

Administration, Department of

Projects Summary
(\$ in Thousands)

Project Title	2010 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2010	2012	2014	Total		2010	2012
Capitol Campus Central Corridor Light Rail Transit Integration	1	\$22,720	\$0	\$0	\$22,720	\$0	\$0	\$0
Asset Preservation	2	16,700	0	0	16,700	8,700	0	0
Capitol Campus Security Upgrades	3	1,920	0	0	1,920	0	0	0
Statewide CAPRA	4	5,000	5,000	5,000	15,000	2,000	2,000	2,000
Agency Relocation	5	250	250	250	750	200	200	200
Total Project Requests		\$46,590	\$5,250	\$5,250	\$57,090	\$10,900	\$2,200	\$2,200

At A Glance

- ◆ Leads the state's Drive to Excellence initiative.
- ◆ Oversees more than \$1.8 billion in goods and services purchases.
- ◆ Manages over 300 building projects valued at more than \$355 million.
- ◆ Maintains the State Capitol and state buildings and grounds in the Capitol area.
- ◆ Assists other agencies with process improvement projects.
- ◆ Operates as the state's internal risk manager and insurance company and provides workers' compensation and safety services to 57,000 state employees.
- ◆ Coordinates state fleet activities, including the use of alternative fuels.
- ◆ Develops standardized grant policies for more than 30 executive branch agencies.
- ◆ Processes more than 20 million pieces of mail and 3.3 million warrants and checks annually.
- ◆ Provides financial and human resource business services for small agencies.
- ◆ Helps agencies reduce waste and processes more than 1,800 tons of recyclables annually.

Agency purpose

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

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

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

Primary among its fundamental strategic objectives is developing and fostering an enterprise "vision" for state government as outlined in

Minnesota's Drive to Excellence initiative. Recent achievements toward this department objective include the statewide real property management system; Enterprise Performance Improvement Office; Office of Grants Management; and the Minnesota Geospatial Information Office.

Core functions

Admin provides a diverse range of business management, administration and professional services, and a variety of resources primarily to state agencies, but also to local governments, public colleges and universities, K-12 schools, and citizens. The department's core functions are concentrated in buildings and grounds maintenance and repair, purchasing, risk management and workers' compensation, construction project management, space leasing, vehicle leasing, and the acquisition and disposal of surplus property.

Operations

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

Government and Citizen Services:

- ◆ The **Minnesota Governor's Council on Developmental Disabilities** seeks to assure that people with developmental disabilities receive necessary services and support for achieving increased independence, productivity, integration, and inclusion into the community.
- ◆ **Enterprise Performance Improvement** provides enterprise-wide expertise and training for improving organizational performance and results in state government agencies.
- ◆ The **Environmental Quality Board** develops policy and reviews proposed projects that could significantly affect the environment. Admin provides staff and administrative support.
- ◆ **Fleet and Surplus Services** provides fleet management services to state agencies, including long-term vehicle leasing, and manages government surplus-property acquisition, storage, and disposal.
- ◆ **Information Policy Analysis Division** promotes the understanding of and compliance with the Minnesota Government Data Practices Act, the Open Meeting Law, and other government-information policy laws.

- ◆ The **Minnesota Geospatial Information Office** provides leadership and coordination for the effective use of geographic information and technology tools and systems across the state enterprise.
- ◆ **Materials Management Division** purchases more than \$1.8 billion in goods and services annually for state agencies, operates Minnesota's Bookstore, and directs the Minnesota Multi-State Contracting Alliance for Pharmacy purchasing cooperative and the state's Cooperative Purchasing Venture.
- ◆ The **Office of State Archaeologist** sponsors, conducts, and directs research into the prehistoric and historic archaeology of Minnesota, and enforces state laws concerning archaeological sites.
- ◆ **Plant Management Division** maintains 3.7 million square feet of space in 21 state-owned facilities, operates the state recycling center, and provides mail processing and delivery services.
- ◆ **Real Estate and Construction Services** designs, acquires, leases, and disposes of office and other space, and manages remodeling and construction projects.
- ◆ **Risk Management Division** operates the state's insurance program and manages the state workers' compensation and safety programs.
- ◆ The **Office of Grants Management** is responsible for standardizing, streamlining and improving statewide grant-making practices and for increasing public access to information about state grant opportunities.
- ◆ The **Small Agency Resource Team** (SmART) program offers professional human resource and financial management services to state agencies, boards, and councils.
- ◆ The **STAR Program** helps people of all ages with disabilities acquire, use, and re-use assistive technology for maintaining, improving, or increasing their functional capabilities at home, school, and work.
- ◆ The **State Demographic Center**, Minnesota's liaison to the U.S. Census Bureau, estimates, forecasts, and investigates changes in the state's population, analyzes census data, and distributes information.

Admin Management Services:

- ◆ **Executive Support** provides project management and communications expertise for the Drive to Excellence; and communications, legislative, emergency preparedness planning and support, and data practices compliance services for the department.

- ◆ **Financial Management and Reporting Division** provides financial management support for the department and carries out the department's Fiscal Agent function.
- ◆ **Human Resources Division** provides training, safety, and personnel services to employees; administers labor agreements; and is responsible for department payroll and employee benefit services.

Budget

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

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

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

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

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

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At A Glance: Agency Long-Range Strategic Goals

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

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

In support of these objectives, Admin sponsors 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 has established an enterprise information system for tracking and managing the state's 5,000-plus buildings, and is implementing modules that focus on consolidating and standardizing space management, facility condition

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

Facilities Management and Capital Project Planning and Budgeting

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

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

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

- ◆ The merger of the former Departments of Finance and Employee Relations, now Minnesota Management and Budget, required significant space programming and space planning of approximately 63,000 square feet in the Centennial Office Building. Schedules and budgets were established for furniture inventories, design, and reconfiguration for approximately 269 employees who were relocated in multiple phases.
- ◆ Negotiations of a lease renewal for the Department of Education consisting of approximately 156,000 square feet resulted in cost savings of \$279,803 per year for ten years.
- ◆ Acquisition of the property located at 639 Robert Street in the capitol complex will ensure future development options to meet state needs.

- ◆ Development of spill prevention control and countermeasure plans for the Department of Corrections that will allow them to achieve standards of compliance.

Central Corridor Light Rail Transit Development

The development of the Central Corridor Light Rail Transit (CCLRT) system along University Avenue, Robert Street and Cedar Avenue offers significant benefit potential for people who work in or visit the Capitol Campus. This project is a critical element in the long-term development of the Capitol Campus and will have a significant impact on visitor (pedestrian, CCLRT riders, Metro Transit bus riders and private vehicle operators) access to the Capitol Campus. The design/construction of the Freeman Office Building and the State Lab Building anticipated CCLRT on Robert Street. Looking forward, the CCLRT also poses some unique challenges for the state. Admin has established three objectives regarding the relationship between the CCLRT and the Capitol Complex:

- ◆ Achieve full and seamless integration of the LRT system with Capitol Complex facilities.
- ◆ Develop operational strategies for employees and visitors that encourage the use of LRT.
- ◆ Identify facilities and land necessary to support the state's long-term staffing needs and program objectives as well as leverage LRT development.

Deteriorating and/or Failing Infrastructure

Admin manages 21 buildings, 23 monuments/memorials, and 28 parking facilities, located primarily in or near the Capitol Complex. Deferred maintenance at these facilities, based on the 2008 Facilities Condition Audit, is estimated at \$167 million. Of particular concern to the department are:

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

The **Governor's Residence**, donated to the state in 1965, which is in need of a comprehensive inspection and condition assessment to fully determine the scope and scale of improvements required of the building and grounds to

ensure long-term safety, reliability, maintainability and achievement of programmatic needs.

The **Veteran's Services Building**, where recently completed repair work to the building's exterior granite panels revealed an air exfiltration problem that is due to insufficient perimeter wall sealing and insulation. An engineering study is now underway to determine the most reliable and efficient method of correction.

Life/Safety and Building Code Compliance

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

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

Sustainability and Energy Efficiency

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

sustainable building design guidelines for all major renovations of state buildings. Included in the 2009 update is the establishment of performance standards, also known as Sustainable Building 2030, which can significantly reduce carbon dioxide emissions by lowering energy use for new and substantially reconstructed buildings.

State government, as a major consumer of energy, can effectively reduce energy costs through an aggressive conservation strategy. 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 plateau beyond which additional reductions aren't possible without commensurate investments.

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.

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

Emergency Repair and Hazardous Materials Abatement

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

Capitol Complex Land Scarcity

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

Agency Process Used to Arrive at These Capital Requests

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

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

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

Admin Capital Projects Authorized in 2008

CAPRA - \$3.4 million

Property Acquisition - \$2.325 million

State Capitol Building Restoration - \$13.4 million

DOT Exterior - \$18.197 million

Capitol Campus Central Corridor Light Rail Transit Integration

2010 STATE APPROPRIATION REQUEST: \$22,720,000

AGENCY PROJECT PRIORITY: 1 of 5

PROJECT LOCATION:

Project At A Glance

The Central Corridor Light Rail Transit (CCLRT) project will have a significant impact on visitor (pedestrian, CCLRT riders, Metro Transit bus riders and private vehicle operators) access to the Capitol Campus. There will be three (3) station locations in the Campus:

- ◆ Rice Street Station – Located on University Avenue at the north end of Leif Erikson Park, this will be the primary station for access to the Capitol, State Office Building, Judicial Center and other state facilities located around the Capitol Mall. This station will also serve the neighborhood's residences and businesses.
- ◆ Capitol East Station – Located along Robert Street between the Freeman Office Building and the Stassen Building, this station will primarily serve employees working at the Centennial Office Building, Ag/Health Lab, Stassen Building, Freeman Office Building and the Armory. This station will also serve Regions Hospital.
- ◆ 10th Street Station – Located in the middle of Cedar Street at the E.L. Andersen Building, this station will serve state employees as well as students attending the neighborhood's businesses and music schools, as well as local condominium and apartments residents.

The Light Rail track route and the station locations will impact a number of the state's facilities and adjacent City of St. Paul roads. The purpose of this project is to provide the funding to address initiatives which are outside the CCLRT baseline project scope and which are necessary to fully integrate Light Rail in the Capitol Complex.

Project Description

Pedestrian Tunnel System

With the installation of Light Rail tracks in the Capitol area, all utilities and other below-grade structures must be included in the track sub-base design. Concrete pads to protect existing tunnels will be covered by the CCLRT project budget. New tunnel connections which will provide links between the Rice Street Station (Leif Erikson Park), Capitol, SOB and Lot B; and between the Capitol East Station (Robert Street), Freeman Building, Stassen Building and the 14th Street Parking Ramp have been identified as part of the Capitol Campus Pedestrian Tunnel Study. These tunnel connections need to be designed and installed prior to the start of the operation of the CCLRT project.

There are currently two pedestrian tunnels sections which run beneath University Avenue (Administration Building/Lot B to/from Capitol Building and Ford Building/Lot C to/from Capitol Building/State Office Building). In addition, a future pedestrian tunnel connection has been prepared for at Robert Street which will connect the Freeman Office Building with the 14th Street Parking Ramp/Stassen Building.

There is a planning process now underway which addresses both future site development and pedestrian access on the Capitol Campus. The results of these studies will be used to identify the tunnel work that will be needed to provide safe and convenient access to the State Capitol Building, State Office Building and other state government facilities, and to support future site development options.

Vacated Street Adjustments

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

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

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

Capitol Campus Central Corridor Light Rail Transit Integration

Capitol Material Pick Up/Delivery Alternatives

Access to the Capitol loading dock (Lot O) from University Avenue will be lost. In addition, recommendations from the National Guard/Homeland Security Vulnerability Assessment of the Capitol cite the current loading dock as a highly vulnerable operation due, in part, to its physical proximity to the building. Alternative pick up/delivery options are being considered as part of the tunnel study and will likely influence the size and location of a new tunnel under University Avenue.

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

None

Other Considerations

None

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Governor's Recommendations

The Governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	48	40	0	0	88
3. Design Fees	0	1,979	0	0	1,979
4. Project Management	0	250	0	0	250
5. Construction Costs	0	18,819	0	0	18,819
6. One Percent for Art	0	100	0	0	100
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	145	0	0	145
9. Inflation	0	1,387	0	0	1,387
TOTAL	48	22,720	0	0	22,768

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	22,720	0	0	22,720
Plant Management	48	0	0	0	48
State Funds Subtotal	48	22,720	0	0	22,768
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	48	22,720	0	0	22,768

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	97	196	293
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	97	196	293
Revenue Offsets	0	<97>	<196>	<293>
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	22,720	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.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required
-	MS 16A.695 (2): Use Agreement Required
-	MS 16A.695 (4): Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	MS 16A.642: Project Cancellation in 2015

Asset Preservation

2010 STATE APPROPRIATION REQUEST: \$16,700,000

AGENCY PROJECT PRIORITY: 2 of 5

PROJECT LOCATION:

Project At A Glance

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

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

Project Description

This project request involves the repair, replacement, and renewal needs specific to the Capitol Campus and other state buildings managed by the Department of Administration. Funding of this request will enable the department to address/reduce the problem of deferred maintenance including but not limited to:

- ◆ Safety hazards and code compliance issues
- ◆ Major mechanical, electrical and structural deficiencies
- ◆ Tuck pointing and other building envelope work

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

Impact on Agency Operating Budgets (Facilities Notes)

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

Previous Appropriations for this Project

The 2006 Legislature appropriated \$5 million for asset preservation of state facilities managed by Admin. No funding was appropriated in 2007, 2008 or 2009 for asset preservation of state facilities managed by Admin.

Other Considerations

The continued funding at the requested level for several biennia will enable the department to make a significant impact on the system's deferred maintenance and renewal problem.

With the cancellation of \$3.5 million from the facilities repair and replacement special revenue fund to the general fund in 2009, the Legislature has employed "one time" cancellation of funds from this account in six of the last eight years. Total cancellation of funds from this account is \$11.5 million.

Of the \$42.3 million that has transferred into the facilities repair and replacement special revenue fund between FY 2004 – FY 2009, \$34.1 million has been cancelled to the general fund (80 percent).

The estimated balance of the facilities repair and replacement special revenue fund on July 1, 2009, following the cancellation of \$3.5 million to the general fund, is \$2.7 million.

Asset Preservation

The department did not seek asset preservation funds as part of the 2008 bonding process due to the balance in the special revenue account and reliance on future accumulation of funds in this account.

Asset preservation and energy efficiency projects for Capitol Campus facilities identified for consideration in FY 2010 and FY 2011 total in excess of \$20 million, not including the Capitol Building.

The Capitol Building itself is in critical need of repair and comprehensive rehabilitation. A 2001 pre-design study and a 2007 pre-design update documented that the Capitol lacks modern building infrastructure and is deficient in security requirements, energy efficiency and code compliance. The 2007 Legislature appointed the Legislative Coordinating Committee to facilitate a Capitol Restoration Working Group. The task for this working group was to build consensus for a restoration strategy. This process yielded no consensus for an overall restoration strategy. Still unresolved are the fundamental issues of space and project scope. It is recognized and assumed that until the decision-makers agree on the scope and financial approach to this project, including allocation of space, the state will continue to address the needs of this historically significant building on an as-needed basis.

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

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Governor's Recommendations

The Governor recommends general obligation bonding of \$8.7 million for these asset preservation projects.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	251	0	0	251
5. Construction Costs	8,250	16,449	0	0	24,699
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	8,250	16,700	0	0	24,950

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	8,250	16,700	0	0	24,950
State Funds Subtotal	8,250	16,700	0	0	24,950
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	8,250	16,700	0	0	24,950

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	0.0%
User Financing	16700	100.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required
-	MS 16A.695 (2): Use Agreement Required
-	MS 16A.695 (4): Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	MS 16A.642: Project Cancellation in 2015

Capitol Campus Security Upgrades

2010 STATE APPROPRIATION REQUEST: \$1,920,000

AGENCY PROJECT PRIORITY: 3 of 5

PROJECT LOCATION:

Project At A Glance

Security events around the country, the findings of the 2006/2007 Vulnerability Assessments of the Capitol Complex facilities conducted by the Minnesota National Guard, and the recently completed OLA Report on Capitol Campus Security 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.

Project Description

The Department of Administration (Admin) is requesting funds to support the design and implementation of access controls to enhance security at the State Capitol and the Centennial/Freeman/Ag-Health Laboratory and National Guard Armory buildings. These plans are based upon vulnerabilities identified by the Minnesota National Guard in their recently completed Vulnerability Assessment reports.

Following the events of September 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 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

These situations or circumstances, 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 recommendation is 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.

Those findings include the following:

- ◆ Creation of accurate exclusive and non-exclusive standoff zones for the State Capitol parking Lots N and O, Senate parking Lot B and Centennial parking ramp, and adjacent vehicular lanes.
- ◆ Provision of vehicular security gates and guard shacks. Access to these lots will be controlled either by use of the employee's identification badge or by a uniformed 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.
- ◆ Installation/Modification of selected pedestrian tunnel doors to facilitate improved access control necessary to separate "public" from "non-public" tunnel segments.
- ◆ Expansion of closed-circuit TV cameras in selected locations around the Capitol campus to address known "visibility" shortfalls.

Impact on Agency Operating Budgets (Facilities Notes)

This request does not include funding for security guards and assumes that Department of Public Safety will seek ongoing operating budget authorization for these positions. 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 ten years. It is estimated that the lease rates for Capitol Complex buildings would increase by an average of \$0.09 per square foot.

Capitol Campus Security Upgrades**Previous Appropriations for this Project**

None

Other Considerations

None

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	1,920	0	0	1,920
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	156	0	0	156
TOTAL	0	2,076	0	0	2,076

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,920	0	0	1,920
State Funds Subtotal	0	1,920	0	0	1,920
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	1,920	0	0	1,920

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	0.0%
User Financing	1920	100.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required
-	MS 16A.695 (2): Use Agreement Required
-	MS 16A.695 (4): Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	MS 16A.642: Project Cancellation in 2015

Statewide CAPRA

2010 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 4 of 5

PROJECT LOCATION:

Project At A Glance

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

Project Description

CAPRA, established under M.S. 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.

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

State Agencies served by the CAPRA program in the past include Corrections, Employment and Economic Development, Human Services, Military Affairs, Minnesota Historical Society, Minnesota State Academies, Minnesota Zoological Gardens, Natural Resources, Perpich Center for Arts Education, Veteran Affairs, Iron Range Resources, Minnesota Amateur Sports Commission, and Administration.

Impact on Agency Operating Budgets (Facilities Notes)

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

unanticipated emergencies and to prevent or reduce additional damage to state facilities.

Previous Appropriations for this Project

Since the program was created in 1990, \$83.55 million has been appropriated for CAPRA projects through state bonding bills.

Recent appropriations, \$3 million in 2005 and \$4 million in 2006, are approximately 99 percent expended as of June 15, 2009. No projects funds from the 2008 appropriation of \$3.4 million have been expended as of June 15, 2009.

Other Considerations

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

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

Statewide CAPRA**Project Contact Person**

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Governor's Recommendations

The Governor recommends general obligation bonding of \$2 million for these projects.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	75	75	75	225
5. Construction Costs	10,400	4,925	4,925	4,925	25,175
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	10,400	5,000	5,000	5,000	25,400

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	10,400	5,000	5,000	5,000	25,400
State Funds Subtotal	10,400	5,000	5,000	5,000	25,400
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	10,400	5,000	5,000	5,000	25,400

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required
-	MS 16A.695 (2): Use Agreement Required
-	MS 16A.695 (4): Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	MS 16A.642: Project Cancellation in 2015

Agency Relocation

2010 STATE APPROPRIATION REQUEST: \$250,000

AGENCY PROJECT PRIORITY: 5 of 5

PROJECT LOCATION:

Project At A Glance

\$250,000 in general fund dollars for agency relocation funding is needed to move state operations from existing locations when it improves agency operations, yields positive budget impacts, and/or facilitates better service to customers. This funding is also needed to optimize the use of state-owned facilities and backfill pockets of vacant space as agencies downsize their operations.

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

Project Description

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

Recent projects requiring relocation funding include:

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

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

Impact on Agency Operating Budgets (Facilities Notes)

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

Previous Appropriations for this Project

The following are the most recent appropriations: 1) 2002 - \$1,500,000; 2) 2003 - \$500,000; and, 3) 2005 - \$9,829,000. The majority of the funding in 2005 was to relocate the Departments of Agriculture, Health and Human Services to new facilities on the Capitol campus.

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

Project Contact Person

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Governor's Recommendations

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	9,829	250	250	250	10,579
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	9,829	250	250	250	10,579

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
General	9,829	250	250	250	10,579
State Funds Subtotal	9,829	250	250	250	10,579
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	9,829	250	250	250	10,579

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
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-	MS 16A.642: Project Cancellation in 2015