These changes will provide opportunities to add landscaping that will return much needed "green space" to the Capitol grounds.

**Impact on Agency Operating Budgets (Facilities Notes)**

The cost of bond interest over 20 years and depreciation over 30 years will be recovered through lease rates to tenants in all buildings on the Capitol Complex tunnel system.

**Previous Appropriations for this Project**

The 2009 Legislature appropriated \$313,000 to the Met Council for preliminary engineering and final design for betterments in the State Capitol Area related to the Central Corridor light rail transit project. The Met Council transferred these funds to the Department of Administration for design of a new pedestrian and materials handling tunnel between the State Capitol Building and Lot B.

The 2010 Legislature appropriated \$1.25 million to the Department of Administration to design, construct, furnish and equip phase 1 of Capitol campus security upgrades. Based on the findings and recommendations contained in the Capitol Complex Security - Final Report, a portion of this appropriation, combined with the 2009 appropriation noted above, will be utilized to complete the design for the tunnel.

**Project Description**

**Pedestrian Tunnel System**

There are currently two pedestrian tunnel sections which run beneath University Avenue (Administration Building/Lot B to/from Capitol Building and Ford Building/Lot C to/from Capitol Building/State Office Building).

The Pedestrian Tunnel Study, dated September 20, 2009, recommended improvements to the existing tunnel system to maximize the benefits of co-location of executive, legislative, and judicial branches of government in a campus setting and to provide a safe, convenient and functional environment for visitors and employees. The study included consideration of how movement of vehicles, people, and materials would be impacted when the Central Corridor LRT becomes operational.

The study recommended new tunnel connections to provide links between the Rice Street Station (Leif Erikson Park), Capitol Building, State Office Building, and Lot B. This request is to complete Phase I, which involves construction of a new tunnel crossing under University Avenue adjacent to the existing utility tunnel to connect Lot B and the State Capitol Building. University Avenue, north of the Capitol Building, will experience significant construction in 2012. Construction of the CCLRT and the new tunnel need to be coordinated to minimize traffic and cost impacts. The Met Council and

**Other Considerations**

On January 18, 2011, Governor Dayton and leaders from the Minnesota Legislature and Supreme Court established a committee to review state government's current approach to achieving public access and security within the Capitol Campus. The Committee on Capitol Complex Security issued a Final Report on April 1, 2011. The recommendations included, among other things, the following: "The Governor and 2011 Legislature should address the need to fund tunnel improvements under University Avenue."

In addition to the University Avenue crossing, the Pedestrian Tunnel Study recommended a tunnel extension westward from the Capitol Building parallel to and south of University Avenue. This tunnel segment would provide public access from the Rice Street LRT Station to the Capitol Building. An additional recommended tunnel segment would connect the Rice Street LRT Station tunnel segment to the State Office Building, providing public access to the associated legislative functions.

On June 27, 2011, a resolution was passed by the Capitol Area Architectural and Planning Board (CAAPB) which encouraged the Governor and Legislature to fund the tunnel and new loading dock to meet the critical schedule of the LRT construction along University Avenue at the Capitol Building.

**Project Contact Person**

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**Capitol Area Architectural and Planning Board Review:**

The Capitol Area Architectural and Planning Board is on record with a letter sent to the Governor and Legislative leaders in June 2011 fully supporting

the need for this tunnel and stressing the urgency for funding of this request in order to conform to the schedule for LRT construction in the capitol area in 2012.

**Governor's Recommendations**

The Governor recommends general obligation bonding of \$6.6 million for this request.

**Administration, Department of  
University Ave Tunnel**

**Project Detail  
(\$ in Thousands)**

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	0	0	0	0	0
3. Design Fees	672	230	0	0	902
4. Project Management	0	6	0	0	6
5. Construction Costs	0	6,110	0	0	6,110
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	254	0	0	254
<b>TOTAL</b>	<b>672</b>	<b>6,600</b>	<b>0</b>	<b>0</b>	<b>7,272</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	672	6,600	0	0	7,272
<b>State Funds Subtotal</b>	<b>672</b>	<b>6,600</b>	<b>0</b>	<b>0</b>	<b>7,272</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>672</b>	<b>6,600</b>	<b>0</b>	<b>0</b>	<b>7,272</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)	
	FY 2012-13	FY 2014-15
Compensation -- Program and Building Operation	0	0
Other Program Related Expenses	0	0
Building Operating Expenses	0	0
Building Repair and Replacement Expenses	0	0
State-Owned Lease Expenses	0	0
Nonstate-Owned Lease Expenses	0	0
Expenditure Subtotal	0	0
Revenue Offsets	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,600	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	Amount	Percent of Total
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)	
Yes	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)	
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements	
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)	
Yes	MS 16A.695: Public Ownership Required	
No	MS 16A.695 (2): Use Agreement Required	
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)	
No	Matching Funds Required (as per agency request)	
Yes	MS 16A.642: Project Cancellation in 2017	

**STATUTORY AND OTHER REQUIREMENTS**  
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.

2012 STATE APPROPRIATION REQUEST: \$21,000,000

AGENCY PROJECT PRIORITY: 2 of 7

**PROJECT LOCATION:**

- Site improvements including lighting, sidewalks, re-grading, etc.
- Security issues
- Abatement of hazardous materials
- Energy conservation
- Roof repair and replacements
- Maintenance and repairs to Capitol Campus memorials

**Project At A Glance**

The Department of Administration (Admin) is responsible for operating and maintaining 22 state-owned buildings, containing approximately 4.3 million square feet. The total replacement value of these assets is estimated to be over \$1.3 billion. These facilities are utilized to deliver key executive, judicial, and legislative functions of state government. A consistent means of funding asset preservation is required to minimize current and future cost of operations and space and to extend the useful life of capital investments made by Minnesota's taxpayers. The following are examples of work to be completed with asset preservation funds:

- Provide repairs and replacements to basic infrastructure and mechanical, electrical, utility, and heating, ventilation and air conditioning (HVAC) systems
- Address known code deficiencies, security and safety hazards, and health risks
- Repair and replace leaking or deteriorated roofing systems
- Maintain the basic building envelope systems of the state's buildings

**Project Description**

This project request involves the repair, replacement, and renewal needs specific to the Capitol Campus and other state buildings managed by Admin. Funding of this request will enable the department to address/reduce the problem of 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/replacements

**Impact on Agency Operating Budgets (Facilities Notes)**

The cost of bond interest over 20 years and depreciation over 30 years will be recovered through lease rates to building tenants.

**Previous Appropriations for this Project**

The 2006 Legislature appropriated \$5 million for asset preservation of state facilities managed by Admin. No funding was appropriated in 2007, 2008 or 2009 for asset preservation of state facilities managed by Admin. In 2010, \$8.075 million was appropriated to Admin for asset preservation with 16% of that (\$1.325 million) directed by the legislature to security and the Governor's Residence. In 2011, \$8.150 million was appropriated to Admin for asset preservation. Of this amount, up to \$4 million is for asset preservation of the State Capitol Building.

**Other Considerations**

Continued funding at requested levels for several biennia will enable the department to make a significant impact on the system's deferred maintenance and renewal problem. Over time, primarily due to resource constraints, the accumulated deferred maintenance on Admin buildings has grown to exceed \$158 million.

The Capitol Building itself is in critical need of repair and comprehensive rehabilitation. A 2001 pre-design study and a 2007 pre-design update documented that the Capitol lacks modern building infrastructure and is deficient in security requirements, energy efficiency, and code compliance.

The 2007 Legislature appointed the Legislative Coordinating Committee to facilitate a Capitol Restoration Working Group. The task for this working

group was to build consensus for a restoration strategy. This process yielded no consensus for an overall restoration strategy. Still unresolved are the fundamental issues of space and project scope. It is recognized and assumed that until the decision-makers agree on the scope and financial approach to this project, including allocation of space, the state will continue to address the needs of this historically significant building on an as-needed emergency basis.

The 2008 Legislature appropriated \$13.4 million to address some of the most pressing needs such as stabilization of the exterior, investigation of internal rain leader leaks and deterioration, and replacement of air-handling units at greatest risk of failure. Of the facilities managed by Admin, the Capitol Building is in greatest need of attention and is of specific focus in this 2012 Asset Preservation request. The Capitol has deferred maintenance now in excess of \$100 million. Future asset preservation funding will be used to continue tackling this backlog. The building is 105 years old and has not undergone major or comprehensive restoration.

The 2011 Legislature established the State Capitol Preservation Commission. Among other duties, the Commission is responsible for developing a comprehensive predesign plan for the restoration of the Capitol building, and developing and implementing a comprehensive financial plan to fund the preservation and restoration of the Capitol building.

**Project Contact Person**

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**Capitol Area Architectural and Planning Board Review:**

The Capitol Area Architectural and Planning Board is fully supportive of this work on infrastructure, especially in the necessary work on the Capitol Building.

**Governor's Recommendations**

The Governor recommends general obligation bonding of \$21 million for this request to be used for the Capitol (\$13.5 million) and the Centennial Office Building (\$7.5 million). Also included are budget planning estimates of \$10 million in 2014 and 2016.

**Administration, Department of  
Asset Preservation**

**Project Detail  
(\$ in Thousands)**

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	0	0	0	0	0
3. Design Fees	0	2,100	2,000	2,000	6,100
4. Project Management	0	200	200	200	600
5. Construction Costs	0	18,700	17,800	17,800	54,300
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>21,000</b>	<b>20,000</b>	<b>20,000</b>	<b>61,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	21,000	20,000	20,000	61,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>21,000</b>	<b>20,000</b>	<b>20,000</b>	<b>61,000</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>21,000</b>	<b>20,000</b>	<b>20,000</b>	<b>61,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)	
	FY 2012-13	FY 2014-15
Compensation -- Program and Building Operation	0	0
Other Program Related Expenses	0	0
Building Operating Expenses	0	0
Building Repair and Replacement Expenses	0	0
State-Owned Lease Expenses	0	0
Nonstate-Owned Lease Expenses	0	0
Revenue Offsets	0	0
Expenditure Subtotal	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0
	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	21,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements	MS 16B.335 (5): Information Technology Review (by Office of Technology)	MS 16A.695: Public Ownership Required	MS 16A.695 (2): Use Agreement Required	MS 16A.695 (4): Program Funding Review Required (by granting agency)	Matching Funds Required (as per agency request)	MS 16A.642: Project Cancellation in 2017
Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	

Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.

Capitol Campus Parking Replacement

2012 STATE APPROPRIATION REQUEST: \$900,000

AGENCY PROJECT PRIORITY: 3 of 7

PROJECT LOCATION:

Project At A Glance

Pre-design and design for a new, multi-level parking ramp (approximately 400 spaces) to be located on the west side of the State Capitol Complex to replace surface lot parking (635 spaces) currently provided under the lease agreement with Sears.

Impact on Agency Operating Budgets (Facilities Notes)

Debt service costs have been estimated and will be paid through parking fees.

Previous Appropriations for this Project

None

Other Considerations

Monthly contract demand continues to grow each year and the more popular parking ramps/lots routinely have a waiting list. The prospect of losing over 600 parking spaces without replacement would reduce our inventory of spaces available for contract to 5,200.

Project Description

The state has historically provided for approximately 11% of its total parking on the Capitol Complex under long term (five year) leases with Sears (Lot X). The lease was recently amended to extend the lease for a term of only two years and at a substantial increase in cost. Effective 9/1/11, the new monthly rent is \$29.75 per stall plus \$2,700 per month for security. Monthly rent currently is \$17.75 per stall plus \$1,700 per month for security. Sears can terminate the lease upon 30 days notice in the event that Sears sells, leases, or assigns the property in its entirety. The state can terminate upon 30 days notice for any reason, except the rental of other premises for the same use.

This change in position by Sears is an indication that the ability to negotiate future extensions to the parking lease is at risk, due principally to their interest in having flexibility to pursue development opportunities for the site which are tied to the Central Corridor Light Rail project.

This project will fund pre-design and design for a new, multi-level parking ramp (approximately 400 spaces) to be located on the west side of the State Capitol Complex to replace the surface lot parking (635 spaces) currently provided under the lease agreement with Sears.

Based on our average over-sale factor of 10%, this would limit our month contracts to 5,720. Current monthly contract volume is 6,432. The current Capitol Complex employee population (year-round) is 5,528. Therefore, without replacement of the Sears parking, 712 current contract parkers would not be able to park in state facilities or 12.9% of current, year-round employees.

While the impact of the Central Corridor Light Rail operation on demand for vehicular parking on the Capitol Complex is difficult to quantify, it is unlikely that it could represent an alternative for over 700 employees not already using other forms of public transportation.

Visitor parking space counts and location may be impacted depending upon the site chosen for the new parking ramp. In the event of such impact, every effort will be made in the design to provide as many visitor parking spaces as possible.

**Project Contact Person**

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**Capitol Area Architectural and Planning Board Review:**

The Capitol Area Architectural and Planning Board has long supported consolidation of surface parking into combined structured parking, as found in the 1998 Comprehensive Plan for the Capitol Area and the 2009 Amendment. The Plan and amendment reinforces the need to coordinate with the City to ensure that the Capitol area has adequate parking consistent with the vision, goals and guidelines of the plan. The Plan and the City's Rice Street Station Area Plan dictate that parking structures follow urban design guidelines to reinforce the urban scale and character of the Rice Street and University Avenue intersection. This means that parking structures avoid frontage on these primary visual corridors, especially adjacent to the future LRT Station. This would call for major liner buildings fronting on University and Rice.

**Governor's Recommendations**

The Governor recommends general obligation bonding of \$900,000 for this request, with user-financing of the debt service.



**Administration, Department of** **Project Detail**  
**Capitol Campus Parking Replacement** **(\$ in Thousands)**

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predisign Fees	0	75	0	0	75
3. Design Fees	0	800	0	0	800
4. Project Management	0	25	0	0	25
5. Construction Costs	0	0	8,000	0	8,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>900</b>	<b>8,000</b>	<b>0</b>	<b>8,900</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds:					
G.O Bonds/State Bldgs	0	900	8,000	0	8,900
<b>State Funds Subtotal</b>	<b>0</b>	<b>900</b>	<b>8,000</b>	<b>0</b>	<b>8,900</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>900</b>	<b>8,000</b>	<b>0</b>	<b>8,900</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)	
	FY 2012-13	FY 2014-15
Compensation -- Program and Building Operation	0	0
Other Program Related Expenses	0	0
Building Operating Expenses	0	0
Building Repair and Replacement Expenses	0	0
State-Owned Lease Expenses	0	0
Nonstate-Owned Lease Expenses	0	0
Expenditure Subtotal	0	0
Revenue Offsets	0	0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>
Change in F.T.E. Personnel	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0.0%
User Financing	900	100.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill:	
No	MS 16B.335 (1a): Construction/Major Remodeling Review. (by Legislature)
No	MS 16B.335 (3): Predisign Review Required. (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review. (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Funding Review Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2017

**2012 STATE APPROPRIATION REQUEST:** \$5,000,000

**AGENCY PROJECT PRIORITY:** 4 of 7

**PROJECT LOCATION:**

**Project At A Glance**

Capital Asset Preservation and Replacement Account (CAPRA): \$5 million in general obligation bond funds to support emergency repairs and unanticipated hazardous material abatement needs for state-owned facilities throughout Minnesota.

**Project Description**

CAPRA, established under M.S. Sec. 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.

(Note: Asset preservation capital budget requests are made by individual state agencies to address known facility repair and maintenance needs of the facilities under their custodial control.)

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, Perpich Center for Arts Education, Veteran Affairs, Iron Range Resources, Minnesota Amateur Sports Commission, and Admin.

**Impact on Agency Operating Budgets (Facilities Notes)**

CAPRA funding provides rapid financial assistance to state agencies to help address emergencies and unanticipated abatement needs. The program helps to minimize the impact on the delivery of services and programs from unanticipated emergencies and to prevent or reduce additional damage to state facilities.

**Previous Appropriations for this Project**

Since 2005, \$15.23 million has been appropriated for CAPRA projects through state bonding bills, including \$2.83 million appropriated in the 2011 Special Session.

As of July 28, 2011, the current available balance is approximately \$3.43 million.

**Other Considerations**

This CAPRA request does not fund known agency repair and maintenance projects. Those types of projects are included in agency asset preservation requests. The amount of this request is based on historical spending. Asset preservation continues to be an issue, and adequately maintaining state facilities is imperative to support the efficient and effective delivery of services and programs to our customers, the taxpayers and citizens of Minnesota. To the degree that agency asset preservation requests are reduced, we can expect to see an uptick in emergency requests for CAPRA funding.

Although Admin has been projecting biennial CAPRA requests of \$5 million, which is based on historical emergency needs, events can trigger the need for additional funding to address emergencies. Projects that have typically received CAPRA funding include asbestos and lead abatement; emergency roof, pipe, and structural repairs; fire and water damage repairs; and replacement of failed air conditioning, boiler, and water heater units.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$2.5 million for this request. Also included are budget planning estimates of \$2.5 million in 2014 and 2016.

**Administration, Department of  
Stotewide CAPRA**

**Project Detail  
(\$ in Thousands)**

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	75	75	75	225
5. Construction Costs	0	4,925	4,925	4,925	14,775
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>15,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	5,000	5,000	15,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>15,000</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>15,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)	
	FY 2012-13	FY 2016-17
Compensation -- Program and Building Operation	0	0
Other Program Related Expenses	0	0
Building Operating Expenses	0	0
Building Repair and Replacement Expenses	0	0
State-Owned Lease Expenses	0	0
Nonstate-Owned Lease Expenses	0	0
Expenditure Subtotal	0	0
Revenue Offsets	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

2012 STATE APPROPRIATION REQUEST: \$1,500,000

AGENCY PROJECT PRIORITY: 5 of 7

**PROJECT LOCATION:**

**Project At A Glance**

\$1.5 million in general fund dollars for agency relocation funding is needed to move state operations from existing locations when it improves agency operations, yields positive budget impacts, and/or facilitates better service to customers. This funding is also needed to optimize the use of state-owned facilities and backfill pockets of vacant space as agencies downsize their operations.

This request is for needs not covered under other capital requests.

**Project Description**

Funds are needed to relocate agencies where an unanticipated situation occurs that requires relocation such as a landlord not renewing an agency's lease at its expiration, a facility is sold, an agency needs to reduce space, reorganization needs to be implemented, remodeling needs to be accomplished, or an agency can substantially reduce its rent.

Recent projects requiring relocation funding include:

- To facilitate the merger of the Department of Finance and Department of Employee Relations
- To facilitate remodeling and reorganization in the Veterans Service building
- To co-locate the former Department of Employee Relations, Workers Compensation Division, with the Risk Management Division
- To improve operational and space efficiency and reduce costs for the Department of Commerce, Weights & Measures Division

Because these events are typically of an unforeseen nature for which the agency has not programmed funds, the lack of access to relocation funding can create a disincentive to beneficial moves. Relocation funding is used to move furniture and equipment, including voice and data.

An imminent project, which may or may not meet the timing of this request but is a prime example of the use and need for Agency Relocation funding, is the Duluth Government Services Center (DGSC) lease expiration. The DGSC was constructed in 1980 for State and St. Louis County offices. St. Louis County purchased DGSC from the State in July 2002. State agencies executed ten year leases at a discounted rate which expire in 2012. St. Louis County has given notice that State leases will not be renewed. An appropriation or another source of funding is needed to facilitate agency relocation in the summer of 2012. The estimated funding requirement of this project is \$250,000.

**Impact on Agency Operating Budgets (Facilities Notes)**

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

**Previous Appropriations for this Project**

The following are the most recent appropriations: 1) 2002 - \$1,500,000; 2) 2003 - \$500,000; and 3) 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 campus.

As of 6/15/09, all available funding appropriated for agency relocation has been expended.

**Other Considerations**

None.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general fund cash of \$1 million for this request. Also included are budget planning estimates of \$500,000 in 2014 and 2016.

**Administration, Department of Agency Relocation** **Project Detail**  
**(\$ in Thousands)**

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	1,500	500	500	2,500
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1,500</b>	<b>500</b>	<b>500</b>	<b>2,500</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
General	0	1,500	500	500	2,500
<b>State Funds Subtotal</b>	<b>0</b>	<b>1,500</b>	<b>500</b>	<b>500</b>	<b>2,500</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1,500</b>	<b>500</b>	<b>500</b>	<b>2,500</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)		
	FY 2012-13	FY 2014-15	FY 2016-17
Compensation -- Program and Building Operation	0	0	0
Other Program Related Expenses	0	0	0
Building Operating Expenses	0	0	0
Building Repair and Replacement Expenses	0	0	0
State-Owned Lease Expenses	0	0	0
Nonstate-Owned Lease Expenses	0	0	0
Expenditure Subtotal	0	0	0
Revenue Offsets	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0
			0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2017

2012 STATE APPROPRIATION REQUEST: \$2,250,000

AGENCY PROJECT PRIORITY: 6 of 7

PROJECT LOCATION:

**Project At A Glance**

This request for \$2.250 million is to prepare a design to address building systems beyond their useful life and other deficiencies in the State Office Building and Parking Ramp identified in the Facility Condition Assessment prepared in 2011.

**Other Considerations**

None

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**Governor's Recommendations**

The Governor does not recommend capital funding for this request.

**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 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/replacements
- Security issues
- Energy conservation

**Impact on Agency Operating Budgets (Facilities Notes)**

The cost of bond interest over 20 years and depreciation over 30 years will be recovered through lease rates to building tenants.

**Previous Appropriations for this Project**

Pre-design funded from the 2011 Capital Budget asset preservation appropriation.

**Administration, Department of** **Project Detail**  
**State Office Building Design** **(\$ in Thousands)**

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	0	0	0	0	0
3. Design Fees	0	2,245	0	0	2,245
4. Project Management	0	5	0	0	5
5. Construction Costs	0	0	25,000	0	25,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>2,250</b>	<b>25,000</b>	<b>0</b>	<b>27,250</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,250	25,000	0	27,250
<b>State Funds Subtotal</b>	<b>0</b>	<b>2,250</b>	<b>25,000</b>	<b>0</b>	<b>27,250</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>2,250</b>	<b>25,000</b>	<b>0</b>	<b>27,250</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)	
	FY 2012-13	FY 2016-17
Compensation -- Program and Building Operation	0	0
Other Program Related Expenses	0	0
Building Operating Expenses	0	0
Building Repair and Replacement Expenses	0	0
State-Owned Lease Expenses	0	0
Nonstate-Owned Lease Expenses	0	0
Expenditure Subtotal	0	0
Revenue Offsets	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,250	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017



**2012 STATE APPROPRIATION REQUEST:** \$1,271,000

**AGENCY PROJECT PRIORITY:** 7 of 7

**PROJECT LOCATION:**

**Project At A Glance**  
\$1.271 million is requested for demolition of the Ford Building and the subsequent construction of temporary surface parking area to be included in the Lot C parking lot.

**Project Description**

The Ford Building, located at 117 University Avenue in St. Paul, is one of the 15 state-owned buildings in the Capitol Complex that are 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 sometime around 1951. The state acquired the Ford Building in the late 1960s as part of a larger redevelopment effort in the Capitol area that was directed by the Capitol Area Architectural and Planning Commission. It was remodeled for state office space in the late 1970s. The most recent occupants of the Ford Building included Minnesota's Bookstore, the state printing operations, and a variety of Admin offices. These uses ceased or were transferred to other facilities in 2002-03 because of the closure of state printing operations, the building's deterioration and need for major repair, and the projected high lease rates. Those rates were a reflection of the costs of maintaining and operating the building, which made it cost prohibitive to occupy.

As custodial manager of the Ford Building, Admin has utilized bond appropriations from the Legislature for maintaining, improving and remodeling the building for various uses. Current state policy is that capital debt is reimbursed through lease rates charged by Admin to the entities leasing space in the building.

As part of the capital budget planning process, Admin in 2001 commissioned a study to assess options for the site. The results of the study provided an objective look at the current building and future needs of the state based on the "1993 Strategic Plan for Locating State Agencies."

The study determined that the building was in need of major structural, mechanical, electrical, interior, and exterior repairs in order to return it to a viable use for office space. The study presented seven scenarios with cost estimates ranging from \$16.3 million for renovation of existing square footage only, to \$35 - 43 million for maximum renovation including a parking ramp on the site.

Due to continuing deterioration and escalating costs associated with a vacant and mothballed building, Admin sought funding in 2004 and again in 2005 to demolish the building and for construction of temporary surface parking. On average, Admin is spending approximately \$25,000 - 30,000 per year to maintain the building in a safe manner.

In 2005, the Legislature placed a moratorium on demolition of the building and directed a study of how the building might be preserved and used. The report was issued in January 2006 with a number of recommendations, as well as acknowledgement of numerous challenges and constraints.

The property is a prime development site, strategic to the Capitol Campus and Light Rail, and is connected to the tunnel system.

With no identified use for the building, and in light of the continuing deterioration and associated operational expenses, Admin is recommending demolition.

**Previous Appropriations for this Project**

None

**Other Considerations**

The Ford site, due to its capacity, access, and connection to the campus tunnel system, is considered highly desirable for future development.

From the 2009 Minnesota State Capitol Complex Capacity and Access Study:

"The ability of the Minnesota State Government to function effectively relies on a well designed, maintained, and operated physical campus environment that pans for, accommodates, and responds to change:

- The Central Corridor LRT will alter access patterns to and within the campus.
- Surrounding growth will add pressure to area streets and intersections.
- Private redevelopment on the Sears parking lot, which currently houses roughly 10% of campus employee parking, is imminent.

Admin must plan for the most effective ways to accommodate these changes while ensuring appropriate development capacity and clear, comprehensive access to and within the campus."

**Project Contact Person**

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**Capitol Area Architectural and Planning Board Review:**

The Capitol Area Architectural and Planning Board would prefer to retain the Ford Building to support the urban design of a primary visual corridor for the Capitol, now more important with the arrival of LRT. In addition, this would be the first of some twenty-three similar "Ford Buildings" across the country to

be demolished, many having been effectively rehabilitated and now in active re-use. The CAAPB would be opposed to demolition of the building until such time as the State or others are prepared to rebuild the block, as we wish to avoid any additional surface parking at this prime location so close to the State Capitol. If the building itself cannot be efficiently re-used, the CAAPB would favor incorporation of the front architectural façade, into any future building.

**Governor's Recommendations**

The Governor does not recommend capital funding for this request.

**Administration, Department of  
Ford Building**

**Project Detail  
(\$ in Thousands)**

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. PreDesign Fees	0	0	0	0	0
3. Design Fees	0	95	0	0	95
4. Project Management	0	11	0	0	11
5. Construction Costs	0	1,109	0	0	1,109
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	56	0	0	56
<b>TOTAL</b>	<b>0</b>	<b>1,271</b>	<b>0</b>	<b>0</b>	<b>1,271</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,271	0	0	1,271
<b>State Funds Subtotal</b>	<b>0</b>	<b>1,271</b>	<b>0</b>	<b>0</b>	<b>1,271</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1,271</b>	<b>0</b>	<b>0</b>	<b>1,271</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)	
	FY 2012-13	FY 2014-15
Compensation -- Program and Building Operation	0	0
Other Program Related Expenses	0	0
Building Operating Expenses	0	0
Building Repair and Replacement Expenses	0	0
State-Owned Lease Expenses	0	0
Nonstate-Owned Lease Expenses	0	0
Expenditure Subtotal	0	0
Revenue Offsets	0	0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>
Change in F.T.E. Personnel	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,271	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill:	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): PreDesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

