

Project Title	Agency Priority	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
			2006	2008	2010	2006	2008	2010
DOT Exterior	1	THB	\$10,161	\$0	\$0	\$10,161	\$0	\$0
Statewide CAPRA	2	GO	5,000	5,000	5,000	5,000	5,000	5,000
Asset Preservation	3	GF	330	0	0	330	0	0
		GO	5,862	5,000	5,000	5,862	5,000	5,000
Long Range Commuting Plan	4	GF	150	0	0	0	0	0
		OTH	0	0	0	150	0	0
Lease Savings Opportunities	5	GF	420	0	0	0	0	0
		GO	4,642	0	0	0	0	0
Agency Relocation	6	GF	500	0	0	200	0	0
New State Office Building Predesign & Design	7	GF	0	3,000	0	0	0	0
		GO	3,000	146,605	0	0	0	0
Stassen/Freeman Tunnel	8	GO	2,482	0	0	0	0	0

Project Total	\$32,547	\$159,605	\$10,000	\$21,703	\$10,000	\$10,000
General Obligation Bonding (GO)	\$20,986	\$156,605	\$10,000	\$10,862	\$10,000	\$10,000
General Fund Projects (GF)	\$1,400	\$3,000	\$0	\$530	\$0	\$0
Misc Special Revenue (OTH)	\$0	\$0	\$0	\$150	\$0	\$0
Trunk Hwy Fund Bonding (THB)	\$10,161	\$0	\$0	\$10,161	\$0	\$0

<b>Funding Sources:</b>	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

### Agency Profile At A Glance

- ◆ Oversees more than \$1 billion annually in state government purchasing.
- ◆ Manages over 525 construction projects valued at \$260 million.
- ◆ Manages 1,000 state leases and four million usable square feet of leased space.
- ◆ Provides population statistics, pyramids, and maps through the Datanet online information service.
- ◆ Processes 31 million pieces of mail and five million warrants and checks annually.
- ◆ Serves as state government's in-house management consulting and training organization.
- ◆ Operates as the state's internal insurance company, providing property and casualty insurance coverage.

### Agency Purpose

The mission of the Department of Administration (Admin) is to lead Minnesota state government in delivering services and products faster, better, and more cost-effectively. As the primary operations support agency for state government, Admin assists agencies in achieving their organizational and strategic goals by offering high-quality services, products, facilities, and infrastructure. Admin strives to provide confident, energetic leadership in policy direction, simplified procedures, and effective service delivery. Among its fundamental strategic objectives is to develop and foster an "enterprise" vision for state government as outlined in the *State of Minnesota's Drive to Excellence*. This objective focuses on reducing state government operating costs by emphasizing greater sharing across agencies and improving service delivery through redesigning business processes and accentuating the electronic delivery of services and products.

### Core Functions

Admin provides a diverse range of business management, administrative and professional services, and a variety of resources to government agencies and the public. The department strives to assure that its customers have the

facilities, tools, resources, and information necessary for achieving their objectives.

### Operations

Admin serves state agencies and constitutional officers, political subdivisions, the legislature, government employees, and citizens. The department's operations are categorized into four general areas:

- ⇒ **State Facilities Services** include management of the state's real property, comprising land, buildings, and physical plant; provides services related to the construction, maintenance, and repair of about 30 million square feet of state-owned building space; leases buildings; manages parking; coordinates recycling and energy conservation efforts; and serves as the state architect.
- ⇒ **State and Community Services** include a variety of services and information resources for state and local governments, educators, the business community, and the public. These include vehicle leasing and fleet management; risk management; information policy analysis; demographic and census information; geographic information systems; mail; the state archaeologist; Minnesota's Bookstore and the State Register; and administrative support for the Environmental Quality Board.
- ⇒ **Admin Management Services** include Materials Management, responsible for goods and services purchasing, professional and technical contracting oversight, surplus property acquisition and disposal, and the state's office supply operation; Management Analysis Division, state government's in-house business consultant; the Governor's Council on Developmental Disabilities; the System of Technology to Achieve Results (STAR) program, which coordinates awareness of assistive technology for persons with physical disabilities; Financial Management and Reporting and fiscal agent functions; and Human Resources.

**Budget**

The Department of Administration is funded through a variety of sources including general, special revenue, federal, agency, gift, and internal services/enterprise funds.

- ⇒ General Funds are primarily used for operations with statewide significance, including functions such as procurement, energy management, resource recovery, building construction, information policy analysis, coordination and documentation of geographic data, and pass through grants. The Minnesota Legislature appropriates these funds.
- ⇒ Special Revenue Funds are fee based and include, land management information services, and parking and commuter van.
- ⇒ 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.
- ⇒ Agency funds are pass-through funds from state employees for bus cards.
- ⇒ Internal service/enterprise funds are the largest source of funds for the agency. Internal service funds come through fees charged primarily to state agencies for internal support services including insurance, fleet management, consulting, computer services, telecommunications, and leasing of facilities under the custodial control of Admin. These activities prepare annual business plans and develop rate structures for product and service offerings. Enterprise funds come through fees charged to governmental entities, citizens and business through the Bookstore, surplus property, and cooperative purchasing products and services.

Admin faces many challenges with hiring and maintaining a highly qualified staff to operate the many and varied divisions of the agency. Staffing numbers are constantly changing, and at the beginning of FY 2006, the agency had 491 employees.

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For information on how this agency measures whether it is meeting its statewide goals, please refer to: [www.departmentresults.state.mn.us](http://www.departmentresults.state.mn.us).

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

- ◆ Lead state government in delivering quality products and services faster, better and more cost-effectively.
- ◆ Provide facilities and space that serve customers, employees, and the people of Minnesota in a cost-effective manner over the life of the facility.
- ◆ Provide functional, effective, and energy efficient work environments that support employee productivity, encourage agency co-location and maximize opportunities to share space.
- ◆ Balance facility ownership with leased space.
- ◆ Take advantage of opportunities to acquire property at the lowest possible cost.
- ◆ Enhance information technology in state buildings and bring state facilities into compliance with all building and life-safety codes.
- ◆ Provide adequate and efficient parking and transportation options for the occupants and visitors of the Capitol Complex.

The mission of Minnesota's Department of Administration (Admin) is to lead Minnesota state government in delivering quality products and services faster, better, and more cost-effectively. Strategically, Admin strives to be a pivotal, positive and value-adding organization for its customers, to minimize bureaucracy and to operate ethically and with integrity, honesty, and compassion toward its clients and coworkers. The vision of Facility Management Services is to provide efficient state facilities that serve customers, employees, and the people of Minnesota in a cost-effective manner over the life of the program. Admin provides appropriate, cost-effective space for operations of state government across Minnesota.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Through initiatives such as Drive to Excellence, Admin is evolving an expanded leadership role in facility planning and development for state facilities. The ultimate vision is an enterprise-wide view of what we own and occupy, and enterprise strategies for Real Property management across all state agencies. Significant issues include:

- ◆ maintenance requirements for the 22 buildings managed by the department,
- ◆ customer service from a statewide perspective,
- ◆ sustainability,
- ◆ space/program requirements,
- ◆ life safety and code compliance,
- ◆ location, service delivery,
- ◆ community partnerships,
- ◆ cost effectiveness, and
- ◆ shared services.

**Long-Range Strategic Plan for Locating State Agencies**

Where government services are delivered is important. Several years ago the department, along with the state planning office and the Department of Finance, developed a report called *Criteria for Locating State Offices and Agencies* to assist agencies when making facility decisions. In addition, to better manage the state's office space, in 1993, Admin developed a long-range *Strategic Plan for Locating State Agencies* (Strategic Plan) in the metropolitan area. This plan responded to the 1992 Capital Budget Reform report to the legislature recommending the development of master plans for each state-owned campus. Laws 1994, Chapter 643, Section 39 require Admin to regularly update the long-range *Strategic Plan for Locating State Agencies* and to follow the plan in assigning and reassigning space to agencies. Admin is also working with agencies regarding the disposition of properties no longer needed for state purposes, which may involve the sale of land or demolition of buildings. Statutory mandates to deliver land sale proceeds to balance the budget give added impetus to this task. In other cases, Admin works with the local community to look at development opportunities.

**Owning versus Leasing**

Facilities provided for state agencies by Admin are either owned by the state or leased from other public or private entities. From a functional view, it is important that the state maintain a balanced portfolio of both leased and owned facilities so the short-term flexibility of leasing and the long-term stability and economy of ownership can be realized. Whether it is more beneficial to lease or own a particular building for an agency must be

analyzed on a case-by-case basis, and depends on many factors including market conditions, location, and long-term strategies. Consolidation and co-location options must be monitored and assessed on a continual basis in order to take optimum advantage of opportunities as they come up and to ensure the highest and best use of state owned and leased properties.

### **Work Environment**

As budgets shrink, there is an even greater emphasis on providing cost-effective, efficient space for state government operations. Whether in a leased or state-owned facility, Admin is encouraging state agencies to make a cultural change in how space is viewed. The old standard equating office size and amenities to one's position within an organization needs to be replaced with a focus on providing efficient space that supports job functions and the sharing of space.

In addition to the amount of space an agency needs, Admin is focusing on the suitability of space. Studies show that employee absenteeism and turnover drop when spaces they occupy have natural light, good indoor air quality and appropriate thermal comfort. Office layouts with open cubes toward the window and enclosed offices along the interior provide natural light to more people, and allow for better air movement and consistent temperature levels.

Once a space program is defined, thought must be given to ensuring its cost effectiveness over time. Building systems and materials must be selected that balance initial cost with ongoing operation and maintenance expenses. The physical structure also has to be able to accommodate technological improvements. Space layouts are rarely static, and the ability to manage change in an economical manner is paramount.

Energy reduction is another key issue. New facilities are being designed to use 30% less energy than required by code, and Admin continues to seek ways to improve energy efficiency through retrofits in existing facilities.

### **Information Technology**

Although new technology will provide some decentralization of agencies, technology will also increase the efficiency of central management functions. Telecommuting, telecopying, and electronic information storage help reduce

travel demand and document storage space. However, the expansion of personal computer use and associated training and teleconferencing facilities will offset much of the space savings. Until the state has gained more experience in these areas, a significant reduction in agency headquarters functions and space needs is not anticipated.

Each state agency will continue to identify its telecommuting opportunities so state facilities are designed with the flexibility to respond to rapid technological advances. In accordance with M.S. 166.335, agencies are required to review the implications of using information technology to decentralize and/or to reduce office space needs.

### **Code Compliance/Life Safety**

Bringing state owned buildings in the capitol area into compliance with building codes, fire and life safety codes, and the Americans with Disabilities Act (ADA) is an ongoing effort. Based on the volume of work to be accomplished and within established priorities, Admin will request funds to meet these requirements as necessary.

### **Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Admin will need to make land and property acquisitions that are economically sound investments for the state. Acquisition of properties in other locations is necessary for the efficient delivery of state agency programs and services to the public. This includes analysis of any property that becomes available for acquisition by the state but is not specifically identified in the Strategic Plan.

Admin's Plant Management Division manages approximately 4.3 million gross square feet of space in 22 state-owned buildings as well as the capitol grounds, 21 monuments/memorials and 34 parking facilities. Most of the state-owned facilities managed by Admin are located in the capitol complex and metro area. In addition, Admin manages nearly 1,000 leases, including 3.7 million useable square feet of space in non-state owned facilities. Non-state owned leased space consists largely of office space located throughout Minnesota.

The physical condition of the 22 buildings noted above, as identified in a facility condition audit, ranges from good to poor. Admin is addressing the most critical needs of the buildings with capital budget requests for the Transportation Building exterior and Asset Preservation.

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

A legislative appropriation funded the development of the long-range *Strategic Plan for Locating State Agencies*. Consultants were hired to develop this plan with input from state agencies, legislators, local government, and interest groups. The plan has the flexibility to be updated as changes occur and, even though dated, continues to guide Admin's capital budget requests. New development aspects of the Strategic Plan are integrated with the ongoing capital improvements that are needed for Admin-managed buildings. For this budget cycle, Admin's assistant commissioner of Facility Management Services requested the submission of projects for consideration from the agency's Services Division and reviewed the department's Capital Asset Preservation and Replacement Account (CAPRA) request with affected agencies and key legislators.

Projects were ranked based on the following priorities:

- ◆ facilities where significant life-safety or code concerns exist;
- ◆ facilities the state currently owns that are in compelling need of repair or maintenance;
- ◆ projects where there are long-term economic advantages to the state by increasing ownership of office space through either construction or purchase; and
- ◆ requests that support Admin's strategic plan.

As a result, Admin has again placed the repair of the exterior façade of the the Transportation (MnDOT) building as its highest priority. The condition of the system that anchors the 1,200-pound granite panels to the exterior façade continues to deteriorate. Left unrepaired, they will eventually fall.

Admin's second request is for CAPRA funding in recognition of the department's responsibility to assist agencies statewide with emergency repairs and unexpected abatement needs.

Asset Preservation funding is requested for completion of only the most critical repair and replacement items for the 22 buildings managed by Admin. Admin's backlog of needed facility repairs/replacements currently exceeds \$100 million. M.S. 16A.11, Subd. 6 requires that unless provided by the commissioner of finance, the combined amount of operating funds and capital funds to be budgeted each year for building maintenance and betterment is one percent of the replacement cost of the building. The current estimated replacement value of Admin-managed buildings is \$1.074 billion, equating to a biennial budget target of approximately \$21.5 million. Asset preservation funds are critically needed to maintain the buildings in the capitol complex and bring them up to present-day standards and codes.

Funding is also requested to develop a long-term transportation and parking strategy that addresses the varying and often conflicting capitol complex commuting needs. Highlighted with the fall 2005 openings of the Freeman, Andersen and Ag/Health Lab buildings, is the shortage of existing state-owned parking supply as well as the inherent risk involved with long-term reliance on commercially leased parking facilities. Admin has identified interim solutions that will satisfy the immediate needs. However, a long-term vision is necessary to provide adequate and efficient transportation options in the capitol complex for state agencies, the legislature, employees, and visitors.

The other projects requested are consistent with Admin's strategic plan, and reflect the need to provide suitable facilities to support the operations of state government in a cost-effective manner.

### Major Capital Projects Authorized in 2002 and 2003

Statewide CAPRA (\$3 million)  
 Asset Preservation – Admin Properties (\$2.5 million)  
 Capitol Complex Parking (\$1.778 million)

**2006 STATE APPROPRIATION REQUEST:** \$10,161,000

**AGENCY PROJECT PRIORITY:** 1 of 8

**PROJECT LOCATION:** Capitol Complex, St. Paul

#### Project At A Glance

\$10.161 million in trunk highway funds to replace the structural support system for the 1,200-pound granite panels on the exterior of the Department of Transportation (DOT) Building located at 395 John Ireland Boulevard in St. Paul.

#### Project Description

Deterioration of the support system for the granite panels on the exterior of the DOT building is a life-safety issue; without repairs spalled pieces of granite and entire granite panels will fall.

The panels sit on a steel angle, which has a welded rod fitting into a slot on the bottom of the panels. The rod, along with lateral stone anchors, holds the granite in place. The original angles were 3/8 inch thick; at this time the rusting has caused some of the angles to expand to almost an inch thick. This expansion is lifting each of the granite panels to the top of its retaining slot, adversely impacting the ability of the slot to hold the panel to the wall, and the upward force is compressing the top of the panel against the sill above, damaging the sill and causing the granite to crack and spall. In addition to the expansion caused by the rusting, it is estimated that up to 30% of the load bearing capability of the angles has been lost.

The movement of the panels is greatest during the winter, when water behind the panels freezes and pushes on the panel. The Department of Administration (Admin) monitored the movement of 25 panels during the winter of 2004-2005. Despite the mild winter, with little precipitation, there was movement of the panels. This confirmed the failure of the system. The stone anchors located on both sides of the panels no longer provide lateral

support, and, more significantly, the toe-rod welded to the horizontal leg of the shelf angle no longer engages the groove in the bottom of the panels.

Work to repair and secure the panels would involve removing them, replacing the angles and clips, installing additional flashing and weeps, repairing damage caused by the movement to adjacent sills and metal panels, and reinstalling the panels.

The biggest cost item would be the removal and reinstallation of the three-inch thick, 1,200-pound panels. In an effort to minimize this, Admin reviewed a number of options, including working with the panels in place, cutting them in half to reduce the weight, and replacing them with another type of panel and recycling or selling the granite. Unfortunately, none of these options have proved to be more cost effective or feasible.

The state needs to do this work in the near future before the panels begin to fall. Each year of additional rusting and resulting shifting of the panels increases the risk they will fall. When originally requested in FY 2002, Admin anticipated requesting funding in three phases, one in each of the next bonding sessions. Considering the escalating deterioration, increasing risks and lack of funding in the last two sessions, Admin is requesting all of the funding in FY 2006. As a safety precaution, fencing has been installed at key pedestrian areas around the perimeter of the building and protective structures have been installed over some of the rooftop condensing units to prevent spalling granite from damaging them.

Additional analysis of this project has revealed some costs savings since the time when the department submitted its original request in 2002. If this request was fully funded at \$10.161 million, there would be no requirement for additional phases of work.

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

In as much as the Transportation Building is structurally sound and significant interior improvements have been made, the retention and preservation of this asset is appropriate stewardship of state resources.

The cost of the DOT exterior stabilization, based upon a bond-financed appropriation, would be collected through the established rent process, with

## DOT Exterior

interest recovered over 20 years and depreciation over 30 years. It is estimated that the lease rate would increase by \$2.42 per square foot.

**Previous Appropriations for this Project**

There has been considerable renovation work done to the interior of the DOT building. Between the years 1992 and 1998 approximately \$44 million was appropriated to address life safety and environmental deficiencies, update electrical and mechanical systems to meet changing occupant needs, abate hazardous materials, and provide for the latest in technological improvements.

If appropriated, this request would be the first specifically designated for the exterior wall.

**Other Considerations**

Local fire/safety codes citations in the 1980s prompted significant appropriations for renovation of the Transportation Building over the past decade. Subsequent interior renovations have now corrected the infractions. Once these life/safety issues were addressed, the state legislature appropriated funding in FY 1998 to tuck-point the exterior. It was during the course of this work that workers discovered the problems to be addressed by this request.

The condition of the angles continues to deteriorate. If the work contained in this request is not done in the near future, either an angle will fail, or water freezing behind the panels will push one of them off of its retaining slot. In either case, a 1,200-pound panel will fall.

The Transportation Building is a significant presence on the Capitol Complex. Its preservation is in keeping with the long-range strategic plan of both Admin and the Capitol Area Architectural and Planning Board. It is anticipated that completion of this work would allow the continued use of the building for the next 30 years.

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**Governor's Recommendations**

The Governor recommends trunk highway bonding of \$10.161 million for this project.



<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	111	0	0	111
4. Project Management	0	99	0	0	99
5. Construction Costs	44,108	9,172	0	0	53,280
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	779	0	0	779
<b>TOTAL</b>	<b>44,108</b>	<b>10,161</b>	<b>0</b>	<b>0</b>	<b>54,269</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	0	0	0	0
Trunk Highway Fund	44,108	0	0	0	44,108
Trunk Hwy Fund Bonding	0	10,161	0	0	10,161
<b>State Funds Subtotal</b>	<b>44,108</b>	<b>10,161</b>	<b>0</b>	<b>0</b>	<b>54,269</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>44,108</b>	<b>10,161</b>	<b>0</b>	<b>0</b>	<b>54,269</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	1,251	1,251
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	1,251	1,251
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>1,251</b>	<b>1,251</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
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)
No	MS 16B.335 (3): Predesign 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 2011

## Statewide CAPRA

**2006 STATE APPROPRIATION REQUEST:** \$5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 8

**PROJECT LOCATION:** Statewide

#### 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 Agency facilities.
- ◆ CAPRA funds previously requested by the Department of Administration (Admin) for known agency renewal projects are now included in each individual agency's asset preservation capital budget requests.

#### Project Description

CAPRA, established under M.S. 16A.632, is a statewide fund centrally managed by Admin for use by all state agencies. Higher Education Asset Preservation and Replacement (HEAPR) funding is requested separately by the Minnesota State Colleges and Universities and the University of Minnesota, and should not be confused with this request. Asset preservation capital budget requests that are requested by individual state agencies to address the known facility repair and maintenance needs of the facilities under their custodial control should also not be confused with this request.

Projects that received CAPRA funding when the program started fell into three categories: Emergencies of all kinds; hazardous material abatement, and non-recurring, small repair, and maintenance projects ranging in cost from \$25,000 to \$350,000.

As facility repair and maintenance needs outgrew the ability to be adequately funded by CAPRA, individual agencies began making capital budget requests for asset preservation. Projects done with these asset preservation

funds were the same types of projects done with CAPRA funds, but generally had projects costs of over \$350,000.

Given the parallel nature of the asset preservation and CAPRA programs, the need to more efficiently plan, manage, and complete projects, and the potential cost saving opportunities to bundle projects together, a decision was made in FY 2004 to limit the types of projects funded by CAPRA to emergency and unanticipated abatement only. Agency asset preservation requests will now fund repair and maintenance projects costing between \$25,000 and \$350,000. This has decreased the amount of funding requested for CAPRA, and increased the amount of funding requested by agencies for asset preservation projects.

State agencies served by this request in the past include Administration, Center for Arts Education, Corrections, Employment and Economic Development, Historical Society, Human Services, Military Affairs, State Academies, Natural Resources, Veterans Home Board, and the Minnesota Zoological Gardens.

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

CAPRA funding provides rapid financial assistance to agencies for emergencies and unanticipated abatement needs. This keeps agency funds available for ongoing operations and helps mitigate additional damage.

#### Previous Appropriations for this Project

Since the program was created in 1990, \$75.9 million has been appropriated for CAPRA projects through state bonding bills.

#### Other Considerations

This CAPRA request does not fund any known agency repair and maintenance projects, making it imperative that agency asset preservation requests be funded. The amount of this request is based on historical spending as well as anticipated needs. Asset renewal continues to be an issue, and adequately maintaining state facilities is imperative to support the delivery of service to our customers, the taxpayers and citizens of Minnesota.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$5 million for this project. Also included are budget planning estimates of \$5 million in 2008 and \$5 million in 2010.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign 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	75,900	5,000	5,000	5,000	90,900
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>75,900</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>90,900</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	75,900	5,000	5,000	5,000	90,900
<b>State Funds Subtotal</b>	<b>75,900</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>90,900</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>75,900</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>90,900</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
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)
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 2011

**2006 STATE APPROPRIATION REQUEST:** \$6,192,000

**AGENCY PROJECT PRIORITY:** 3 of 8

**PROJECT LOCATION:** Capitol Complex

#### Project At A Glance

The Department of Administration (Admin) is requesting \$5.862 million in general obligation bond funds and \$0.330 million in general funds for asset preservation projects. Admin has identified key projects that must be completed in the near future to ensure the safety and well-being of building tenants and visitors, and the preservation of state facility assets. The projects noted below represent only the most critical items on a long list of repair and maintenance work required to keep the 22 buildings managed by Admin operating in a manner that preserves them and provides suitable space to support agency operations.

#### Project Description

The following are listed in order of priority, with life/safety concerns noted first, followed by the need to address cited code violations. Projects that preserve critical building envelope concerns wrap up the list. Negative consequences of not doing the work include deterioration of indoor air quality (IAQ), the continued inability to bring buildings up to current safety standards, further building deterioration and structural decay, rapidly escalating repair or emergency repair costs.

#### History Center Roof Replacement (\$1.937 million):

The roof of this building is nearing the end of its useful life, and timely replacement is critical to prevent water damage to the building and the archives of the state. The existing ballasted single membrane roofs will be replaced with a 4 ply built-up except the inside surfaces of the perimeter parapet walls that will receive fully adhered EPDM. Funds from this request will be used for the construction and construction administration portion of the work. The design work has been completed, so construction can begin

as soon as funds have been appropriated. It is estimated that the lease rate would increase \$.56 per square foot.

#### Capitol Building South public entrance landing (\$499,000):

Emergency repairs to broken and displaced pavers were completed in 2005 when serious safety issues were identified. The entire landing bed has deteriorated and a number of steps have settle out of level, creating an unsafe condition for visitors and the large numbers of people who use and congregate at this area. Funds from this request would be used to redesign, engineer, and reconstruct the public entrance to the building. Pre-design is in progress. It is estimated that the lease rate would increase \$.19 per square foot.

#### Centennial Air Handler Replacement – Final Phase (\$500,000):

The main air handlers were replaced in 2002, and funds from this request would be used to complete this project by replacing the perimeter induction exhaust fans, and other smaller units and to complete system commissioning. The exhaust fans contain an asbestos mastic that has been scraped and encapsulated so not to be a health hazard, but replacement is required for a more permanent solution. This work would have the additional benefit of improving efficiency, air quality, and air distribution. Design development is in process though a consultant in preparation of funding. It is estimated that the lease rate would increase \$.15 per square foot.

#### Administration Building Abatement and Renovation (\$2.421 million):

Asbestos is present in the fireproofing, insulation, and floor tile. The majority of ground, second, and third floors have been abated and renovated through prior projects, but first floor and small areas on third floor and the basement still need to be done. Much needed repairs and rebalancing of the mechanical system to ensure the proper, even, and consistent distribution of heat, cooling, and ventilation to building tenants cannot be done until abatement within the first floor ceiling space has occurred. Bonded funds from this request would be used for abatement and subsequent renovation of the abated areas. It is estimated that the lease rate would increase \$2.33 per square foot.

This project also requires \$330,000 from the general fund for relocation costs associated with this work. Tenants currently located on the first floor will have to move to other locations during the construction, and then move back into

the space. Relocation funds are also needed to move a tenant into the currently vacant third floor space, which cannot be occupied until abatement and renovation has occurred.

**Governors Residence–Safety upgrade- Fire Alarm System (\$105,000):**

Funds from this request would be used to upgrading the current fire alarm system. This system is 25 years old, and is a mix of battery-operated and hard-wired alarms. Should a battery-operated unit be activated in an area that could not be heard by on site security personnel, a fire would likely become advanced before the current fire system identified and reported the problem either locally or at Capitol Security. It is estimated that the lease rate would increase \$.37 per square foot.

**State Office Building Exterior Step Stabilization and Repair (\$500,000):**

The steps on the east side of the State Office Building have sub-structural deterioration that prevents proper sealing, maintenance, and drainage. This continues to worsen as water seeps under the stairs, is trapped, and then freezes. Funds from this request would be used to stabilize the structure and reset the steps. The cost of not doing the work would be twofold: Admin will continue to spend \$10,000 every other year to replace the sealant, and water will start to get into the occupied space below, this increasing the project scope, cost, schedule, and disruption factor for the building tenants. It is estimated that the lease rate would increase \$.16 per square foot.

**State Office Building Elevator Renovation (\$253,000):**

Upgrade and renovate the Revisor and freight elevators to meet code compliance, prevent failure, and provide for efficient operations. It is estimated that the lease rate would increase \$.08 per square foot.

**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 rate increases to building tenants, except for the History Center roof which will be depreciated over 17 years.

**Previous Appropriations for this Project**

There have been no previous appropriations for any of these projects. Facility Repair and Replacement funds have been used for pre-design and /or design development in preparation for work and Capital funding.

**Other Considerations**

Not addressing the most critical asset preservation issues now will increase maintenance and temporary repair cost, and will ultimately result in far higher costs.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$5.862 million for this project, with a general fund appropriation of \$330,000 for related relocation costs. Also included are budget planning estimates of \$5 million in 2008 and \$5 million in 2010.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	246	0	0	246
4. Project Management	0	66	0	0	66
5. Construction Costs	0	5,087	5,000	5,000	15,087
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	90	0	0	90
9. Inflation	0	373	0	0	373
<b>TOTAL</b>	<b>0</b>	<b>5,862</b>	<b>5,000</b>	<b>5,000</b>	<b>15,862</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	5,862	5,000	5,000	15,862
General Fund Projects	0	330	0	0	330
<b>State Funds Subtotal</b>	<b>0</b>	<b>6,192</b>	<b>5,000</b>	<b>5,000</b>	<b>16,192</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>6,192</b>	<b>5,000</b>	<b>5,000</b>	<b>16,192</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	823	823
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	823	823
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>823</b>	<b>823</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	5,862	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign 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 2011

## Long Range Commuting Plan

**2006 STATE APPROPRIATION REQUEST:** \$150,000

**AGENCY PROJECT PRIORITY:** 4 of 8

**PROJECT LOCATION:**

**Project At A Glance**

\$150,000 from general fund to develop a long-term commuting strategy that addresses the varying and often conflicting Capitol Complex commuting needs.

**Project Description**

The Department of Administration (Admin) is requesting funds to develop a long-term strategy for Capitol Complex commuting. With the opening of the Freeman, Andersen and Ag/Health Lab buildings, the existing parking supply will be stretched beyond capacity. Interim solutions such as expansion of existing facilities and leasing will satisfy the immediate needs, however a long-term vision is needed to provide adequate and efficient commuting for state agencies, the legislature, employees, and visitors working or visiting the Capitol Complex.

Development of a sound, long-term strategy will require consideration of numerous economic, demographic, and environmental factors. Among the factors to be reviewed and considered:

- ◆ workforce size and state government employment trend;
- ◆ executive, Judicial and Legislative business needs;
- ◆ Capitol Area Architectural Planning Board (CAAPB) land use parameters;
- ◆ parking rates and capital improvement financing;
- ◆ success of both long and short-term leasing alternatives as well as ongoing availability;
- ◆ location and condition of facilities;
- ◆ security;

- ◆ existing transit, and changes in mass transit including the proposed Central Corridor light rail line;
- ◆ visitor type and frequency;
- ◆ fuel cost; and
- ◆ telecommuting opportunities.

Developing a long-term commuting strategy building on the 1993 Strategic Plan for Locating State Agencies will provide the Executive branch and the Legislature with an updated view to base future facility decisions, as well as identify appropriate long-term commuting solutions. It is also anticipated that the planning process will take into consideration the guiding principles for future facility decisions as outlined in the 1993 Strategic Plan. They are:

- ⇒ Location and construction decisions should be made in a manner that supports the wise and sustainable use of land and natural resources, utilizes or complements existing infrastructure, and enhances the community.
- ⇒ Leasing/ownership decisions should be made in a manner that balances the flexibility of short-term leasing to accommodate fluctuations in agency space needs and the ability to be responsive to opportunities in the rental market with the cost benefits of building ownership.
- ⇒ Cost decisions should be made in a manner that balances initial construction costs, life-cycle operating costs, and long-term serviceability.
- ⇒ Decisions regarding facility needs should be made in accordance with an agency's six-year capital plan.

The benefits of a sound, long-term parking strategy would include:

- ⇒ A thorough needs assessment to determine whether additional state-owned parking facilities are the solution.
- ⇒ A better understanding of the expected level of public parking demands.
- ⇒ A better understanding of alternatives, costs and benefits.



**Long Range Commuting Plan****Impact on Agency Operating Budgets (Facilities Notes)**

A general fund appropriation would result in a long-range plan that provides information to decision makers about alternatives and long-term cost implications.

**Previous Appropriations for this Project**

None.

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**Governor's Recommendations**

The Governor recommends an appropriation of \$150,000 from the parking fund for this project.

**Administration, Department of**  
**Long Range Commuting Plan**

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

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	150	0	0	150
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	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>150</b>	<b>0</b>	<b>0</b>	<b>150</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
General Fund Projects	0	150	0	0	150
<b>State Funds Subtotal</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>150</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>150</b>	<b>0</b>	<b>0</b>	<b>150</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign 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 2011

## Lease Savings Opportunities

**2006 STATE APPROPRIATION REQUEST:** \$5,062,000

**AGENCY PROJECT PRIORITY:** 5 of 8

**PROJECT LOCATION:** Capitol Complex

**Project At A Glance**

- ◆ \$4.642 million in general obligation bond funds and \$0.420 million in general funds for lease savings projects in properties managed by the Department of Administration (Admin).
- ◆ Admin has identified two key renovation projects that if completed, would result in the state being able to realize approximately \$0.5 million per year in rent savings.

**Project Description**

Funding would be used to renovate existing state-owned space under the custodial control of Admin in order to accommodate agency groups that are currently located in commercially leased space in the Twin Cities area.

Admin has identified state-owned space within the Capitol Complex that either is available or could be made available by consolidation to house agency groups that are currently in a non-state owned lease situation. The potential for savings for both the agency and the state of Minnesota is significant.

**Stassen Building – Second Floor Renovation (\$ 3.901 million):**

\$3.651 Million Renovation  
\$ .250 Million Relocation

The Department of Revenue (DOR) currently has a large paper filing area on the second floor of the Stassen Building that they have been converting to an electronic format which significantly reduces the amount of space needed and frees up approximately 23,000 square feet of space for renovation and

reassignment. The Office of Administrative Hearings (OAH), currently located in non-state owned space in Minneapolis, has been identified as a fit for this space. This request funds the required improvements to the space as well as the associated relocation costs for OAH. It is the intent of the agencies to share common spaces as much as possible. The unusual cost of renovation is due to the uniqueness of providing for hearing rooms and also the high percentage of required private offices. The OAH's will save an average of \$423,000 per year by relocating to the state owned Stassen Building.

The cost of the renovation would be collected through the established rent process, with interest recovered over 20 years and depreciation over 30 years. It is estimated that the lease rate would increase by \$.67 per square foot.

**Centennial Building – 3<sup>rd</sup> Floor North Renovation (\$ 1.193 million):**

\$1.023 Million Renovation  
\$.170 Million Relocation

Funds are requested to renovate approximately 17,000 square feet of space on the north side of the third floor at the state owned Centennial Office Building to accommodate one of several identified agency groups that are currently in leased space at a higher cost. Agencies leasing a comparative square footage include the Public Utilities Commission, or a combination of agencies such as the Department of Human Rights, Peace Officers Standards and Training Board, Gambling Control Board and Ombudsman for Mental Health and Mental Retardation. There would be a reduction in rent between \$5.00 and \$7.00 per square footage or between \$85,000 and \$120,000 per year by implementing such a relocation. This request funds the required improvements to the space as well as the associated relocation costs.

The cost of the renovation would be collected through the established rent process, with interest recovered over 20 years and depreciation over 30 years. It is estimated that the lease rate would increase by \$.30 per square foot.

**Lease Savings Opportunities****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 rate increases to building tenants.

**Previous Appropriations for this Project**

There have been no previous appropriations for any of these projects.

**Project Contact Person**

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	303	0	0	303
4. Project Management	0	49	0	0	49
5. Construction Costs	0	3,616	0	0	3,616
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	342	0	0	342
9. Inflation	0	332	0	0	332
<b>TOTAL</b>	<b>0</b>	<b>4,642</b>	<b>0</b>	<b>0</b>	<b>4,642</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	4,642	0	0	4,642
General Fund Projects	0	420	0	0	420
<b>State Funds Subtotal</b>	<b>0</b>	<b>5,062</b>	<b>0</b>	<b>0</b>	<b>5,062</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>5,062</b>	<b>0</b>	<b>0</b>	<b>5,062</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	1,060	1,422	2,482
Nonstate-Owned Lease Expenses	0	<1,806>	<2,455>	<4,261>
Expenditure Subtotal	0	-746	-1,033	-1,779
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>-746</b>	<b>-1,033</b>	<b>-1,779</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	4,642	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign 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 2011

## Agency Relocation

**2006 STATE APPROPRIATION REQUEST:** \$500,000

**AGENCY PROJECT PRIORITY:** 6 of 8

**PROJECT LOCATION:**

**Project At A Glance**

\$500,000 in general fund dollars for agency relocation funding to move state operations from existing locations, either on a temporary or permanent basis. This request is for needs not covered under other capital requests.

**Project Description**

\$500,000 - Unanticipated: Funds are needed to relocate agencies where an unanticipated situation occurs that requires a relocation such as a landlord does not renew an agency's lease at its expiration, a facility is sold, an agency needs to reduce its space, a reorganization needs to be implemented or remodeling needs to be accomplished.

<b>BUILDING</b>	<b>FURNITURE &amp; EQUIP MOVE</b>	<b>TELECOM (voice &amp; data)</b>	<b>TOTAL</b>
Unanticipated Moves	\$200,000	\$300,000	\$500,000
<b>TOTAL</b>	\$200,000	\$300,000	\$500,000

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

None.

**Previous Appropriations for this Project**

None.

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**Governor's Recommendations**

The Governor recommends a general fund appropriation of \$200,000 for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign 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	500	0	0	500
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>500</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
General Fund Projects	0	500	0	0	500
<b>State Funds Subtotal</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>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>500</b>	<b>0</b>	<b>0</b>	<b>500</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign 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 2011

## New State Office Building Predesign &amp; Design

**2006 STATE APPROPRIATION REQUEST:** \$3,000,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** Capitol Complex

**Project At A Glance**

\$3 million in general obligation bonding to conduct pre-design and design studies for a new office facility in the Capitol Complex intended to house the Minnesota Department of Education, the central offices of the Minnesota State Colleges and Universities, and the Minnesota Office of Higher Education.

**Project Description**

As we ensure a more seamless integration of Minnesota's education system, the co-location of these agencies will facilitate communication, cooperation, sharing and efficiencies. These agencies are currently located in commercial leased properties, dispersed throughout the Twin Cities. Their relocation and co-location in the Capitol Complex will not only result in operational efficiencies, including shared common space, data centers, training facilities, conference rooms, and administrative support facilities, it will also support closer cooperation on program design and delivery.

The new facility will include flexible and open space design, facilitate modularity, shared network and other technologies, provide for consolidated conference and training rooms, and will have the added bonus of providing much-needed overflow conference and meeting space in the Capitol Complex during the legislative session.

In order to accelerate the cost and operating efficiencies offered by the creation of the Minnesota Education Center, the project seeks both Pre-Design and design funding during the biennium, in order to be positioned for building construction and occupancy in the 2011-2012 timeframe.

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

None.

**Previous Appropriations for this Project**

There has been no previous appropriation for this project.

**Other Considerations**

Department of Administration's long-range *Strategic Plan for Locating State Agencies* recommends the state educational agencies to be located and co-located into a new facility in the Capitol Complex. The Department of Education (formerly CFL) and the Minnesota Office of Higher Education (formerly HESO) were relocated from the Capitol Square Building (site of the new Andersen building) to privately leased locations until a state owned facility could be provided.

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.



<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	1,000	0	0	1,000
3. Design Fees	0	2,000	6,894	0	8,894
4. Project Management	0	0	5,477	0	5,477
5. Construction Costs	0	0	99,832	0	99,832
6. One Percent for Art	0	0	100	0	100
7. Relocation Expenses	0	0	3,000	0	3,000
8. Occupancy	0	0	8,954	0	8,954
9. Inflation	0	0	25,348	0	25,348
<b>TOTAL</b>	<b>0</b>	<b>3,000</b>	<b>149,605</b>	<b>0</b>	<b>152,605</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	3,000	146,605	0	149,605
General Fund Projects	0	0	3,000	0	3,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>3,000</b>	<b>149,605</b>	<b>0</b>	<b>152,605</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>3,000</b>	<b>149,605</b>	<b>0</b>	<b>152,605</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	3,000	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
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): Predesign 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)
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)
Yes	MS 16A.642: Project Cancellation in 2011

## Stassen/Freeman Tunnel

**2006 STATE APPROPRIATION REQUEST:** \$2,482,000

**AGENCY PROJECT PRIORITY:** 8 of 8

**PROJECT LOCATION:** Capitol Complex, St. Paul

**Project At A Glance**

\$2.482 million in general obligation bond funds to construct a tunnel connecting the Stassen Building and the 14<sup>th</sup> Street Ramp to the Capitol Complex. The new tunnel would run under Robert Street, and connect the 14<sup>th</sup> Street Ramp to the Orville L. Freeman Building. The ramp is, in turn, connected by an existing tunnel to the Stassen Building.

**Project Description**

When the Stassen Building was constructed in 1998, there was not an appropriate building near enough for a tunnel connection to the Capitol Complex. Laws 2002, Sec. 13, Subd. 6 and 7, allowed the Department of Administration (Admin) to enter into a 25-year lease-purchase agreement for the construction of an office building for the departments of Agriculture and Health. This facility, named the Orville L. Freeman Building, is across Robert Street from the Stassen Building and is connected by tunnel to the complex. This in turn allows the Stassen Building to be connected to the Complex in an economical manner.

Connecting the Stassen Building to the Complex will put it on the tunnel system that links the buildings, providing ease of access to all. Weather-protected connections are especially important in the winter and for those wishing barrier free travel routes. They also encourage sharing of facilities such as conference rooms and cafeterias.

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

The cost of tunnel construction would be collected through the established rent process for all buildings connected to the tunnel system, with interest recovered over 20 years and depreciation over 30 years. It is estimated that the lease rate would increase by \$.09 per square foot.

**Previous Appropriations for this Project**

There have been no previous appropriations for this project.

**Other Considerations**

Connection of this building to the Capitol Complex loop is in keeping with Admin's *Strategic Plan for Locating State Agencies*, which identifies extension of the tunnel system to all new buildings and parking facilities on the complex. The tunnel is in keeping with the *Comprehensive Plan* of the Capital Area Architectural Planning Board also.

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	187	0	0	187
4. Project Management	0	18	0	0	18
5. Construction Costs	0	1,697	0	0	1,697
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	390	0	0	390
9. Inflation	0	190	0	0	190
<b>TOTAL</b>	<b>0</b>	<b>2,482</b>	<b>0</b>	<b>0</b>	<b>2,482</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	2,482	0	0	2,482
<b>State Funds Subtotal</b>	<b>0</b>	<b>2,482</b>	<b>0</b>	<b>0</b>	<b>2,482</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>2,482</b>	<b>0</b>	<b>0</b>	<b>2,482</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	306	306
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	306	306
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>306</b>	<b>306</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	2,482	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
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)
No	MS 16B.335 (3): Predesign 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 2011