Administration, Department of

Projects Summary
($ in Thousands)

Project Title	2008 Agency Priority Ranking	Agency Project Request for State Funds ($ by Session)				Governor's Recommendations 2008	Governor's Planning Estimate	
		2008	2010	2012	Total		2010	2012
DOT Building Exterior Restoration	1	$18,197	$0	$0	$18,197	$18,197	$0	$0
Property Acquisition	2	2,325	0	0	2,325	2,325	0	0
State Capitol Building Restoration	3	63,900	89,800	86,200	239,900	15,400	75,000	75,000
LRT Impact Study	4	350	0	0	350	0	0	0
Energy Efficiency/Carbon Emission Reduction Initiatives	5	5,000	5,000	5,000	15,000	0	0	0
Statewide CAPRA	6	6,000	6,000	6,000	18,000	3,000	3,000	3,000
Capitol Complex Security Upgrades	7	750	0	0	750	0	0	0
Predesign for State EOC and DPS/DOC bldg	8	1,000	0	0	1,000	500	0	0
Agency Relocation	9	200	0	0	200	0	0	0
Governor's Residence Predesign	10	75	0	0	75	0	0	0
Environmental Campus Planning & Design	11	3,478	151,826	0	155,304	0	0	0
OET Data Center Consolidation Predesign & Design	12	5,635	126,186	133,620	265,441	0	0	0
Ford Building Renovation		0	17,100	0	17,100	0	0	0
History Center Window Replacement		0	775	0	775	0	0	0
Total Project Requests		$106,910	$396,687	$230,820	$734,417	$39,422	$78,000	$78,000

At A Glance

- Leads the state's Drive to Excellence government reform initiative.
- Coordinates state vehicle fleet activities as leader of the Governor's SmartFleet Committee.
- Oversees more than $1.8 billion in annual state purchases.
- Manages over 450 building projects valued at more than $260 million.
- Manages nearly 900 leases for 3.7 million square feet of space.
- Maintains the State Capitol and state buildings and grounds in the Capitol area.
- Provides population statistics, pyramids, and maps through the Datanet online information service.
- Processes more than 20 million pieces of mail and 3.3 million warrants and checks annually.
- Manages the acquisition, storage and disposal of surplus government property, generating $7.5 million in revenue for state and local government agencies in FY 2007.
- Serves as state government's in-house management consulting and training organization, and the state's central clearinghouse on data practices.
- Operates as the state's internal risk manager and insurance company, providing property and casualty insurance coverage.

Agency purpose

The mission of the Department of Administration (Admin) is to help its customers succeed. Admin assists agencies in achieving their organizational and strategic goals by offering valuable services, products, advice, and expertise. Admin strives to reduce costs by working across government, to be recognized for its innovation and efficiency, and to offer an environment in which people thrive and enjoy their work. Among its fundamental strategic objectives is developing and fostering an "enterprise" vision for state government as outlined in the state of Minnesota's Drive to Excellence government reform initiative.

The department operates under the principles of results-based management. Results-based management is an approach that integrates strategy, people, resources, processes, and measurements to improve decision-making, transparency, and accountability. The approach focuses on achieving outcomes, implementing performance measurement, learning and changing, and reporting performance. Details are available on the department's website at www.admin.state.mn.us/admin_operations_planning.

The department continues to evolve as the needs of its customers change. Reflecting the symbiotic relationship between the space needs of state agencies and the design and construction of those spaces, Admin in 2007 created the office of Real Estate and Construction Services through the merger of its Real Estate Management Division and the State Architect's Office. This streamlined and refocused component is responsible for enterprise-wide space planning, lease management, construction project management, and real property acquisition and disposal. The department also realigned its Surplus Services Unit with its Travel Management Division, forming Fleet and Surplus Services. This new organization streamlines the process of vehicle acquisition and disposal for state agencies and particularly smaller agencies and local governments with vehicles provided by Admin through a long-term lease program.

Core functions

Admin provides a diverse range of business management, administrative, and professional services, and a variety of resources to government agencies, local governments, and the public. The agency strives to assure that its customers have the facilities, tools, resources, and information necessary for achieving their objectives.

Operations

Admin's operations are categorized into three general areas:

State Facilities Services oversees policy and direction with respect to the management of the state's real property, comprising land, buildings, and physical plant; provides services related to the construction, maintenance, and repair of approximately 30 million square feet of state-owned space; leases buildings; directly manages Capitol Complex facilities and parking; coordinates recycling and energy conservation efforts; mail processing; and serves as the state architect.

State and Community Services includes a variety of services and information resources for state and local governments, the business community, and the public. These include vehicle leasing and fleet management; information policy analysis; demographic and census information; geographic information systems; the state archaeologist; and administrative support for the Environmental Quality Board.

Admin Management Services consists of six business units. Materials Management provides leadership for the Drive to Excellence Strategic Sourcing Project through its work as the state's primary purchasing organization. Its specific duties include goods and services purchasing, professional/technical contracting oversight, and operations of Office Supply Connection, and Minnesota's Bookstore. Management Analysis and Development is state government's in-house business consultant. The Governor's Council on Developmental Disabilities advocates for persons with disabilities and families of persons with disabilities. The STAR Program helps Minnesotans with disabilities gain access to and acquire technology they need to live, learn, work, and play. Financial Management and Reporting is the agency's budgeting and accounting office and provides financial support services to a number of small boards and councils. Human Resources manages the agency's human capital needs and supports several other agencies, including the Office of Enterprise Technology. Management Services also encompasses the operations of the Office of Commissioner, including performance management, and legislative and communications functions.

Key Performance Measures

The agency has established four fundamental management goals:

- Reduce the cost of government services and products available to government agencies.
- Enhance customer relationships by reducing response times and increasing customer interaction.
- Increase the effectiveness and efficiency of services available through the agency.
- Provide services and products that demonstrate state government's commitment to effective environmental stewardship.

Details on how the agency is performing in relation to these goals are available on the governor's department results website, www.departmentresults.state.mn.us.

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 money for the agency. Internal service funds raise revenues through fees charged to users of primarily internal support services such as insurance, fleet management, consulting, 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, energy management, 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 the state employee commuter van service.

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

Department of Administration
50 Sherburne Avenue
Saint Paul, Minnesota 55155

Jim Schwartz, Communications Liaison
Email: jim.schwartz@state.mn.us
Phone: (651) 201-2558

Lenora Madigan, Financial Management Director
Email: lenora.madigan@state.mn.us
Phone: (651) 201-2563
Website: www.admin.state.mn.us

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

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, secure facilities and space that, over its lifetime, efficiently and effectively serves customers, employees, and citizens.
- Protect the safety of employees and the public and guard the state's investment in facilities by ensuring timely, cost-effective maintenance, repairs, and renewal.
- Lead the cross agency Drive to Excellence Real Property team to improve the tracking, reporting, management, and decision-making for the state's 5,000-plus buildings and associated land.
- Leverage opportunities for acquiring property at the lowest possible cost.
- Provide functional, effective, and energy efficient work environments that enhance employee productivity, encourage agency co-location, and maximize opportunities for shared space.
- Promote commuting options that leverage existing and planned transportation systems, including light-rail transit and employee and public parking in the Capitol Complex.

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; and conserving natural and economic resources through resource recovery, the wise use of energy, and sustainable design.

Toward these objectives, Admin is the sponsoring agency of the Real Property project of the Drive to Excellence state-government reform initiative. The Drive to Excellence, launched by Governor Pawlenty in April 2005, envisions 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 is currently working toward the development and implementation of an enterprise governance structure and web-based information system for managing the state's 5,000-plus buildings and associated land.

Although the state Executive Branch conducts an analysis of infrastructure needs through its Facilities Condition Audit, it currently lacks uniform real property information management methods and tools. The absence of this information presents significant challenges to policymakers' ability to analyze infrastructure needs and plan accordingly at an enterprise level.

The Real Property project will begin with modules that focus on consolidating and standardizing space management, facility condition assessment, and building operations. Once implemented, the system will enable policymakers to better conduct thorough analyses of the state's infrastructure needs, including comprehensively addressing an estimated $435 million in deferred maintenance for the facilities under the custodial control of state Executive Branch agencies (excluding Minnesota State Colleges and Universities).

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:

- Deteriorating and/or failing infrastructure
- Life/safety and code compliance
- Sustainability and energy efficiency
- Capitol Complex land availability and optimum use
- Space/program requirements
- Central Corridor light-rail transit development
- Emergency repair and hazardous materials abatement

In fulfilling its mission, Admin offers a variety of services to ensure customers safe, secure, 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. Recent examples include:

- Relocation of the Office of Administrative Hearings from leased space in downtown Minneapolis to the state-owned Stassen Building, lowering occupancy costs $4.5 million over 10 years.

- Disposal of surplus real estate, including Department of Human Services Regional Treatment Centers (RTC). This involved extensive community-based re-use planning for properties in Willmar, Brainerd, and Fergus Falls. Similar work is continuing at Ah-Gwah-Ching RTC in Walker.
- Planning, construction, and expedited delivery of a bio-safety level 3-ag laboratory facility for the Department of Agriculture at the State Lab building.
- Three-year, $8 million renovation of the Veterans Services Building, including the removal of hazardous materials and modernization of mechanical, communications, security systems, offices, and common spaces.
- The "Saving Energy" initiative, launched by Executive Order in 2005, calling for a 10 percent reduction in energy consumption in state-owned buildings, based on 2005 benchmarks. In 2006, agencies reduced energy consumption 4.8 percent in buildings subject to the Executive Order, avoiding $1.25 million in energy costs. Without additional financial investments, continued energy reduction opportunities are limited.

Deteriorating and/or Failing Infrastructure
Admin manages 22 buildings, 23 monuments/memorials and 28 parking facilities, located primarily in and near the Capitol Complex. Deferred maintenance at these facilities, based on the 2007 Facilities Condition Audit, is estimated at $190 million. Of particular concern to the department are:

The ***Department of Transportation Building on John Ireland Boulevard***, where the support system for the exterior granite panels has deteriorated to the point that the panels are compressed against one another and causing the edges to crack and spall. As this condition worsens, pieces may fall to the ground, endangering pedestrians and property. Continued deterioration could also lead to an entire panel falling from the building. Interim protective measures have been implemented, at a cost of $697,250, in response to a Department of Labor and Industry and city of Saint Paul, building code citation against the building (see the discussion of Life/Safety and Building Code Compliance, below).

The ***State Capitol***, which requires significant modernization of its heating, ventilation, and air conditioning (HVAC) plant; lighting; technological systems; security; and visitor facilities, including restrooms and accessibility compliance.

The ***Governor's* Residence**, donated to the state in 1965, which is in need of a comprehensive review to fully determine the suitability and improvements required of the building and grounds to meet programmatic needs.

Life/Safety and Building Code Compliance
Ensuring compliance with building codes, life/safety codes, and the Americans with Disabilities Act is an ongoing effort. Code compliance is a significant issue with the DOT building, the State Capitol and the Governor's Residence. On 5-18-2007, the city of St. Paul and the Department of Labor and Industry issued an order for the abatement of "the unsafe and potentially hazardous conditions pertaining to the granite exterior cladding" of the DOT building. Studies of the Capitol have determined that mechanical systems are at risk of catastrophic failure, air quality is marginal and 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 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 Guidelines, which were updated in 2006. The designs for the new 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 also implemented sustainability guidelines for minor additions and renovation projects.

State government, as a major consumer of energy, can effectively reduce energy costs through an aggressive conservation strategy. In addition, the 2007 Legislature adopted significant targets for carbon emissions reduction. The Saving Energy program is realizing modest reductions in energy consumption, but has likely reached a threshold in which additional reductions aren't possible without commensurate investments.

Capitol Complex Land Scarcity
The 1998, 2000, and 2002 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 this 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. One such parcel at 639 Jackson Street in Saint Paul, is the subject of a capital budget request for property acquisition.

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.

Central Corridor Light Rail Transit Development
The proposed development of the Central Corridor Light Rail Transit (LRT) system along University Avenue and Robert Street potentially offers significant benefits for people who work in and visit the Capitol Complex. The design/construction of the Freeman Office Building and the State Lab Building anticipated LRT on Robert Street. Looking forward, the Central Corridor line also poses some unique challenges for the state. Admin has established three objectives regarding the relationship between the Central Corridor LRT and the Capitol Complex:

- Achieve full and seamless integration of the LRT system with Capitol Complex facilities.
- 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.

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. Until 2004, CAPRA also funded non-recurring, small repair and maintenance projects typically in the range of $25,000 to $350,000. Individual agencies now request funds directly for these small projects in their asset preservation requests.

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:

- 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

Admin Capital Projects Authorized in 2006 and 2007

Asset Preservation – $5 million
CAPRA – $4 million

2008 STATE APPROPRIATION REQUEST: $18,197,000

AGENCY PROJECT PRIORITY: 1 of 12

PROJECT LOCATION: 395 John Ireland Boulevard, Saint Paul

Project At A Glance

$18.197 million to replace the structural support system for the 1,200-pound granite panels on the exterior of the Department of Transportation (DOT) building located in the Capitol Complex.

Project Description

This request is for $18.197 million to replace the structural support system, and repair and re-anchor the façade, of the DOT building located at 395 John Ireland Boulevard on the Capitol Complex.

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. The upward force is also 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 percent 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) began monitoring the movement of 25 panels during the winter of 2004-2005. Despite a mild winter with little precipitation, the monitoring documented 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.

Admin continued monitoring through the winter of 2005-2006. Additional panel movement was identified and although an immediate repair was not required, our consultant acknowledged that “the observed movements confirm that the façade panel supports do not provide adequate restraint to resist the environment forces and the force caused by the development of rust on the shelf angles. A restoration of the façade support system is required to prevent the eventual failure of a panel”. The most recent monitoring update, from 12-8-2006, indicates that:

- Spalling of panels has occurred at numerous locations.
- Formation of rust and delamination of the support angles has occurred throughout the façade.
- Sealant joints are no longer watertight.
- On the west elevation where exterior stone panels were removed, severely rusted vertical I-beams, which provide support for the curtain wall frame, were revealed.

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 is 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 now, before a catastrophic failure and a panel or a piece of a panel falls. Each year of additional rusting and resulting shifting of the panels increases the risk they will fall. As a safety precaution, fencing has been installed at key pedestrian areas around the perimeter of the building. In addition, cribbing and protective structures have been installed to protect the roof and the mechanical equipment on the roof from damage from the spalling granite.

Admin made the initial request to fund this project in the 2002 capital budget. Subsequent requests were made in 2004, 2005, 2006 and 2007. The 2006 transportation bill, and the 2007 bonding and transportation bills, each included funding for the project but did not become law.

Impact on Agency Operating Budgets

In as much as the DOT 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 net lease rate for DOT will not be affected since debt service on the improvements will be paid by the trunk highway fund.

Previous Appropriations for this Project

There has been considerable renovation work done to the interior of the DOT building. Between 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 technological improvements.

Other Considerations

Local fire/safety codes citations in the 1980s prompted significant appropriations for renovation of the DOT building over the past decade. Subsequent interior renovations have now corrected the infractions. Once those life/safety issues were addressed, the legislature appropriated funding in FY 1998 to tuck-point the exterior. It was during the course of that 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. On 5-18-2007, the Department of Labor and Industry and the city of St. Paul issued a citation on the building, finding “unsafe conditions that in all probability will lead to hazardous conditions if not addressed,” and stating that it is not a question of whether they will become hazardous, but when. Abatement of the condition was formally ordered, “to ensure that the building can continue to be occupied and used in a safe condition.” Additionally, our basic and reinsurance policies on the building now exclude coverage for any event related to panel support failures.

The DOT 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.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Capitol Area Architectural and Planning Board (CAAPB) Review:

The CAAPB views this request as the most critical life-safety issue on the Capitol Complex. After five requests over six years unfunded, the CAAPB is gravely concerned over the DOT building's rapid exterior deterioration and unsafe conditions citation.

The CAAPB fully supports the urgency of the Administration Department's plans in the re-facing of the DOT building with the restored panels currently in place, after the necessary structural repairs are made.

Governor's Recommendations

The governor recommends trunk highway bonding of $18.197 million for this project.

DOT Building Exterior Restoration | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	556	0	0	556
4. Project Management	0	20	0	0	20
5. Construction Costs	44,108	16,980	0	0	61,088
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	641	0	0	641
TOTAL	**44,108**	**18,197**	**0**	**0**	**62,305**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
Trunk Hwy Fund Bonding	44,108	18,197	0	0	62,305
State Funds Subtotal	44,108	18,197	0	0	62,305
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
TOTAL	**44,108**	**18,197**	**0**	**0**	**62,305**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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	2,314	2,314
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	2,314	2,314
Revenue Offsets	0	0	0	0
TOTAL	0	0	2,314	2,314
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.	
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)
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 2013

2008 STATE APPROPRIATION REQUEST: $2,325,000

AGENCY PROJECT PRIORITY: 2 of 12

PROJECT LOCATION: State Capitol Complex - 639 Jackson Street

Project At A Glance

This request is for $2.325 million, to be combined with existing appropriations, to acquire an available property in the Capitol Complex, located at 639 Jackson Street, to meet existing needs and for possible future state development.

Project Description

In 2006, the Central Park United Methodist Church notified the department of the intent to sell the property located at 639 Jackson Street, St. Paul. The state of Minnesota and Central Park United Methodist Church entered into a purchase agreement, subject to an appropriation which was sought during the 2007 Legislative session. The 2007 bonding bill was not enacted, but the state of Minnesota was able to obtain an extension of that purchase agreement in order to seek funding during the 2008 Legislative session.

This funding will allow the state to perform due diligence activities (i.e. environmental, title, inspections, etc.), acquire the property, demolish the existing building on the property and develop temporary parking.

The Office of Administrative Hearings relocated to the Stassen Building in 2007 and has a significant need for visitor parking. In addition, the Departments of Agriculture, Health and Revenue all require visitor parking in the immediate area. Acquiring the property at 639 Jackson Street will provide approximately 90 additional parking stalls for customers served by these agencies.

Impact on Agency Operating Budgets

The 90 new parking stalls would be metered to provide parking for customers served by agencies located in the surrounding area. Rates will be set to recover the cost of debt service.

Previous Appropriations for this Project

In 1998, 2000, and 2002 funds were appropriated for acquisition of land and to purchase options in order to hold properties that meet state development needs. Funds totaling $855,322 have been encumbered for this purchase agreement and other related contracts. All other funds provided by these previous appropriations have been expended.

Other Considerations

Land available for development in and surrounding the Capitol Area is limited, and there is only a small window to capitalize on strategic opportunities to maximize the state-owned infrastructure located in the Capitol Area. Regions Hospital currently leases office and storage space at 639 Jackson Street. If the state fails to elect to exercise its first right of refusal, this property will likely be sold to a third party.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Capitol Area Architectural and Planning Board (CAAPB) Review:

The CAAPB supports this request as a good "interim" use.

Governor's Recommendations

The governor recommends general obligation bonding of $2.325 million for this project.

Property Acquisition | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	809	1,787	0	0	2,596
2. Predesign Fees	0	0	0	0	0
3. Design Fees	46	0	0	0	46
4. Project Management	0	0	0	0	0
5. Construction Costs	0	538	0	0	538
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
TOTAL	**855**	**2,325**	**0**	**0**	**3,180**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	855	2,325	0	0	3,180
State Funds Subtotal	855	2,325	0	0	3,180
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
TOTAL	**855**	**2,325**	**0**	**0**	**3,180**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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	2,325	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 2013

2008 STATE APPROPRIATION REQUEST: $63,900,000

AGENCY PROJECT PRIORITY: 3 of 12

PROJECT LOCATION: State Capitol Complex

Project At A Glance

The Department of Administration (Admin) requests the following funding from the 2008 Legislature: *$63.9 million for Phase I - North Vaults and South Stair Entry Construction*. Phase I provides value-added improvements and is foundational to all subsequent phases. It includes new secure northeast and northwest underground mechanical vaults, a new south stair entry, expanded elevator service, dome tuck-pointing, and roof repair. Site work will include re-routing of Aurora Avenue and new landscaping on the northeast and northwest corners. It is also necessary that Phase I include tenant swing space design in order to prepare for dislocated tenants during the restoration work in future phases.

Pending a decision on swing space location, Admin anticipates requesting funding in an amount yet to be determined from the 2009 Legislature for the construction of swing space. Identification and design of the necessary tenant swing space will be determined during the early portion of Phase I. Construction of the swing space must be complete prior to the commencement of Phase II.

Admin will request the following funding from the 2010 Legislature: *$89.8 million for Phase II - East Wing Restoration and Southeast Vault Construction*. Phase II includes a new secure southeast underground mechanical vault, with tenant space above, to serve the east wing; the east leg of the new tunnel connection; and full restoration of the east wing. The restoration includes a comprehensive rehabilitation of all mechanical, security, fire/smoke alarm and life-safety systems, and upgrades for the electrical system, technology, offices, elevators, hearing rooms, additional exit stairs, renovated office space, modernized security facilities and plant management areas.

Phase II will utilize and build upon prior infrastructure construction from Phase I by completing the fit-out of the shell space under the south stair.

Admin will request the following funding from the 2012 Legislature: *$86.2 million for Phase III - West Wing Restoration and Southwest Vault Construction.* Phase III includes a new secure southwest underground mechanical vault, with tenant space above, to serve the west wing; completion of the new tunnel connection; and full restoration of the west wing. The restoration includes a comprehensive rehabilitation of all mechanical, security, fire/smoke alarm and life-safety systems, and upgrades for the electrical system, technology, offices, hearing rooms, additional exit stairs, renovated office space, modernized security facilities and plant management areas. Phase III will utilize and build upon prior infrastructure construction from Phases I & II.

Admin will request the following funding from the 2014 Legislature: *$68.0 million for Phase IV - North Wing and Rotunda Restoration.* Phase IV includes full restoration of the north wing and Rotunda. The restoration includes a comprehensive rehabilitation of all elevators, mechanical, security, fire/smoke alarm and life-safety systems, and upgrades for the electrical system, technology, offices, hearing rooms, additional exit stairs, renovated office space, modernized security facilities and plant management areas. Phase IV will utilize the vaults constructed in Phase I and build upon prior infrastructure construction from Phases I, II & III.

Background

The 2007 Legislature appointed the Legislative Coordinating Committee (LCC) to facilitate a Capitol Restoration Working Group. The task for this working group was to build consensus for a restoration strategy. Although priorities emerged from this group that included the need to address the aged infrastructure of the building, no consensus for an overall restoration was reached.

Admin recommends a phased approach to the Capitol restoration, extending project funding over legislative sessions from 2008 to 2014. These four phases would span a 10 year time frame as follows:

Phase	Restoration Area	Cost	Timeline
Phase I	North Vaults and South Stair Entry	$63.9 M	2009-11
Phase II	East Wing Restoration and Southeast Vault Construction	$89.8 M	2011-13
Phase III	West Wing Restoration and Southwest Vault Construction	$86.2 M	2013-15
Phase IV	North Wing and Rotunda Restoration	$68.0 M	2015-17
Total		**$307.9M**	

Project Description

The Minnesota State Capitol 2001 Predesign Study and the 2007 Predesign Update concluded that the Capitol lacks modern building infrastructure, and is deficient in security requirements and code compliance. The Capitol does not contain sufficient space to support the basic needs of the public and its current tenants. The 2001 Predesign Study of the Capitol recommended moving many of the current tenants into a new building or converted space that could accommodate more spacious hearing rooms and offices. The 2007 Predesign Update had a narrower mandate. Initial funding for that update included rider language that stated, “The design may not include any building outside the Capitol.” (Laws 2005, Chap. 20, Art. 1, Sec. 14)

The 2007 Predesign Update led to the current four phase plan. Phase I, the foundational phase of the project, provides funding for completion of schematic design and design development for all phases; and construction of Phase I scope. It includes funding of professional services for architectural, engineering and specialty consultants and for the services of a construction manager to work with the design team to develop scheduling and costing.

The current funding request will provide documentation for establishing the Guaranteed Maximum Price for Phase I, the bidding of the project components and owner’s costs associated with the management and implementation of this process. Phase I ensures continuity of the design effort for all phases.

The requested Phase I funding will provide for a modest but critically needed building expansion. The new construction of the north underground vaults will include secure drop-off and parking, secure loading dock facilities, improved site security, new landscaping and a rainwater cistern for irrigation. The south stair entry construction will provide a secure, handicapped accessible entry, visitor services including accessible restrooms, gathering area/welcome lobby, gift shop, security desk, and classroom/presentation space, and preparatory work for future tenant functions that may include additional office space and the shell for a multi-use 500 seat auditorium.

Phase I will also include urgent conservation work and asset preservation. This work will include dome tuck-pointing and roof replacement to address water infiltration, window replacement, repair of deteriorating balconies and stairs, replacement of air handling units at risk of imminent failure and lighting improvements. Capitol complex-related design work only, for swing space, tunnel security, and parking will also be included in Phase I.

The proposed project delivery method and schedule offer good investment value to the state, a minimum level of risk, and an organized construction process that solves current building deficiencies and prepares the Capitol for its next 100 years of use.

Most of the nation’s Capitols are of similar age and face the same issue – existing mechanical systems are obsolete and well past their useful life. The Minnesota Capitol’s heating, ventilation and air conditioning (HVAC) systems are grossly inefficient and do not provide an adequate number of fresh-air exchanges for a healthy work environment. In addition, balancing air for heating, cooling, and humidity is inconsistent and inadequate throughout the building. This proposal calls for replacing these systems in their entirety during Phases II, III, & IV. Lighting components are also failing at a rate that is cost-prohibitive compared to the cost of replacing this infrastructure.

Since 9/11, there is a heightened emphasis on security for building tenants, the public and the building itself. The Capitol, Minnesota’s most public of state buildings, is no exception. Security improvements must be made for the building, its occupants, and visitors. The infrastructure and technology within the building, which provides the linkage for all state services, is extremely vulnerable.

The 2007 Predesign Update identified critical deficiencies and future needs of the building’s infrastructure, handicapped adaptability, and code compliance. Code deficiencies that must be addressed include life-safety, exiting, fire/smoke alarm, fire sprinklers, fresh air requirements, and restroom quantity.

Impact on Agency Operating Budgets

The design team, working with Admin, Capitol Area Architectural and Planning Board (CAAPB), local estimators, and the construction industry, reviewed concept plans and developed an estimated project budget and schedule. Using the proposed phased approach, the full comprehensive scope of the Capitol restoration is estimated to be approximately $223 million (in 2007 dollars); when extended, with construction starting in 2009 through mid-point of 2017 and with escalation factored in, it totals $308 million.

The design will address how to accomplish the restoration efficiently, with minimal disruption, while achieving the greatest value for the dollar. Cost and time efficiencies would be achieved by pursuing aggressive sequencing of the construction. Other states have proven that aggressive sequencing reduces costs. In fact, states that have attempted to break down their Capitol project programs into small phases have experienced dramatically increased budgets. Staggered construction over many more years loses virtually any cost efficiencies while increasing “construction fatigue” for both occupants and the public. This results in increased costs and jeopardizes team continuity.

The cost of this project would increase lease rates in FY 2012 and would affect state agency and in-lieu of rent appropriations. The department is in the process of calculating the impact of the project on the square-foot lease rate.

Previous Appropriations for this Project

In 2000, $300,000 was appropriated for the Capitol predesign. In 2005, appropriations were $1.2 million for schematic design for the full interior restoration of the Capitol, and $1.17 million for restoration of the paint, plaster, and other surfaces of the public corridors of the third floor. In 2006, $2.4 million was appropriated for continued design efforts, waterproofing of the exterior dome, and repainting of interior surfaces affected by water damage. In 2007, $250,000 was appropriated to the Legislative Coordinating Commission to facilitate the working group process.

Overall funding appropriated for the Capitol over the past two decades totals just over $47 million, at least half of which was committed to the exterior stabilization and security needs.

Other Considerations

This budget request is based on the current conceptual cost estimate and the conceptual design option. The cost numbers will be verified at numerous times throughout the project process. A “construction manager at risk” (CM at risk) project delivery method is recommended for the Capitol restoration project. With this delivery method, the construction manager, or CM, provides a Guaranteed Maximum Price (GMP) prior to initiating construction. This will provide the state a guaranteed cost for the project while minimizing risk. The CM will provide an updated cost estimate and the GMP for Phase I at the end of design development, which is scheduled to occur in early summer of 2009. Construction of Phase I is scheduled to begin in late fall of 2009. A phased project of this complexity will benefit from CM services that allow the construction process to move forward as efficiently as possible and mitigate price escalation, which can add approximately 7.7 percent of the project cost per year. If bonds are appropriated consistently every two years from 2008 to 2014, each step of construction can move forward smoothly and the state may seek cost advantage through the early pre-purchasing of materials whenever possible.

Continued operation of the Minnesota Capitol in its current condition is a constant threat to the building’s integrity and life. Other states have acknowledged their state capitol buildings’ needs for major restoration projects. The cost of these projects has ranged from $140 million to over $500 million (in 2007 dollars). Texas addressed restoration needs of their historic Capitol and also expanded into an annex, spending $287 million while vacating the building during construction. Other examples of Capitol project costs (with cost escalated to today’s dollars for comparable mid-point construction) include:

- Kansas underway: $162 million **($248 million)**
- Michigan completed 1992: $58 million **($215.4 million)**
- Ohio completed 1996: $129 million **($355.4 million)**
- Texas completed 1993: $200 million **($610 million)**
- Utah underway: $210 million **($307 million)**

- Virginia underway: $83 million **($140 million)**
- Wisconsin completed 2001: $145 million **($286.5 million)**

This historic building is a matter of pride in the hearts and minds of Minnesotans. Thousands of citizens participated in the 2005 centennial celebration events. The centennial also noted the public's response to the visible deterioration of the building. While private sector support of the 2005 celebration activities was over $2 million, corporations and foundations also sent a clear message to organizers: future private funding would follow the lead of the governor and legislature in committing to the completion of the Capitol's restoration. Private funding of Capitol amenities or furnishings is highly dependent on the significance of the state's commitment to the full restoration program.

The Capitol is in critical need of repair and comprehensive rehabilitation. A plan exists to make these comprehensive repairs; address visitor access and amenities; attend to code deficiencies, inadequate fresh air and scarce restroom facilities; correct exiting deficiencies; and provide the additional space required for a functional government business. If unaddressed, the condition will affect how the people of the state participate in the government of their state.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Capitol Area Architectural and Planning Board (CAAPB) Review:

The CAAPB fully supports this request as one of the most comprehensive approaches to fully address the needs of the State Capitol Building and the people of the State of Minnesota for the next century.

The CAAPB sees this request as absolutely critical, and would view anything short of such a comprehensive approach as just more of the same "band-aid" response to emergencies the state has appropriated over the past twenty-five years, which now threatens the core integrity of the building and its ability to continue to serve the people for many more years.

Governor's Recommendations

The governor recommends general obligation bonding of $13.4 million for critical preventive maintenance projects in the Capitol and $2 million for continued design and planning for the full restoration of the building. The predesign/design work would include analysis of additional options for moving some office space to alternative locations, which was not explored in the current plan. Also included are budget planning estimates of $75 million in 2010 and $75 million in 2012.

State Capitol Building Restoration | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	95	0	0	0	95
3. Design Fees	2,465	8,985	6,406	5,573	23,429
4. Project Management	40	2,279	5,302	4,565	12,186
5. Construction Costs	1,000	42,804	53,385	46,438	143,627
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	175	3,203	2,786	6,164
9. Inflation	0	9,657	21,504	26,838	57,999
TOTAL	**3,600**	**63,900**	**89,800**	**86,200**	**243,500**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,600	63,900	89,800	86,200	243,500
State Funds Subtotal	3,600	63,900	89,800	86,200	243,500
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
TOTAL	**3,600**	**63,900**	**89,800**	**86,200**	**243,500**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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	63,900	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): 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 2013

LRT Impact Study

2008 STATE APPROPRIATION REQUEST: $350,000

AGENCY PROJECT PRIORITY: 4 of 12

PROJECT LOCATION: State Capitol Complex

Project At A Glance

Study the impact and implications of the proposed Central Corridor LRT and associated land-use plans on access and Capitol Complex real estate (employees, visitors and vehicles), and develop a long range strategic plan for Capitol Complex facilities which fully leverages the opportunities created by these changes.

Project Description

The Department of Administration (Admin) is requesting funds to prepare a long range strategic plan for Capitol Complex facilities which incorporates the known and anticipated changes which will result from the construction of Light Rail Transit (LRT) line and the associated land use revisions along the University Avenue corridor.

Background

Admin previously contracted with URS Corporation in late 2001 for a Transportation Alternatives Study for the Capitol Complex. The purpose of the study was to devise alternative transportation strategies aimed at reducing the overall demand for parking on the Capitol Complex. The study, conducted in the fall of 2001, makes no reference, however, to the Hiawatha LRT line (opened in summer 2004) or the potential for the construction of the University Avenue LRT.

New Challenges and Opportunities

There are a number of projects currently in the planning stages which, when implemented, will have a profound impact on the Capitol Complex and the surrounding area.

- Subject to receiving the required funding from the legislature, the Metropolitan Council is prepared to initiate formal design of the Central Corridor LRT line which will link downtown St. Paul, via University Avenue, with the University of Minnesota and downtown Minneapolis.
- The city of St. Paul has been working aggressively for over a year with the help of a consultant to formulate a Central Corridor Development Strategy. That document establishes the city's vision and a set of strategies for how the Central Corridor should grow and change over the next 25-30 years in the response to the LRT investment.
- A major restoration project for the State Capitol is under consideration, which could potentially be taking place concurrently with the construction of the LRT line.

In light of these projects and their anticipated impact on the Capitol Complex, it is essential that a comprehensive study be undertaken to ensure the state:

- Achieves full and seamless integration of the LRT system with Capitol Complex facilities
- Develops operational strategies which encourage the use of LRT for employees and visitors
- Identifies facilities and land that will be needed to support long term staffing needs and program objectives

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Capitol Area Architectural and Planning Board (CAAPB) Review:

The CAAPB fully supports the current LRT plans serving the Capitol Complex and other parts of Saint Paul. Any strategic plan needs to be extensively coordinated with the CAAPB's *Comprehensive Plan for the Minnesota State Capitol Area* and provisions should be made to allow for compensation to the CAAPB should such work become extensive, as required by statute (Minnesota Statutes, chapter 15B).

In addition, as plans to respond to LRT in the Capitol Area advance, it would be one goal of the CAAPB to carefully examine parking in the Capitol Area, resulting in reduction and consolidation of surface lots so common in the area with properly sited and designed parking structures fully integrated into the campus.

Governor's Recommendations

The governor does not recommend capital funds for this request.

LRT Impact Study | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	350	0	0	350
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
TOTAL	**0**	**350**	**0**	**0**	**350**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	0	0	0	0
General Fund Projects	0	350	0	0	350
State Funds Subtotal	0	350	0	0	350
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
TOTAL	**0**	**350**	**0**	**0**	**350**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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): 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)
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 2013

Energy Efficiency/Carbon Emission Reduction Initiatives

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 5 of 12

PROJECT LOCATION: State-owned facilties throughout Minnesota

Project At A Glance

The Department of Administration is requesting $5 million to create a source pool for funding capital projects that will generate energy efficiencies and/or reduce carbon emissions.

Project Description

State government is a major consumer of energy. Energy conservation is an effective means for reducing state costs related to increases in energy prices. In addition, legislation passed in the 2007 Session sets very aggressive targets for carbon emission reduction.

Long-term success in achieving expected reductions in both consumption and emissions will require capital investment in facility design, building systems and equipment, and operating processes and procedures.

As with past funding requests for statewide initiatives such as CAPRA (Capital Asset Preservation and Replacement Account) and building re-commissioning programs, this capital request involves the creation of a pooled source of funds to be used for energy efficiency/carbon emission reduction projects. High return projects and initiatives will be solicited from all agencies of state government and an evaluation process will be designed for use in assessing the value of each project both on absolute value and in relation to other competing projects.

The program will be jointly administered by the Department of Administration and the Department of Commerce.

Examples of the types of projects to be funded from an energy conservation capital pool include:

- Conversion of Direct Expansion (DX) cooling to chilled water. The impact would be to increase cooling efficiency, reduce electrical consumption, and reduce the cost of maintenance on existing DX cooling equipment.
- Establish or expand electrical metering capabilities.
- Conversion of stand alone pneumatic variable air volume controls to direct digital control (DDC) and incorporate into building automation systems. This would result in higher operational efficiency by having the ability to monitor, adjust, and schedule individual building spaces.
- Install energy efficient lighting and lighting control.

Impact on Agency Operating Budgets

A favorable impact is anticipated for participating agencies' operating budgets. Actual cost savings will depend upon the projects selected.

Previous Appropriations for this Project

There have not been any previous appropriations for this project.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
Email: Nicky.Giancola@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

Energy Efficiency/Carbon Emission Reduction Initiatives | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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	5,000	5,000	5,000	15,000
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
TOTAL	**0**	**5,000**	**5,000**	**5,000**	**15,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	5,000	5,000	15,000
State Funds Subtotal	0	5,000	5,000	5,000	15,000
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
TOTAL	**0**	**5,000**	**5,000**	**5,000**	**15,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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	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.	
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 2013

2008 STATE APPROPRIATION REQUEST: $6,000,000

AGENCY PROJECT PRIORITY: 6 of 12

PROJECT LOCATION: State-owned facilities throughout Minnesota

Project At A Glance

- Capital Asset Preservation and Replacement Account (CAPRA): $6 million in general obligation bond funds to support emergency repairs and unanticipated hazardous material abatement needs for state agency facilities.

Project Description

CAPRA, established under M.S. 16A.632, is a statewide fund centrally managed by Admin for use by all state agencies. CAPRA funds support emergency repairs and unanticipated hazardous material abatement needs for state agency facilities.

Please note: Individual state agencies make asset preservation capital budget requests to address known facility repair and maintenance needs of the facilities under their custodial control. Those should not be confused with this request. Higher Education Asset Preservation and Replacement, or HEAPR, funding is requested separately by the Minnesota State Colleges and Universities and the University of Minnesota, and also should 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
- 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 project 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 savings opportunities to bundle projects together, a decision was made in 2004 to limit the types of projects funded by CAPRA to only emergency and immediate needs, including unanticipated abatement. Agency asset preservation requests now fund eligible repair and maintenance projects costing between $25,000 and $350,000. The decision to limit the types of projects funded by CAPRA 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 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, Veterans Home Board, and Administration.

Impact on Agency Operating Budgets

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, $79.9 million has been appropriated for CAPRA projects in state bonding bills.

Recent appropriations, of $3 million in 2005 and $4 million in 2006, are approximately 90 percent expended as of 9-30-07.

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, which are also important to fund. 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.

Although Admin has been projecting biennial CAPRA requests of $5 million which is based on historical emergency needs, we are requesting $6 million in 2008 due to recent requirements for significant funding related to the emergency work at the DOT building, the flooding in southeast Minnesota, and hazardous material abatement at the Moose Lake Correctional Facility.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Governor's Recommendations

The governor recommends general obligation bonding of $3 million for this project. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

Statewide CAPRA | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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	79,900	6,000	6,000	6,000	97,900
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
TOTAL	**79,900**	**6,000**	**6,000**	**6,000**	**97,900**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	79,900	6,000	6,000	6,000	97,900
State Funds Subtotal	79,900	6,000	6,000	6,000	97,900
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
TOTAL	**79,900**	**6,000**	**6,000**	**6,000**	**97,900**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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	6,000	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.	
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 2013

Capitol Complex Security Upgrades

2008 STATE APPROPRIATION REQUEST: $750,000

AGENCY PROJECT PRIORITY: 7 of 12

PROJECT LOCATION: State Capitol Complex

Project At A Glance

Security events around the country, coupled with the findings of the recently completed vulnerability assessments of the Capitol complex facilities conducted by the Minnesota National Guard, emphasize the need for greater security and control throughout the Capitol complex.

This request focuses on identification of design solutions and implementation of the highest priority vulnerabilities from the assessments, and seeks:
- $750,000 - Capitol Complex Security Upgrades
- $125,000 - Increase Capitol Complex Security Staffing

Project Description

The Department of Administration is requesting funds to support the design and implementation of access controls to enhance security at the State Capitol and the Centennial, Freeman, Health/Ag Lab buildings and the National Guard Armory complex. These plans respond to vulnerabilities identified by the Minnesota National Guard in their recently completed Vulnerability Assessment reports.

Background:
Following the events of 9-11-2001, numerous enhancements to the overall security and control of the Capitol Complex facilities were implemented. These actions, while effective, were not all encompassing. Beginning in early 2006, the Minnesota National Guard conducted full spectrum integrated vulnerability assessments of all Capitol complex facilities.

Each report contains structural, infrastructure, and emergency management assessments which provide a series of specific findings that fall into one of two categories:

Vulnerability: A situation or circumstance that, if left unchanged, may result in the loss of life or damage to mission-essential resources. Vulnerabilities are identified with respect to the characteristics of a system that cause it to suffer a definite degradation (incapability to perform the designated mission) as a result of having been subjected to natural or manmade events.

Recommendation: A description of a possible course of action that may be taken to reduce risk.

This capital request focuses on implementation of the highest priority “vulnerability” findings. Work funded by this request will include:
- Creating accurate exclusive and non-exclusive standoff zones for the State Capitol, parking Lots N and O, Senate Parking Lot B and the Centennial Office building (COB) parking ramp and adjacent vehicular lanes.
- Installing vehicular security gates and guard shacks (COB only). Access to these lots will be controlled either by use of the employee’s identification badge or by a uniformed Capitol Security guard where provided. In addition, where access to such facilities is required by non-state employee vehicles (van pool vehicles, delivery vehicles, buses, etc.) when a guard is not present, Closed-Circuit-TV controls will be included.
- This request also seeks operating funding for Capitol Security guards (4.5 FTE) for the last six months of FY 2009, and assumes the Department of Public Safety will seek ongoing operating funding for these positions beginning in FY 2010.

Impact on Agency Operating Budgets

The cost of the Capitol complex security upgrades would be collected through the established rent process, with interest recovered over 20 years and depreciation over 10 years. Admin estimates that the lease rate in the State Capitol would increase by $.25 per square foot and the lease rates in the Centennial Office building, Freeman Office building and Agriculture/Health Laboratory would increase by $.09 per square foot.

The Department of Public Safety will seek ongoing operating budget authorization beginning in FY 2010.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Capitol Area Architectural and Planning Board (CAAPB) Review:

While the CAAPB fully supports the goals of this request in assuring safety for all who use or come to the State Capitol Complex, there will likely need to be extensive review and cooperation between the Administration Department, other implementers, and the CAAPB in any plans for implementation that have a physical impact on the campus, or even more critical, on the State Capitol Building itself.

Provisions should be made to allow for compensation to the CAAPB should such review work become extensive, as required by Minnesota Statutes, chapter 15B.

Governor's Recommendations

The governor does not recommend capital funds for this request.

Capitol Complex Security Upgrades | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	20	0	0	20
4. Project Management	0	0	0	0	0
5. Construction Costs	0	730	0	0	730
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
TOTAL	**0**	**750**	**0**	**0**	**750**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	750	0	0	750
State Funds Subtotal	0	750	0	0	750
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
TOTAL	**0**	**750**	**0**	**0**	**750**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	125	500	500	1,125
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	125	500	500	1,125
Revenue Offsets	0	0	0	0
TOTAL	125	500	500	1,125
Change in F.T.E. Personnel	4.5	0.0	0.0	4.5

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	750	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)
Yes	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 2013

2008 STATE APPROPRIATION REQUEST: $1,000,000

AGENCY PROJECT PRIORITY: 8 of 12

PROJECT LOCATION: Metro Area

Project At A Glance

- A new joint State Emergency Operations Center and Department of Military Affairs facility to better coordinate the response to emergencies and disasters in a secure environment meeting the requirements of the U.S. Department of Homeland Security.
- Co-location of Department of Public Safety and Department of Corrections to help meet the increased demands for public safety and achieve efficiencies through co-location and shared services.

Project Description

The Department of Administration (Admin) is requesting funding to complete a predesign to address critical space needs for the Departments of Corrections (DOC), Military Affairs (DMA) and Public Safety (DPS).

The State Emergency Operations Center (SEOC) is currently housed in leased space in an office building located in downtown St. Paul. At present, many shortcomings exist in the suitability of this location for emergency management functions. The federal requirements for emergency operation centers include, but are not limited to, being located:

- Outside known risk areas, e.g. not near major rail lines that carry significant hazardous materials, in flood plains, or near hazardous chemical facilities, port security.
- 80 feet away from parking facilities.
- Not close to high rise or mid rise structures.
- Not in the midst of a congested area where traffic could impede response and recovery operations.

The current SEOC location does not meet any of these requirements.

Because of the events of 9-11-2001 and the predictable occurrence of natural and other disasters of major size and destructiveness, and in order to ensure that the state's preparations will be adequate to deal with disasters, protect the public peace, health, and safety, and preserve the lives and property of the people of the state, it has become even more important for the state to have an adequate facility for emergency management functions, in order to be able to coordinate responses to events to the maximum extent across federal, state, and local units of government.

There is already a high level of interaction between the DPS Homeland Security and Emergency Management Division (HSEM) and DMA related to emergency management functions. DMA is currently located in state-owned facilities on the Capitol complex. This request includes completion of a detailed study of the program and operational benefits to co-location of the HSEM and DMA.

DPS and DOC are currently housed in leased space in downtown St. Paul and at Energy Park, respectively. Increased demands related to public safety require a high level of interaction between DPS and DOC. Being housed in two separate locations makes it harder for these agencies to share ideas and meet basic work commitments, or innovate to meet future needs. Geographic separation provides a tangible barrier to cutting across agency "silos" to better meet the public safety needs and manage resources efficiently.

Other potential benefits to co-location include:

- Meets the state's strategic goal of increasing facility ownership to maintain long term cost control and acquire equity in the buildings that the state occupies.
- Meets the state's strategic goal to locate agencies in close proximity to each other which might benefit from sharing of resources, equipment, and space.
- Improves technology infrastructure and provides opportunity to more efficiently and effectively deliver programs and services through the use of technology.

- Provides opportunity to implement sustainable design strategies to improve building performance and reduce short-term and long-term operating and maintenance costs while mitigating adverse effects of the building on the environment.

From an operational standpoint, it may be desirable for all divisions of DPS to be co-located. However, because of the specific requirements of the U.S. Department of Homeland Security related to Emergency Operations Centers, the predesign study will evaluate both a combined facility and two separate facilities to determine the best approach to meeting the space requirements for the agencies.

Impact on Agency Operating Budgets (Facilities Notes)

Admin anticipates that long-term cost savings associated with housing state agencies in state-owned buildings and increasing opportunities for shared services will be realized. Admin also expects that the impact on participating state and local agency operating budgets will be a reduction in costs following construction, outfitting, and relocation.

Other Considerations

The U.S. Department of Homeland Security provides emergency preparedness grants to states and urban areas based on risk and their ability to implement the State Homeland Security Strategy to support the National Preparedness Goal. Implementation requires that states meet certain priorities and target capabilities. Two of these are Interoperable Communications and the Emergency Operations Center. The current SEOC is inadequate and cannot meet either of these capabilities. This inability could negatively impact the level of federal grant funding Minnesota receives in future years.

DMA is scheduled to receive $3.536 million in the FY 2008 Defense Construction Appropriation for directed design of a National Guard Joint Force Headquarter and Emergency Operations Center, to be located in Arden Hills, Minnesota. This funding is limited to meeting the requirements of the military for a National Guard Joint Force Headquarters and Emergency Operations Center. Predesign funding is required to consider the potential benefits of co-locating the SEOC with a new National Guard Joint Force Headquarters and Emergency Operation Center.

In FY 2007, due to upcoming lease expirations in their existing space, Admin and DPS conducted an RFP process for leased space. The goal was to lease space in a location that met federal requirements for HSEM and to create efficiencies for DPS through better utilization of space and adjacencies. The 2007 Legislature also appropriated $885,000 to cover a portion of the relocation expenses for DPS. After review of the proposals, the evaluation team determined that none of the proposals met the financial considerations of DPS and/or the security and communication requirements of HSEM, and the relocation funds appropriated for this purpose were not used.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Governor's Recommendations

The governor recommends $500,000 for predesign for a new State Emergency Operations Center (SEOC). If alternate funding is available for the predesign of the SEOC building, this funding should be made available for the predesign of a co-located headquarters for the Departments of Public Safety and Corrections.

Predesign for State EOC and DPS/DOC bldg — ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	1,000	0	0	1,000
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
TOTAL	**0**	**1,000**	**0**	**0**	**1,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	0	0	1,000
State Funds Subtotal	0	1,000	0	0	1,000
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
TOTAL	**0**	**1,000**	**0**	**0**	**1,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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	1000	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)
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)
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 2013

Agency Relocation

2008 STATE APPROPRIATION REQUEST: $200,000

AGENCY PROJECT PRIORITY: 9 of 12

PROJECT LOCATION: State agency locations throughout Minnesota

Project At A Glance

This request is for $200,000 in general fund dollars for agency relocation funding to move state operations from existing locations when it improves agency operations, yields budget benefits, and/or facilitates better service to customers.

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 an agency to relocate. Examples of these situations are: a landlord not renewing an agency's lease at its expiration; a facility being sold; an agency needing to reduce space; a reorganization needing to be implemented; remodeling needs to be accomplished; or when an agency can substantially reduce its rent by moving.

Recent projects where relocation funding was required include:

- Veterans Service building remodeling and reorganization
- Commerce, Weights and Measures lease relocation
- Administration building abatement project

Agencies use relocation funding to pay for moving furniture, equipment, and telecommunication (voice and data) equipment.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

Agency Relocation | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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	200	0	0	200
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**200**	**0**	**0**	**200**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
General Fund Projects	0	200	0	0	200
State Funds Subtotal	0	200	0	0	200
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
TOTAL	**0**	**200**	**0**	**0**	**200**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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): 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)
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 2013

2008 STATE APPROPRIATION REQUEST: $75,000

AGENCY PROJECT PRIORITY: 10 of 12

PROJECT LOCATION: Governor's Residence - Saint Paul

Project At A Glance

The Department of Administration (Admin) is requesting funds for a predesign of the Governor's Residence that will determine cost, scope, and schedule for preservation of the Residence, in addition to addressing operational needs. The predesign would also analyze the costs of continuing to maintain the existing residence compared to other alternatives.

Project Description

Admin is submitting this request to address facility preservation and operational issues of the Governor's Residence. At present, many shortcomings exist in the condition and suitability of this facility. Preservation issues that need to be explored include:

- Egress from the 3rd floor to meet code requirements
- Extension of the existing elevator from 1st floor to 3rd floor to provide required accessibility
- Mechanical, electrical, technical, and security systems improvements
- Remodeling of the kitchen for commercial use
- Providing separation between public (ceremonial meeting rooms) and private (residential) areas
- Masonry restoration on the Residence and carriage house
- Repair/replacement of the perimeter fence and stone balusters
- Repair/replacement of the front walkway
- Installation of energy efficient windows and other infrastructure components

The Governor's Residence Council updated the master plan for the residence in 1997 with input from architects versed in historical preservation, as well as operational personnel from the Admin. The work noted above is consistent with this plan.

The home and grounds were donated to the state of Minnesota for use as a residence for the governor and first family in 1965. Some remodeling has occurred in public areas and the carriage house. The upper floors in the Residence have not received much work since the state acquired the Residence.

Operational issues have never been studied in detail. These would determine the suitability of the building and grounds for meeting the required operations. In addition, there are code related issues on accessibility that currently prevent full use the Residence. Operational issues include:

- Remodeling to create guest suite for visiting dignitaries
- Separation of public and private areas
- Addressing security needs

Impact on Agency Operating Budgets

The cost of the Governor's Residence predesign would be collected through the established rent process, with interest recovered over 20 years and depreciation over 30 years. Admin estimates that the lease rate would increase by $19 per square foot.

Previous Appropriations for this Project

In 2006, Admin received asset preservation funds, $105,000 of which was dedicated to upgrading the fire alarm system at the Governor's Residence.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

Governor's Residence Predesign — ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	75	0	0	75
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
TOTAL	**0**	**75**	**0**	**0**	**75**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	75	0	0	75
State Funds Subtotal	0	75	0	0	75
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
TOTAL	**0**	**75**	**0**	**0**	**75**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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	75	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)
Yes	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 2013

Environmental Campus Planning & Design

2008 STATE APPROPRIATION REQUEST: $3,478,000

AGENCY PROJECT PRIORITY: 11 of 12

PROJECT LOCATION: not yet determined

Project At A Glance

- Facility housing DNR, PCA, DLI, and BWSR
- Providing strategic environmental leadership in holistic manner
- Showcasing urban sustainable strategies
- Collaboration of the environmental agencies living their mission

Project Description

The Department of Natural Resources (DNR), the Pollution Control Agency (PCA), the Board of Water and Soil Resources (BWSR), and the Department of Labor and Industry (DOLI) are seeking to demonstrate their environmental leadership by headquartering together in a state-owned, highly energy efficient building, sited in a way to take advantage of existing infrastructure while preserving the natural landscape.

Living their missions to protect, reflect the values of, and conserve natural resources is of high importance to all of these agencies. Opportunities for sharing space will minimize the footprint of the building. Pursuing Minnesota Sustainable Building Guidelines (B3) and LEED certification will maximize energy savings. Planting a sustainable landscape and managing storm water will showcase good site management and carbon sequestration.

All of the agencies are currently located in leased space. Not only does this keep the state from realizing the long-term cost savings associated with building ownership, it also leaves the agencies with little or no opportunity to pursue renewable energy saving strategies, showcase leading edge “green building” practices, or demonstrate a leadership role in urban sustainable land management designed to reduce global warming.

This request is for funds for both predesign and design for a state-owned facility. The predesign will determine the project scope, cost and schedule. Proceeding right into design in this biennium will reduce the FY 2010 capital budget request for construction funding by $6–$8 million and move the mid-point of construction up by a year.

Projects

Opportunities for cohesive environmental leadership, demonstration of sustainable practices in design and construction, “one-stop” service for citizens with environmental issues or permitting needs, and the significant long-term cost savings of ownership combine to make this project extremely viable and pertinent for today and the future.

The environmental agencies have a long-standing practice of partnership, including the BWSR Board, the Clean Water Council, the Interagency Water Resources Team, and the Interagency Wetland Committee among others. Co-location will facilitate the agencies’ move to a new level of holistic and strategic leadership in the sustainable arena, demonstrating their interest in speaking with a single voice on issues relating to the environment.

All four of the agencies also have clientele in common, such as local governmental units, property owners seeking permits for work on lakeshores, and various environmental groups. Co-location will facilitate the ability to further integrate and consolidate licensing, permitting, and financial assistance application processes, thereby reducing the burden on customers with needs touching several of the agencies.

A “green” environmental campus will provide a multi-dimensional demonstration of sustainable development practices that goes beyond providing citizen customers with answers and information for today by educating and motivating them to move to the next level of environmental stewardship. Sustainable opportunities include green roofs, renewable energy sources, water management on site, and conservation within the building.

Impact on Agency Operating Budgets

It is anticipated that the impact on agency operating budgets will be a reduction in costs over time due to:

- The long-term benefits of ownership over leasing
- A reduction in heating, lighting, and cooling costs
- A reduction in sewer access charges
- A reduction in site maintenance costs

It is also anticipated that, in keeping with national studies, the high quality of the indoor air and lighting will decrease employee absenteeism and increase employee productivity and reduce turnover.

If this facility is constructed, the cost of the predesign and design would be collected through the established rent process with bond interest collected over 20 years and depreciation over 75 years. Admin estimates that the annual rent would include $151,557 to collect the cost of the design and predesign.

Previous Appropriations for this Project

There have not been any previous appropriations for this project.

Other Considerations

Having the DOLI included in this project provides a unique opportunity for partnership with the Building Trades and for the advancement of sustainable construction methods that will have a positive long-term change in how buildings and sites are developed and constructed in the future.

DOLI will work with the design team to facilitate the integration of building and energy code compliance with green building technology in this campus. The affirmation of the compatibility of the regulatory aspects of code regulation with the goals of the B3 guidelines will help to inform all participants on the scope and achievable features of green building technology and produce a model campus on the forefront of response to concerns of sustainability and functionality.

The agencies expect to increase their effectiveness in service delivery in the new facility. They already share responsibilities for preserving the state's natural lands, air and waters; strategic location of staff within shared space will greatly increase the opportunities for both planned and serendipitous synergies.

This proposal is in keeping with the vision, principles and recommendations of the *Strategic Plan for Locating State Agencies*, particularly:

- When practical, increase the amount of state-owned space to control long term costs and to acquire equity in the buildings that the state occupies
- Locate agencies in close proximity to each other which might benefit from sharing resources, equipment, and space
- Design facilities with the flexibility to respond to rapid technological advances
- Take a leadership role in environmental concern

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

Environmental Campus Planning & Design | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	1,242	0	0	1,242
3. Design Fees	0	2,236	5,219	0	7,455
4. Project Management	0	0	3,777	0	3,777
5. Construction Costs	0	0	95,252	0	95,252
6. One Percent for Art	0	0	100	0	100
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	14,081	0	14,081
9. Inflation	0	0	33,397	0	33,397
TOTAL	**0**	**3,478**	**151,826**	**0**	**155,304**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,478	151,826	0	155,304
State Funds Subtotal	0	3,478	151,826	0	155,304
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
TOTAL	**0**	**3,478**	**151,826**	**0**	**155,304**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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	3,478	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): 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 2013

2008 STATE APPROPRIATION REQUEST: $5,635,000

AGENCY PROJECT PRIORITY: 12 of 12

PROJECT LOCATION: locations in Metro Area and in greater MInnesota

Project At A Glance

- ♦ Provide high security, redundant data centers for state operations. One facility to be located in the metro area and one to be located out-state (locations to be determined).
- ♦ Provide backup disaster recovery capability for agencies, higher education, and local government.
- ♦ Distribute computing burden for greater stability and reliability.
- ♦ Support consolidation of multiple existing agency data centers for greater efficiency.

Project Description

The Office of Enterprise Technology (OET) will develop two Tier III data centers to service the state and other public agencies and levels of government. These data centers will provide load-balancing capability for high-security disaster recovery "hot sites" and service centers for clients. They will also allow for data center consolidation and/or co-location of executive branch data centers, many of which lack the security and redundancy to protect state information assets and program operations.

"Tier III" is an industry classification signifying a highly secure and well-supported data center appropriate for a state or corporate enterprise data center. Currently only a very few of the newest data centers in the state are rated as high as Tier I or II.

One of the data centers will be located in greater Minnesota and the other, which will replace the current Centennial Office Building data center, in the metro area. Separating the sites from one another and from the Capitol Complex will enhance security and reduce the impact of a catastrophic event on operations.

The sites will replace most of the current contracted "hot," "warm" (a location that is already equipped and running and to which data can be transferred), and "cold" (a location that available, but must be made operational in an emergency) sites used by various agencies and other entities. The new, consolidated data centers will provide economical "failover" and disaster recovery capability for agencies currently lacking that function. For other entities using the facilities, service level agreements and use contracts will govern the costs and services.

The state will need a staged implementation and migration plan over multiple years. This funding request covers the predesign and initial design phase of this effort, and will develop the specific site requirements and possible locations for the new data centers. Given that that the two centers will have nearly identical requirements and capabilities, design costs will be kept to a minimum.

Authority for this disaster recovery responsibility is provided by M.S. Chapter 16E and by Executive Orders for disaster recovery and state information management.

The argument for consolidation of many small data centers was made in the Drive to Excellence business case (2004), and advanced in the Enterprise Master Plan for Information Management (February 2007), and in a more detailed consolidation business case prepared by a steering team of agency CIOs (September 2007). National public and private sector best practices in this area affirm the recommended direction. Preliminary discussions with higher education systems and with county governments indicate support for contractual arrangements that will allow these organizations to use the sites for their own disaster recovery purposes.

Objectives of this project:

- ♦ Improved security for data centers, equipment, and information
- ♦ Creation of a state "hot site" for business continuity for agency, state, and related computer systems
- ♦ Improved reliability and access on 24x7 basis
- ♦ Common infrastructure architecture

- Reduced facilities and operational costs for staff, services
- Reduced acquisition cost for capacity and equipment
- Provision of load balancing and redundancy
- Improved interoperability of applications and data
- Availability for sharing with other jurisdictions and levels of government

Information has always been the core of all government operations. Now, as more and more agencies move their essential services to the Internet, the need for secure, reliable 24x7x365 operations to maintain and protect that information is absolutely critical.

Protecting data involves both the strong capability to continue or restore operations whenever such situations arise, and sufficient redundancy to sustain uninterrupted operations during routine maintenance and upgrades.

The Current Situation and Need

According to a recent survey of 35 Minnesota state entities, current information management resources are dispersed across 70 locations. In addition to the inefficiencies and duplication associated with operating these multiple data centers, most of the existing data centers lack adequate security, disaster recovery, business continuation preparedness, back-up, power, or cooling resources, and are therefore unprepared to effectively protect the data entrusted to their care.

As a foundation to enterprise security, the state's data facilities must be managed to high cyber security standards, including the ongoing upgrade of protection and detection capabilities on all servers.

Government applications with little or no tolerance for disruption require a data center equipped to minimize downtime, ranging from the failure of a device or power, to the catastrophic loss of a facility. The data center, as well as each failure point within it, needs failover or disaster recovery capability.
- Only 10 percent of state locations are attended 24x7x365
- 90 percent of the state's servers and critical data are in facilities with substandard availability and security
- Very few have a back-up location for continuing operation in the case of a disaster without serious interruption of services
- None of the data centers and few applications offer automatic failover to another location in case of a local disaster

Currently, fewer than 30 percent of the state's data centers have business continuation plans, and of those, only a few have tested these plans, or have identified a "hot site" (a backup location that is running 24/7/365) that will enable them to continue operations. The cost for such services is beyond the financial capacity of most agencies. In practical terms, this means data is backed up, but there is no immediate arrangement for restoring it and continuing operations without significant interruptions.

This proposal is to consolidate the request for the predesign study for the two data centers with funding for design of both of two essentially identical data center facilities in an accelerated process.

The Need for Predesign and Design Funding

Under traditional Predesign/Design/Build processes in successive capital budget sessions, a calendar for final completion and implementation of the Data Center project could easily be delayed until FY 2018. During this extended time frame, the state will be at continued risk of significant financial and operational losses due to business interruption under any number of scenarios for natural or manmade events. Combining the requests for predesign and design accomplishes several positive outcomes:
- Reduces the window of risk exposure by a minimum of two years and conceivably up to six years, depending on legislative decisions.
- Leverages the investment in program knowledge and special engineering consulting to complete design for both of the identical data centers to reduce design costs.
- Ensures proper accountability for project direction and outcomes by a unitary approach to project governance and development.
- Reduces by as much as $12 million (or 30 percent) the inflation factor for total project cost with conventional sequencing.
- Allows for acceleration of the financial and operational benefits of consolidation of data center operations by up to four years.
- Takes advantage of current market conditions if purchase of property is necessary.

Similar advantages could occur under a design/build project method, and even more by combining and accelerating the process. However, the cost and complexity of this project suggest that the recommended course of action, which preserves the decision point before construction, is the more successful and responsible approach.

Impact on Agency Operating Budgets

It is anticipated that the long-term cost savings associated with ownership and increased opportunities for shared services will be realized, and the impact on participating state and local agency operating budgets will be a reduction in costs following construction, outfitting, and relocation.

Other Considerations

In addition to the security, business continuation, capacity and data center consolidation benefits, this initiative will allow a significant amount of space in Centennial Office Building to be converted to the more appropriate office uses for which it was designed.

The greater Minnesota location will provide a number of technology jobs at that location for data center operation, equipment and software maintenance, and site management. The metro site staffing will largely be relocated from the Centennial building and from current agency data centers.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201-2555
Email: Nicky.Giancola@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

OET Data Center Consolidation Predesign & Design | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	1,250	500	0	1,750
2. Predesign Fees	0	600	0	0	600
3. Design Fees	0	3,405	4,107	702	8,214
4. Project Management	0	380	3,097	2,717	6,194
5. Construction Costs	0	0	48,629	48,629	97,258
6. One Percent for Art	0	0	150	150	300
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	45,692	45,692	91,384
9. Inflation	0	0	24,011	35,730	59,741
TOTAL	**0**	**5,635**	**126,186**	**133,620**	**265,441**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,635	126,186	133,620	265,441
State Funds Subtotal	0	5,635	126,186	133,620	265,441
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
TOTAL	**0**	**5,635**	**126,186**	**133,620**	**265,441**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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
TOTAL	0	0	0	0
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	5,635	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.	
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