

CAPITOL COMPLEX
MASTER PLAN

DENVER,
COLORADO



06

BENCHMARKING

6.1 - METHODOLOGY

Overview

This chapter provides an overview of Colorado's planning and facilities management practices and provides a summary of the benchmarking study that was conducted in the context of the master plan goals. The intent of the Colorado Capitol Master Plan is to provide a context for understanding Colorado's funding levels, facilities management, and planning practices relative to programs in similar states. The benchmarking of other states was undertaken as part of the master plan to find the scope of standard practices that many states follow that are similar to Colorado in population, annual budget, square footage of Capitol Complex buildings, acreage of Capitol Complex, facilities management organization, and/or geographic adjacency.

Methodology

The consultant team conducted the benchmarking study in distinct phases. The initial data gathering and initial research phase identified up to 10 states and state capitols that provide similarities and differences with the facilities management organization of Colorado. The case studies were identified for research focusing on statewide and capitol complex facilities management organizational structure, long range planning, and legislative provisions, prioritization of building renewal, capital construction and controlled maintenance projects, and funding sources. The following 10 states and state capitols were identified for the benchmarking study based on preliminary research and analysis. They include:

- Arizona
- Iowa
- Kansas
- Minnesota
- Oregon
- Texas
- Utah
- Virginia
- Washington
- Wisconsin

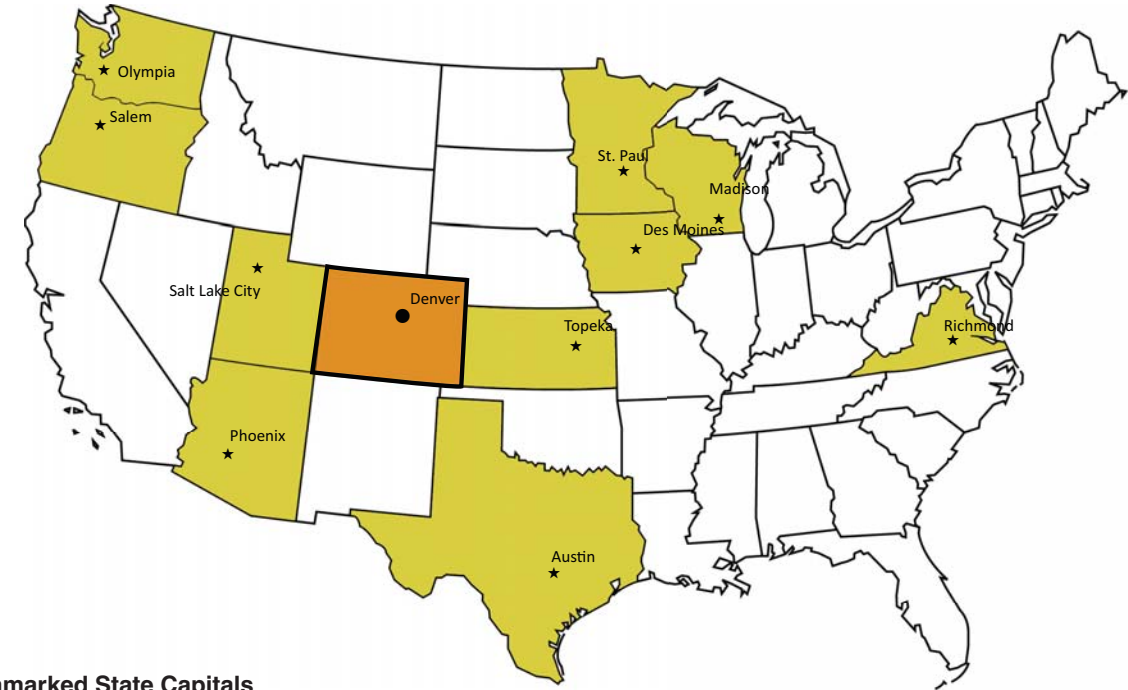
The benchmarking analysis was based on available documents and information regarding state-wide and capitol complex facilities management organizational structure, planning, funding, capital projects and controlled maintenance projects - prioritization processes, etc.

Summary abstracts (see Appendix 3 (a) – Detailed State Abstracts) of key benchmarking information of each state were prepared in the second phase based on review of and analysis of documents for each state in the context of state of Colorado. A compiled analysis of each state (see Appendix 3 (b) – Comparative State Analysis) was compiled including a detailed bibliography of benchmarking related documents.

Three states were recommended (Minnesota, Utah, and Washington) that are most relevant for the goals of the CCMP and are considered to illustrate governmental best practices. Additional details were obtained in the last phase of the benchmarking study through interviews with key officials. The consultant team along with the DPA / OSA conducted telephone interviews with key facility management representatives from the three states to confirm the findings of the initial benchmarking summaries.

To understand the State of Colorado's facility management practices particularly within the capitol complex and to highlight related key differentiators with other benchmarked states, the consultant team also referred to the following documents prepared by the State:

- The Performance Evaluation of State Capital Asset Management and Lease Administration Practices Audit conducted by the Office of the State Auditor and released in November 2012.
- The State of Colorado Strategic Real Estate Plan prepared by the State's tenant broker in June 2013.



Benchmarked State Capitals



Colorado Capitol, Denver

6.2 - HISTORY OF FACILITIES PLANNING AND MAINTENANCE IN COLORADO

In the late 1960's the task force Colorado Committee on Government Efficiency and Economy recommended the establishment of executive branch agencies moving those functions out of the Governor's Office. The report recommended: "Organize the Department of Administration in order to provide a sound structure as a basis for rendering effective service to all departments.... The proposed organization should be designed to place department activities in their proper place with relation to each other and similarity of functions...."

One of the divisions of this new Department of Administration was the Division of Public Works which included the following sub-units: Architecture and Engineering, Contract Administration, Construction and Maintenance Inspection, Administrative Services, and the Capitol Buildings Group. The report included this appraisal of current operations: "The basic function of the division is technical in character, yet only a small portion of the personnel possess a formal technical education. These individuals appear to be concentrated in the Architectural and Engineering Section." It also states: "The state has no comprehensive master plan in public works. In the planning process, there is little uniformity in effort or approach between departments.... Because of independence of scope and approach to planning by various agencies there is no effective coordination or standardization."

Implementing the recommendations, in 1973 the Governor's Budget identified the goal of the Division of Public Works within the Department of Administration as providing "efficient and effective centralized support services for construction, maintenance, and space utilization of facilities housing the three principal branches of government." This division "functions as a service agency on building facilities for the various state agencies, institutions, and departments". In addition to its 25 assigned FTE, the budget requested an additional FTE for a "professional planner" to provide comprehensive critical review of master plans and program plans.

The Division of Public Works also had supervisory responsibility for the operation, maintenance, and management of the Capitol Buildings Group Section and the 143 FTE providing these services on the buildings and grounds.

This 1973 budget also shows Central Services Program located within the Office of the Executive Director of the Department of Administration. Central Services Program had 25 FTE and included the functions of graphic arts, offset printing, Xerox quick copy, Central Stores for office supplies, U.S. and interdepartmental mail distribution, motor pool, and a proposed aircraft pool.

Subsequent to this, the Division of Public Works in the Department of Administration was abolished and the functions moved to the Office of State Planning and Budgeting where they remained from 1975 until 1979. During this period of time the Capitol Buildings Section remained within the Department of Administration.

In 1979 the functions were transferred back to the Department of Administration into what was then called State Buildings Division. "The Division actively managed the State's planning, design, and construction programs and was the direct recipient of statewide controlled maintenance appropriations." In 1984, the name of the Capitol Buildings Section was changed to the Division of Capitol Complex Facilities so the two divisions responsible for facilities planning and facilities maintenance existed within the department.

At this time State Buildings Division and its 23 FTE were responsible for planning, design and construction management of facilities statewide. A former director of State Buildings describes the transition from a centralized approach to these functions to a new model: "During the mid 1980's a trend toward decentralization of the responsibilities to the agency level developed. In 1987, during a low point in construction appropriation levels, the Division was down-sized to a manager and one administrative position. Over the next few years as construction appropriations increased, it again became apparent that centralized functions in the planning, design, construction and controlled maintenance process were sorely needed. While the centralized planning function was assumed by OSPB, there remained a need to provide administrative and technical staff capable of managing these processes." In order to meet the demand for services, State Buildings Programs continued to provide technical assistance through the development of policies, procedures and contracts, statewide implementation of codes and standards, and

the administration of the controlled maintenance, real estate and energy programs while delegating its authority to manage design and construction projects to state agencies and institutions of higher education.

In 1988 State Buildings staff increased to three in addition to an FTE assigned to coordinate and review leases. Then in 1993 State Buildings was moved into the Division of Purchasing where it remained until 2000. That year Capitol Complex Facilities was no longer designated an independent division, the division director position was abolished, and the facilities/property management function was moved into the Division of Central Services. State Buildings, now designated as State Buildings and Real Estate Services, was also moved into the Division of Central Services. These two functions were designated Facilities Maintenance and Planning in the budget.

This continued until 2002 when State Buildings, now designated as Real Estate Services Program, was moved to the newly created Division of Finance and Procurement where it remained until 2008. In 2009 it was renamed the Office of the State Architect and moved to the executive office of DPA and then to the Office of Statewide Programs in 2012. Capitol Complex Facilities has remained in the Division of Central Services along with Integrated Document Solutions (printing, mail, etc.) and Fleet/Motor Pool. The Office of the State Architect currently has 6 FTE, Capitol Complex Facilities has 55 FTE and the Division of Central Services has an additional 138 FTE.

6.3 - FACILITIES OVERSIGHT BY DEPARTMENT OF PERSONNEL AND ADMINISTRATION

The State of Colorado's Department of Personnel & Administration (DPA) provides centralized human resources, information, tools, resources and materials needed for the state of Colorado government to function. The adjoining chart provides the organizational structure of the DPA that includes the Office of the State Architect (OSA) and Capitol Complex Facilities (CCF).

Office of State Architect (OSA)

The Office of the State Architect (OSA) within the Division of Statewide Programs has statewide responsibility for administering capital construction, prioritizing controlled maintenance requests, ensuring code compliance, tracking facilities' condition, approving emergency maintenance funds, managing energy conservation, and overseeing and approving leasing and real estate transactions for executive branch agencies, including higher education. Responsibilities of OSA include:

- Overseeing controlled maintenance of buildings constructed or acquired with capital construction or general funds.
- Coordinating the initiation of budget requests and prioritizing and recommending funding for controlled maintenance projects to the Capital Development Committee (CDC).
- Negotiating and executing leases on behalf of the State government for land, buildings, and office or other space. [Section 24-30-1303, C.R.S.]
- Responsible for other real estate activities such as the purchase of real estate for the State and sale or lease of State-owned real estate.
- Tracking statistics on State owned buildings.
- Reporting annually to the Capital Development Committee on acquisitions, dispositions, lease summaries, and other real estate management issues including ongoing controlled maintenance and capital construction expenditures and controlled maintenance needs.
- Establishing office space goals for private leased space.

- Responsible for capital construction administration for executive branch projects (including most institutions of higher education) inclusive of: solicitation and procurement of professional design and construction services; development of standard contract language; establishment of project management guidelines including cost management; and adoption and implementation of building codes and compliance requirements.
- The Office of the State Architect does not oversee three areas including:
 - Acquisitions by the Department of Transportation;
 - Acquisitions or disposition of State land by the State Land Board
 - Management of certain easements, rights of way, and vacant land leases and acquisitions by Colorado Parks and Wildlife, a division within the Department of Natural Resources.

Capitol Complex Facilities (CCF)

Capitol Complex Facilities is part of Division of Central Services (DCS) which is one of multiple divisions located under the umbrella of the Department of Personnel & Administration. Capitol Complex Facilities supports tenant state agencies with property management services, and provides the public with special event permits and information resources. Services include building maintenance, state employee parking, project space requests, ceremonial flag requests, and state employee ID badges. Capitol Complex Facilities maintains the State Capitol, the Governor's Mansion, and DPA owned buildings with routine maintenance, plumbing, HVAC, electrical, custodial, and grounds maintenance. Capitol Complex Facilities building management services include assistance with electrical, elevator, plumbing, lighting, HVAC, grounds maintenance, and general maintenance/repair issues.

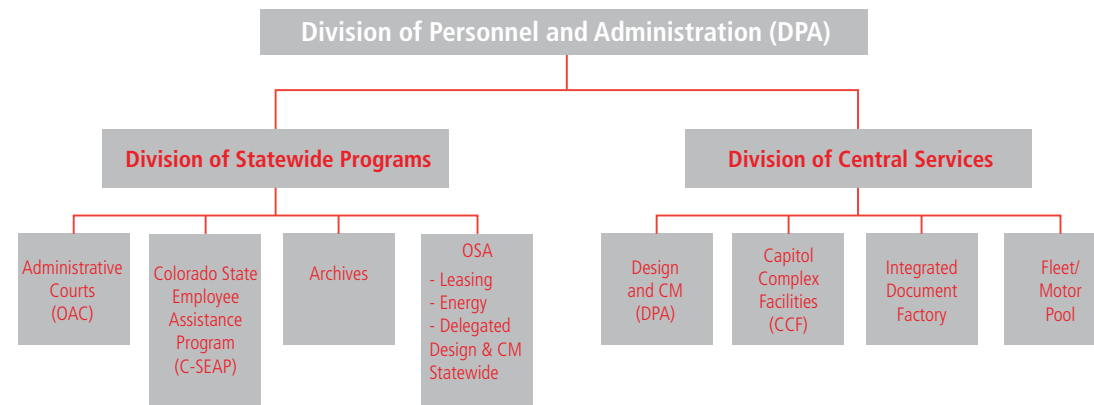
Facility Management System / Software

Total Maintenance Authority (TMA) preventative maintenance software is currently used by the Capitol Complex Facilities for tracking and managing facilities related work orders, parts inventory control, etc. Discussion with the CCF indicate that an update push / upgrade or change would be required to bring the TMA up to speed on recent HVAC replacement projects, and other current building data.

An updated computerized maintenance management system would be helpful to track, collect and report the costs associated with maintenance, grounds and housekeeping activities. The system would track routine work orders, preventative maintenance, corrective maintenance and occasionally projects outside of facilities maintenance and operations. Tracking all material and labor, the system can report on productivity including number of work orders completed, response times based on criticality, etc.

Lease Rates – Benchmarking

The internal rate CCF charges to tenant agencies could be benchmarked with rates that are changed in the private sector within the geographic region or with national benchmarks published by BOMA. A similar such process is currently used by the State of Utah.



6.4 - OFFICES AND COMMITTEES WITH FACILITIES OVERSIGHT

6.4.1 GOVERNOR'S OFFICE OF STATE PLANNING AND BUDGETING

The primary role of the Office of State Planning and Budgeting (OSPB) is to provide the Governor with timely and complete information and recommendations for sound public policy and budget decisions.

- Developing reliable revenue estimates.
- Review, approval, and prioritization of executive branch capital project requests for funding consideration by the Capital Development Committee (CDC).
- Review of program plans for State departments in the executive branch.
- Developing a defensible budget within revenue constraints.
- Developing proposals for new legislation.
- Advocating for the Governor's priorities.
- Monitoring budget implementation.

6.4.2 GENERAL ASSEMBLY

Capital Development Committee (CDC)

The CDC is a joint committee, consisting of three members of the House of Representatives and three members of the Senate. Each house is represented by two members of the majority party and one member of the minority party. Members of the CDC are chosen according to the rules of each house. CDC responsibilities include general review and oversight of all capital projects statewide, including projects initiated by the executive, judicial, and legislative branches and institutions of higher education, and including purchase, construction, renewal, and controlled maintenance. It reviews and recommends funding for all capital construction projects, including lease purchase agreements, valued at more than \$500,000. The CDC also reviews capital construction projects at institutions of higher education that do not require any general or capital construction funds, but have been approved by the governing boards of the institutions and the Colorado Commission on Higher Education. The CDC receives reports on the progress of all capital construction projects, regardless of the agency or branch of government, and typically tours completed capital construction and controlled maintenance projects in a different region of the State every other year.

Responsibilities of the Capital Development Committee

The CDC has the following statutory responsibilities:

- Considers funding requests for capital construction and controlled maintenance projects submitted by State departments and higher education institutions, including regular and emergency supplemental capital construction requests;
- Prioritizes recommendations for the funding of capital construction and controlled maintenance projects for submittal to the Joint Budget Committee (JBC);
- Forecasts the state's requirements for capital construction, controlled maintenance, and the acquisition of capital assets for the next fiscal year and the following four fiscal years;
- Considers cash-funded capital construction projects submitted by higher education institutions to be commenced without prior legislative authorization in an appropriations bill, and make recommendations to the JBC regarding projects subject to the Higher Education Revenue Bond Intercept Program (pursuant to Senate Bill 09-290);
- Studies the capital construction request from the Transportation Commission for state highway reconstruction, repair, and maintenance, and determine the projects that may be funded from money available in the Capital Construction Fund;
- Consider requests for waivers of the six-month encumbrance deadline for capital construction appropriations;
- Reviews the annual capital construction and controlled maintenance requests from the Office of Information Technology regarding the Public Safety Trust Fund.

Joint Budget Committee (JBC) And General Assembly

The General Assembly's permanent fiscal and budget review agency, the Joint Budget Committee (JBC), writes the annual appropriations bill - called the Long Bill - for the operations of state government. The JBC has six members: the Chairman and one majority and one minority member of the House Appropriations Committee, and the Chairman and one majority and one minority member of the Senate Appropriations Committee. Members serve two-year terms and are selected following

the general election. Traditionally, the Senate elects its JBC members. In the House, the Speaker appoints the majority party members, and the Minority Leader appoints the minority party member. The chairmanship alternates between the Chairmen of the Senate and House Appropriations Committees. The House and Senate calendars reflect the Joint Budget Committee's schedule during the legislative session. Responsibilities include:

- Analysis of the management, operations, programs and fiscal needs of State agencies and institutions.
- Recommendations to the General Assembly for funding of projects per Capital Development Committee guidance for inclusion in the Long Bill.
- Approval of capital projects initiated by legislation.

Capitol Building Advisory Committee

State law directs the advisory committee to review plans to restore, redecorate, or reconstruct space within the public and ceremonial areas of the state Capitol Building, the Legislative Services Building and its surrounding grounds, and the grounds surrounding the Capitol. The advisory committee is required to make recommendations to the Capital Development Committee (CDC), and in some cases the Governor, based on such plans. The advisory committee is also authorized to:

- Engage in long-range planning for modifications and improvements to the Capitol and its grounds.
- Accept gifts, grants, or donations from private or public sources to develop publications and memorabilia.
- Expend moneys from the advisory committee's special account to publish and develop memorabilia, to restore the Capitol, the Legislative Services Building, and the Capitol grounds, and for other related and necessary purposes.
- Call upon Legislative Council Staff and the Department of Personnel & Administration for necessary assistance.

6.4.3 OTHER AGENCIES

Colorado Commission on Higher Education

General review and oversight of capital projects undertaken by institutions of higher education on State owned or State controlled land, including purchase, construction, renewal, and controlled maintenance.

- Review and approval of institutions' master and program plans.
- Prioritize institutions' capital projects and submit to OSPB and the Capital Development Committee, when required by the type of funding source

The adjoining diagram highlights key aspects of the facility management organization for the State of Colorado. While institutions of higher education have not been included in the scope of the Capitol Complex Master Plan, the oversight process of Colorado Commission on Higher Education requires significant long-term planning.

6.5 - CAPITAL PROJECTS EXISTING DECISION MAKING FRAMEWORK

The term “capital” collectively refers to three types of projects: (1) Capital construction; (2) Capital renewal; and (3) Controlled maintenance. The following provides overview for the approval / decision making and funding process of the capital projects within the State of Colorado.

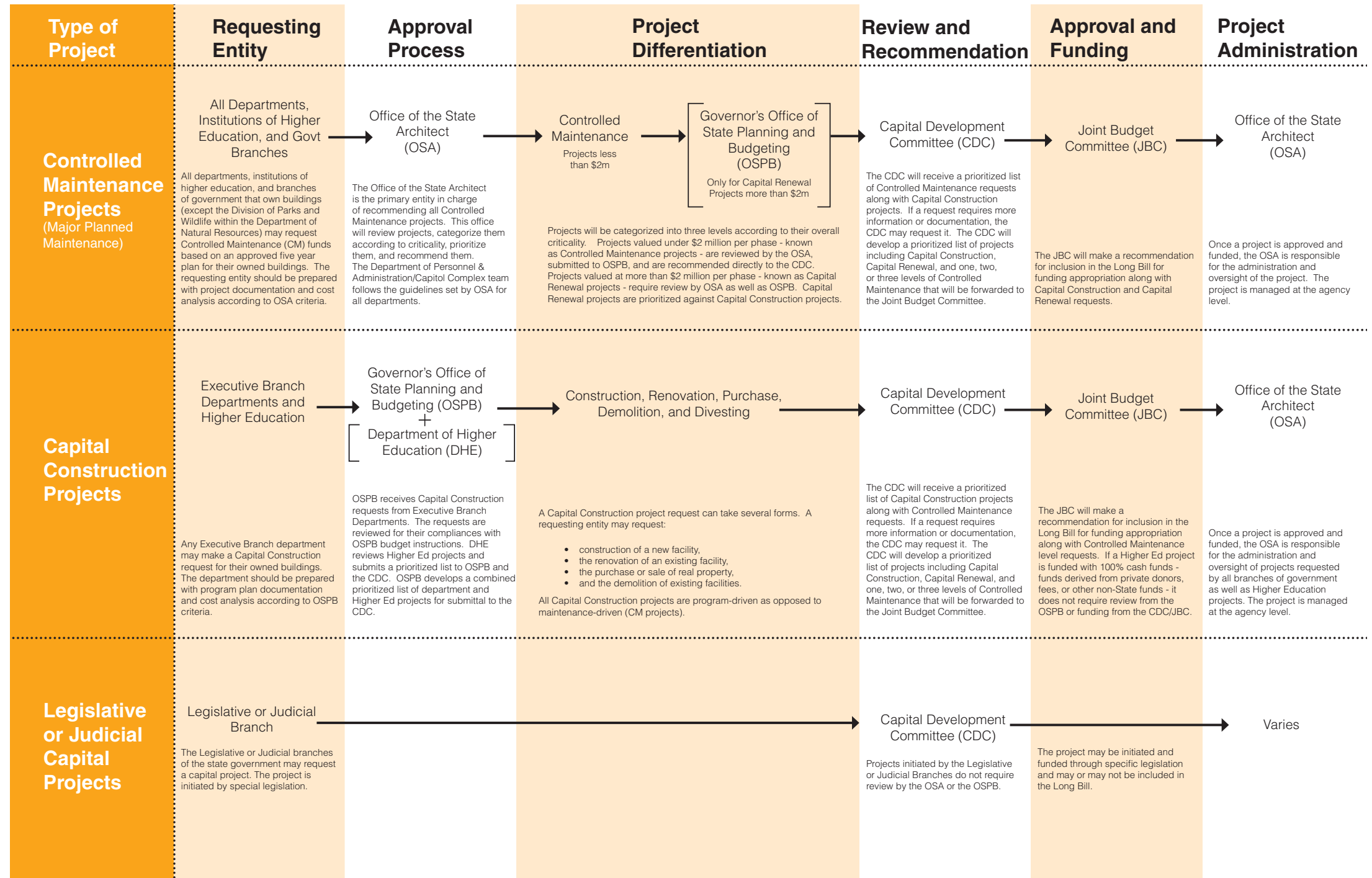
Capital Construction Approval Process

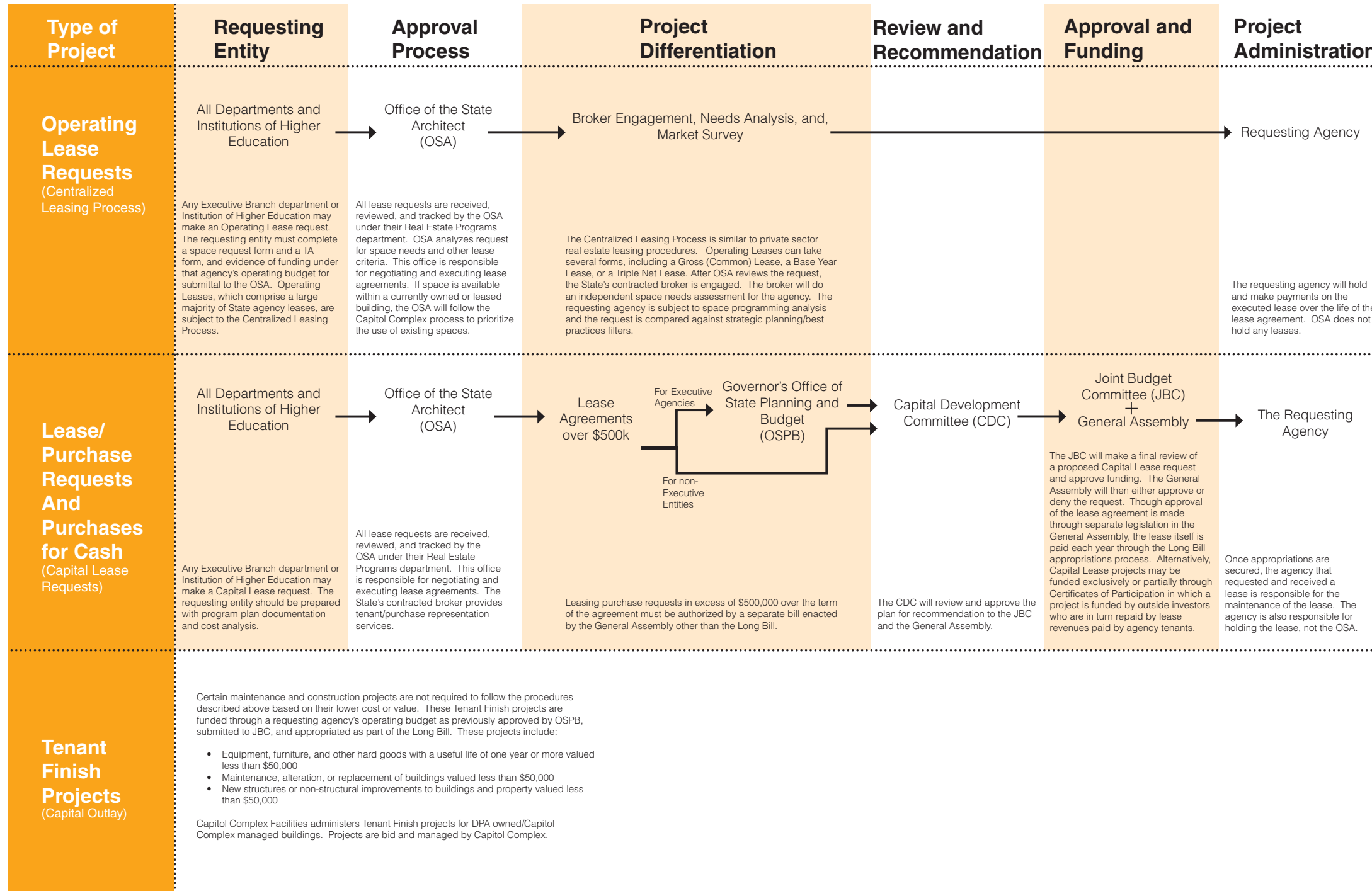
According to statute, “it is the policy of the General Assembly not to acquire sites or authorize or initiate any program or activity requiring capital construction or acquisition of a capital asset . . . for any State department or subdivision thereof unless the program or activity is an element of the facilities program plan for the department.” [Section 2-3-304.6, C.R.S.] Consequently, capital construction projects are program driven and an agency must justify a capital request based on how the project will allow it to improve or alter its ability to provide a certain program or services.

Requests from Executive Branch Agencies

- Capital construction and acquisition projects are initiated by individual agencies.
- Agencies prepare program plans and justify their capital construction requests in accordance with criteria outlined by OSPB.
- Agencies then submit their requests to OSPB, which reviews the projects and prioritizes the agency requests based on priorities outlined by the Governor.
- The prioritized list of capital construction project requests is submitted to the Capital Development Committee, which reviews and holds hearings on the requests, requesting additional information, if needed. The Capital Development Committee then makes prioritized funding recommendations to the Joint Budget Committee for State-funding requests. The Capital Development Committee also makes recommendations for cash funded projects for State agencies and reviews higher education cash projects costing more than \$2 million.
- The Joint Budget Committee then makes a recommendation for inclusion of certain State- and cash-funded capital construction projects in the annual Long Bill, which delineates actual appropriations.

Table Showing Existing Decision Making Process in Colorado





Requests for Controlled Maintenance

In accordance with statute [Section 24-30-1303 (1) (k.5), C.R.S.], controlled maintenance requests are reviewed and prioritized by the Office of the State Architect prior to submission to the Capital Development Committee and OSPB using the following criteria:

- Level 1: critical projects that predominantly involve life safety issues or loss of use.
- Level 2: projects that are predominantly causing operational disruptions, energy inefficiencies, or environmental contamination.
- Level 3: projects that are predominantly containing differing levels of deterioration.
- Requests for Capital Renewal - controlled maintenance projects valued at more than \$2 million per phase.
- Capital renewal funding requests are reviewed and prioritized by the Office of the State Architect prior to submission to OSPB for legislative funding consideration.



Legislative Branch and Judicial Branch Projects

Projects initiated by the judicial branch and the legislative branch, as well as certain projects initiated in the executive branch, may be initiated by specific legislation.

These projects are reviewed by the Capital Development Committee, but are not reviewed by OSPB and are not subject to the specific criteria OSPB requires for project justifications and analyses in support of capital construction requests.

Higher Education Projects

- Capital construction and acquisition projects are initiated by each individual institution of higher education. Statute [Section 23-1-106 (3), C.R.S.] requires institutions of higher education to develop master plans, which must be approved by the institutions' respective governing board and by the Colorado Commission on Higher Education.
- Institutions must prepare program plans to justify their capital construction requests and align their program plans with their master plans.
- Governing boards review and approve the institution's capital construction program plan and ensure the request aligns with the institution's master plan.
- The Department of Higher Education also reviews the institution's capital construction request to ensure alignment with the institution's master plan; if projects are not aligned, the Department will not approve the request.
- If the Department of Higher Education determines that the capital construction request aligns with the institution's master plan, the project is submitted to the Colorado Commission on Higher Education.
- If the institution's capital construction request requires any amount of "State funds," which are primarily general funds deposited in the Capital Construction Fund, the Colorado Commission on Higher Education submits a prioritized list of higher education projects to OSPB for review and inclusion in the statewide prioritized list, and the project is processed in the same manner as the executive branch capital construction requests described above.

CAPITAL ACQUISITION AND CONSTRUCTION FINANCING (PROCESS)

Executive branch agencies receive funding for capital projects by submitting their requests to the OSPB, which prioritizes the projects for review by the CDC. The CDC makes recommendations for project prioritization and submits its recommendations for funding to the Joint Budget Committee for appropriation through the Long Bill.

Statute requires all lease-purchase agreements for real property in excess of \$500,000 over the term of the agreement, regardless of whether financed by COPs or "rent-to-own" agreements, to be specifically authorized by a separate bill enacted by the General Assembly other than by the Long Bill or a supplemental appropriations bill. [Section 24-82-801 (1) (a), C.R.S.]

Prior to the State Treasurer executing any lease-purchase transaction, OSPB (for Executive Branch agencies) and the Capital Development Committee must first review and approve the plans for the project. [Section 24-82- 802 (3) (d), C.R.S.] Subsequent lease payments are then annually appropriated in the operating or capital budget. The lease agreement itself is renewed each year through the Long Bill appropriations process.

POLICIES

Centralized Leasing Policy

"Ensure optimum use of State owned and leased space." The Centralized Leasing Policy, effective December 15, 2005, applies to all space acquisitions by executive departments and institutions of higher education whether by lease, sublease, lease/purchase, or license.

It requires all executive branch agencies (with a few exceptions), including institutions of higher education, to work through the Office of the State Architect to acquire leased space. According to the Office of the State

Architect, the Centralized Leasing Policy is triggered once an agency's Executive Director identifies a need for leased space and the agency has received an appropriation for its lease costs.

The Centralized Leasing Policy requires the Office of the State Architect to execute a contract with a real estate broker (the "contract broker") to assist with evaluating leased space options in the metropolitan area counties of Denver, Douglas, Arapahoe, Boulder, Broomfield, Adams, and Jefferson as well as for El Paso and Pueblo Counties in southern Colorado.

Note: Judicial and Legislative Branch agencies have authority to manage their own capital acquisition and construction projects without oversight by the Office of the State Architect or OSPB. Additionally, the Judicial and Legislative Branches are not subject to the Centralized Leasing Policy, but may use the services of the Office of the State Architect and its contract broker to assist with procuring leased space if desired.

- Executive Directors of individual State agencies have input on real estate decisions and capital project requests and have authority to make leasing decisions, if funds have been appropriated for that purpose. State agencies are also responsible for managing their own leases, once the agreement has been executed.
- State of Colorado Strategic Real Estate Plan recommends that the State develop comprehensive asset management strategies for the State's real property portfolio with the goal of reducing overall real estate costs and improving the efficiency and utilization of State leased and owned assets.
- Comprehensive Annual Report to the Capital Development Committee. The Office of the State Architect reports on acquisitions, dispositions, lease summaries, and other real estate management issues including ongoing capital construction and controlled maintenance expenditures and major maintenance needs.

Operating Common Policy (Reappropriated Funds)

Certain budget requests are common among government agencies and as a result require a common policy for requested level of funding. In Capitol Complex managed buildings, Operating Common Policy requests cover:

- Basic grounds maintenance, custodial services, property management services
- Capitol Complex security
- Basic building repairs

All agencies within Capitol Complex leased space have specifically appropriated line items in their operating budgets. The Department of Personnel & Administration (DPA) is responsible for developing and submitting the common policy allocations for all state agencies. The allocations, which are reviewed and approved by the OSPB, are submitted to the JBC for consideration and approval. Once the JBC provides its final approval, which would include any of their adopted changes, the final allocations are then appropriated in each agency's Long Bill section under the Capitol Complex Leased Space line item.

DPA provides the requested services through the Capitol Complex Facilities management group. The agencies, in turn, pay the DPA for these services based on the total square footage the agency occupies within the Capitol Complex. The DPA has spending authority in its budget that appears as Reappropriated Funds. Departments outside of Capitol Complex facilities make direct requests for funding that are not coordinated or administered by the DPA.





6.6 - PEER STATES

A brief summary of Colorado and seven peer states highlighting the key aspects of state-wide and capitol complex organizational structure, legislative process, and funding is provided below. In addition, key aspects of each state's facilities management structure including owned and leased space adjacent to the Capitol Complex, presence of statewide long-range planning, facility condition assessment, space standards, facility management entities, capital and controlled maintenance prioritization processes, and funding methods are highlighted in a diagrammatic form.



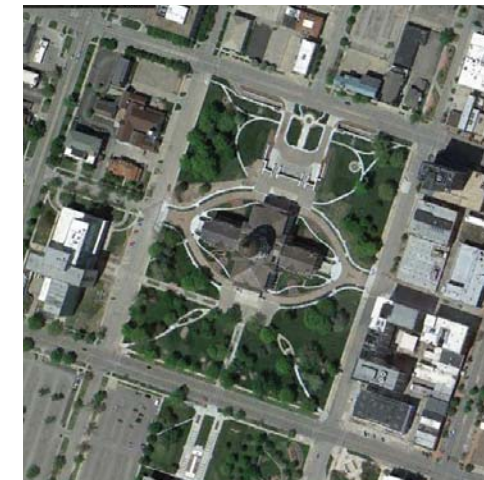
Colorado



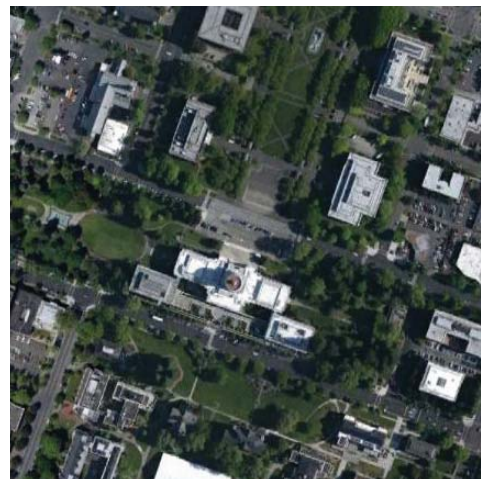
Arizona



Iowa



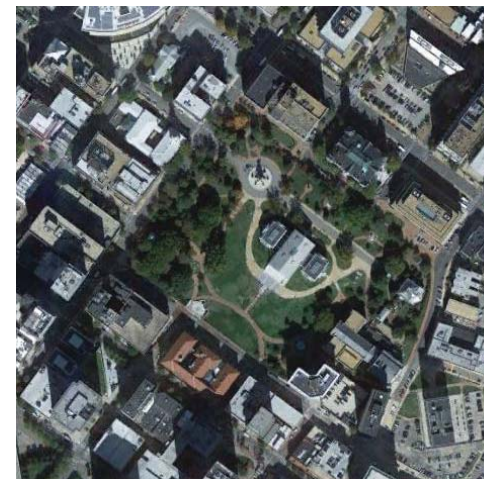
Kansas



Oregon



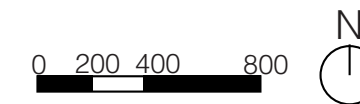
Texas



Virginia



Wisconsin





COLORADO

State Population: 5.2M

Capital City Population: Denver, 600,158

Facilities Management Organization: Decentralized

Capitol Complex Master Plan: December, 2014

For facilities planning and maintenance and the decision making framework specific to Colorado, refer to sections 6.3, 6.4, and 6.5.

The following components were highlighted in the Performance Evaluation of State Capital Asset Management and Lease Administration Practices Audit (November 2012).

Organizational / Governing Structure

A variety of agencies oversees and manages the State's real estate portfolio in a decentralized fashion.

Capital Construction Process

State practices for justifying capital construction requests are not consistent across branches of government.

State mechanisms for tracking, monitoring, reporting on expenditures, project assumptions, and cost savings are inconsistent across agencies and projects. In some cases they do not align with recognized real estate practices.

Funding for Controlled Maintenance

The State lacks sufficient funding for controlled maintenance and, if not addressed, controlled maintenance needs will likely result in higher repair and replacement costs for taxpayers.

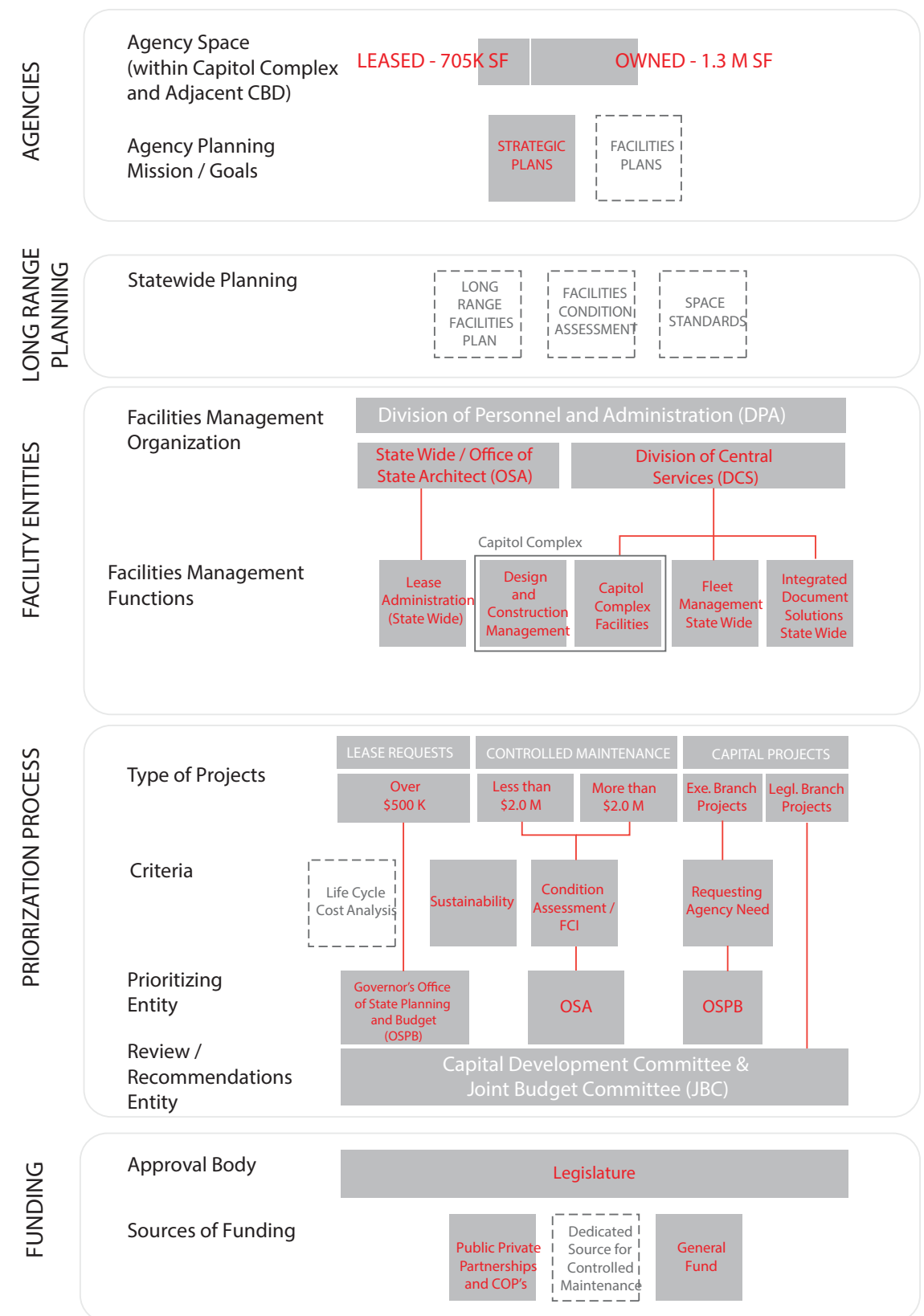
DPA / OSA has proposed the concept of accumulating between 1.5% to 3.0% of building replacement costs as a reserve to the Legislature. This approach has been reviewed, but not been approved.

Long Term Real Estate Planning

There is no statutory requirement for the State to complete a real estate master plan at the State level. Further, there is no statutory requirement that capital construction projects align or comply with master planning documents.

Individual State agencies are required to maintain facilities master plans and no capital construction may commence except in accordance with an approved facilities master plan.

In addition to the above findings, the following additional facility management related issues may require consideration within the context of this master plan.





ARIZONA

State Population: 6.4M

Capital City Population: Phoenix, 1.5M

Facilities Management Organization: Modified Decentralized

Statutory Authority over Capitol Complex Planning:

Legislative Governmental Mall Commission

Capitol Complex Master Plan: Last prepared in 1989

The Arizona Department of Administration (ADOA) / General Services Division (GSD) is one of the three (Arizona Board of Regents and Arizona Department of Transportation being the other two) major state building systems within Arizona. The lease-purchase agreements passed in 2010 have changed the ADOA system drastically. These agreements have resulted in increased private sector involvement in the provision of government services, ownership and administrative responsibilities which is currently debated. About 22 facilities were included in the lease –purchase agreements including the Executive Tower, the Legislative buildings, the Department of Public Safety Headquarters, various State prison facilities and other assets of the State. Under the terms of the lease purchase agreements, the lessee is responsible for the general upkeep and maintenance of the property. The lease purchase agreements did not include lease back of the Arizona Capitol Museum.

Building and Planning Services division within GSD provides facilities management services for the statewide real estate portfolio. Legislative Governmental Mall Commission (LGMC) has the statutory authority to provide a comprehensive general plan for the development of

the governmental mall. Last Governmental Mall Plan was prepared in 1989 by LGMC. Also, Arizona State Capitol Centennial 2012 Plan/2020 Vision was prepared by Arizona Chapter of American Institute of Architects and Arizona State University recently.

The Office of Strategic Planning prioritizes agencies’ five-year Strategic Plans. GSD uses a Capital Improvement Plan (CIP), Building System Inventory (conducted every four years), and a building renewal funding formula to prioritize projects. The CIP prioritization process is used for both Controlled Maintenance (CM) and Capital projects. Recommendations are reviewed by the Joint Legislature Budget Committee (JLBC) and Joint Committee of Capital Review (JCCR). It is notable that CM projects have a dedicated source of funding in Arizona. Major capital projects (land acquisition and new construction) and building renewal projects are funded from the Capital Outlay Stabilization Fund (COSF). A.R.S § 41-792.01 establishes the Capital Outlay Stabilization Fund (COSF) and allows ADOA to collect rents and tenant improvement charges from State agencies occupying State owned space. ADOA does not have a space standard policy.

AGENCIES



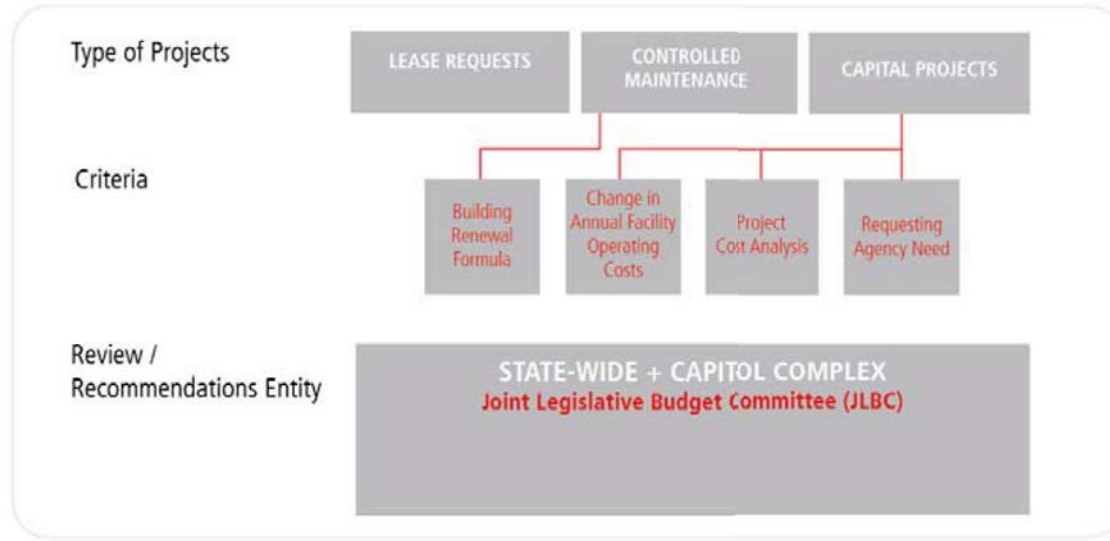
LONG RANGE PLANNING



FACILITY ENTITIES



PRIORIZATION PROCESS



FUNDING





IOWA

State Population: 3.0M

Capital City Population: Des Moines, 206,688

Facilities Management Organization: Centralized

Statutory Authority over Capitol Complex Planning:

Capitol Planning Commission

Capitol Complex Master Plan: Last prepared in 2010

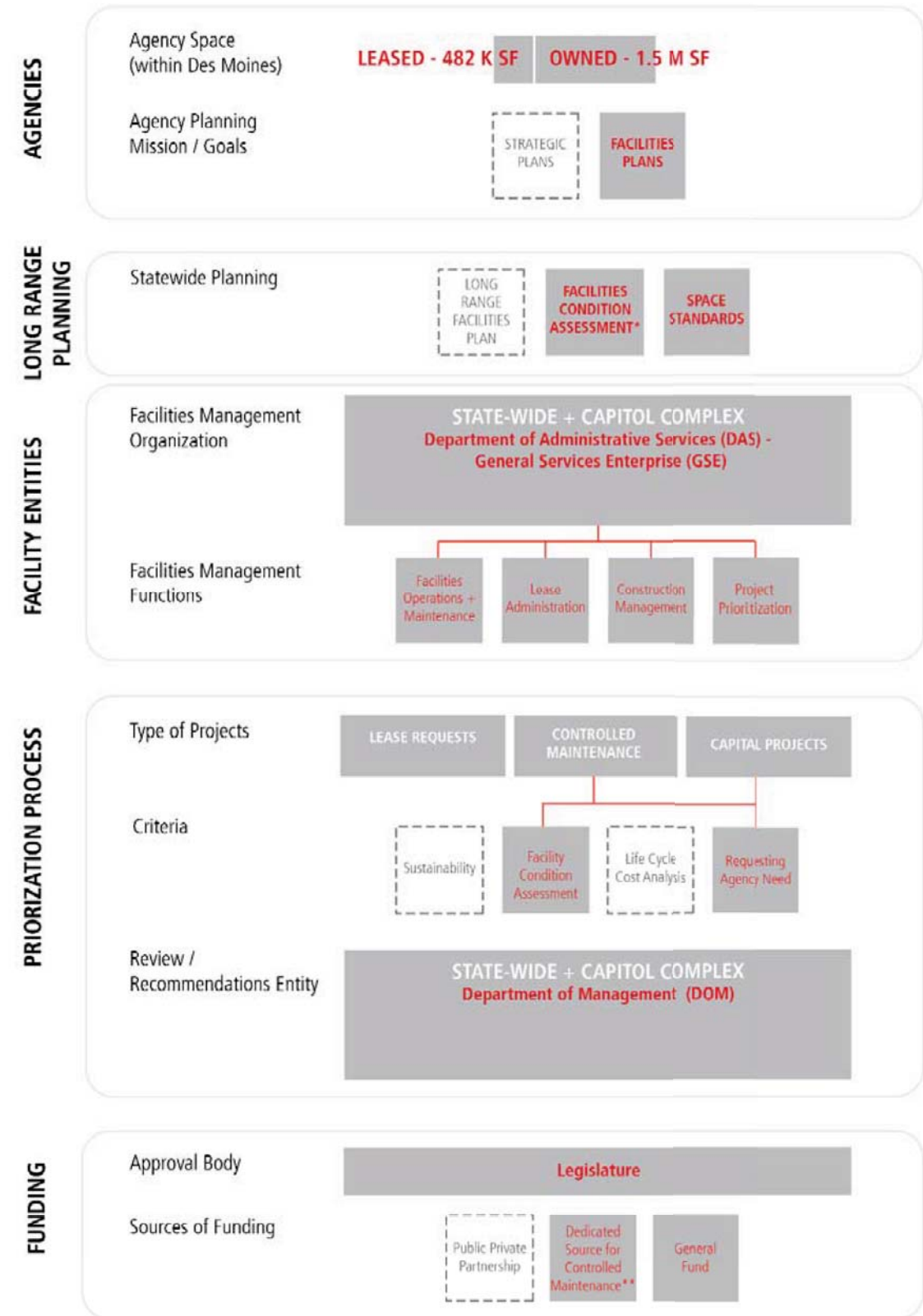
Iowa has made an organizational shift in facility management that embraces an entrepreneurial management model. General Services Enterprise (GSE) was established under the Department of Administrative Services (DAS). DAS claims to be the first state government agency in the country to successfully implement entrepreneurial management as a business model. This model requires each state enterprise to operate as a business within state government focusing on customer satisfaction, streamlining operations, saving money, and resource use flexibility.

Central to running an efficient system, Iowa's approach to space management is maximizing the facilities under the State's control for state agencies with an explicitly stated goal of reducing their total leased space holdings to 15% of the State's total space inventory.

DAS / GSE do not prepare comprehensive long-range statewide facilities plans. All agencies submit five-year

facilities plan to DAS. However DAS prepares five-year infrastructure plans that include capital construction and renovation funding requests for all state agencies with priorities and ranking of projects. The latest master plan for the Iowa State Capitol was completed in 2010 by the GSE and the Capitol Planning Commission (an update to 2000 Master Plan).

Iowa has established the Rebuild Iowa Infrastructure Fund, a dedicated funding source for Controlled Maintenance, to address the backlog of deferred maintenance that faces the State. Building Renewal funds are allocated on a per agency square footage basis. DAS prioritizes and ranks projects and then recommends them to the Joint Committee on State Building Construction. One of the tools that DAS relies on to help identify project prioritization is the Facility Inventory and Database. In regards to space standard allocations, Iowa uses a tiered space standard policy with guidelines provided per category of position.



* Iowa Vertical Infrastructure Program provides facility condition reports, however the associated Vertical Infrastructure Advisory Committee that provided actionable recommendations was disbanded due to Governor Branstad's Executive Order 79
 ** Only major maintenance is dedicated through the Rebuild Iowa Infrastructure Fund (RIIF), Tobacco Settlement Trust Fund (TSTF II), Revenue Bonds Capital Funds (RBCF and RBCF 2), regular maintenance is funded through RIIF.





KANSAS

State Population: 2.8M

Capital City Population: Topeka, 127,473

Facilities Management Organization: Centralized

Statutory Authority over Capitol Complex Planning:

Department of Administration and Capitol Preservation Committee

Capitol Complex Master Plan: No document found, Master Plan currently under development

The Department of Administration's (DA) Office of Facilities and Property Management (OFPM) has statutory authority over the state's real estate portfolio and responsibility for the long-term planning for all state-owned or leased buildings and storage spaces. The DA has authority to maintain the Capitol Complex plan in a current state. The DA is currently preparing a new comprehensive Capitol Complex Master Plan. The Kansas Capitol building has undergone recent renovations.

Each agency prepares and submits separate five-year facility plans. Since there is no single State agency appointed to manage, vet, and prioritize proposals, this lack of organization presents an unclear process to seek approval, or establish criteria to aid in determining which projects are eligible and how to prioritize projects to help streamline budgeting and approval processes.

Building renewal budget is calculated based on actual need of agencies. Agencies submit budgets to the Joint Committee on State Building Construction for review as part of the five-year facility plans. Capital projects are reviewed by the Division of the Budget for development of the Governor's recommendations and by Joint Committee on State Building Construction. Office of Facilities and Property Management in the Department of Administration provides technical support to the State Building Advisory Commission.

Kansas has stated that they grant priority to maintaining existing facilities and each project is approved based on actual need. Most projects are funded through direct appropriations in the State General Fund, building funds, and special revenue funds.

Kansas uses a tiered space standard policy with guidelines provided per category of position.

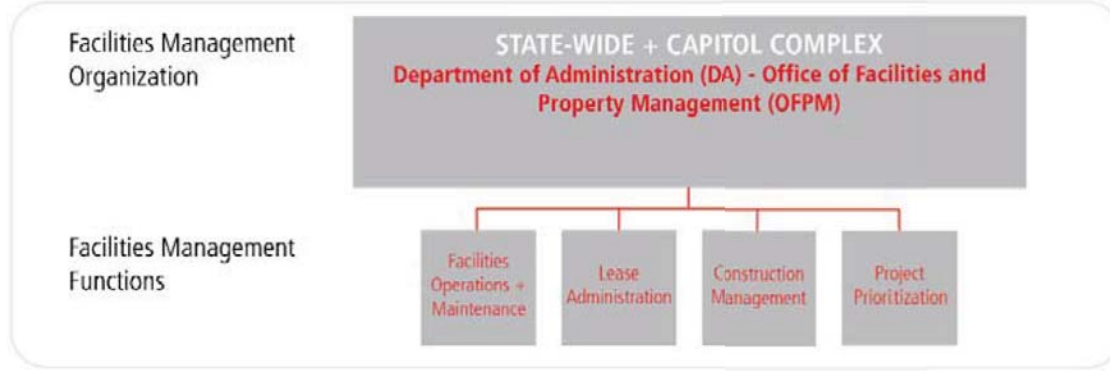
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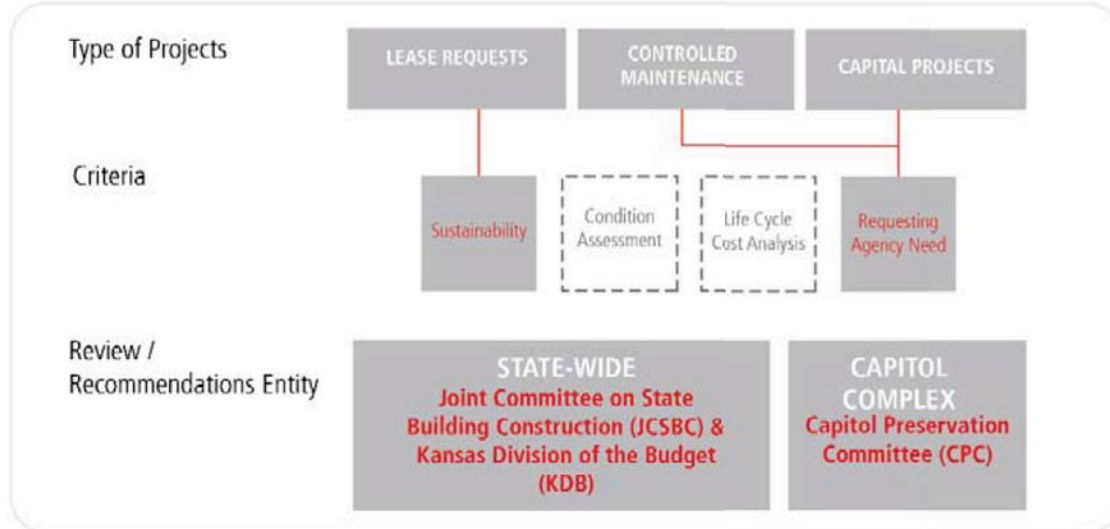
LONG RANGE PLANNING



FACILITY ENTITIES



PRIORIZATION PROCESS



FUNDING





OREGON

State Population: 3.8M

Capital City Population: Salem, 154,637

Facilities Management Organization: Modified

Decentralized

Statutory Authority over Capitol Complex Planning:

Legislative Administration Committee

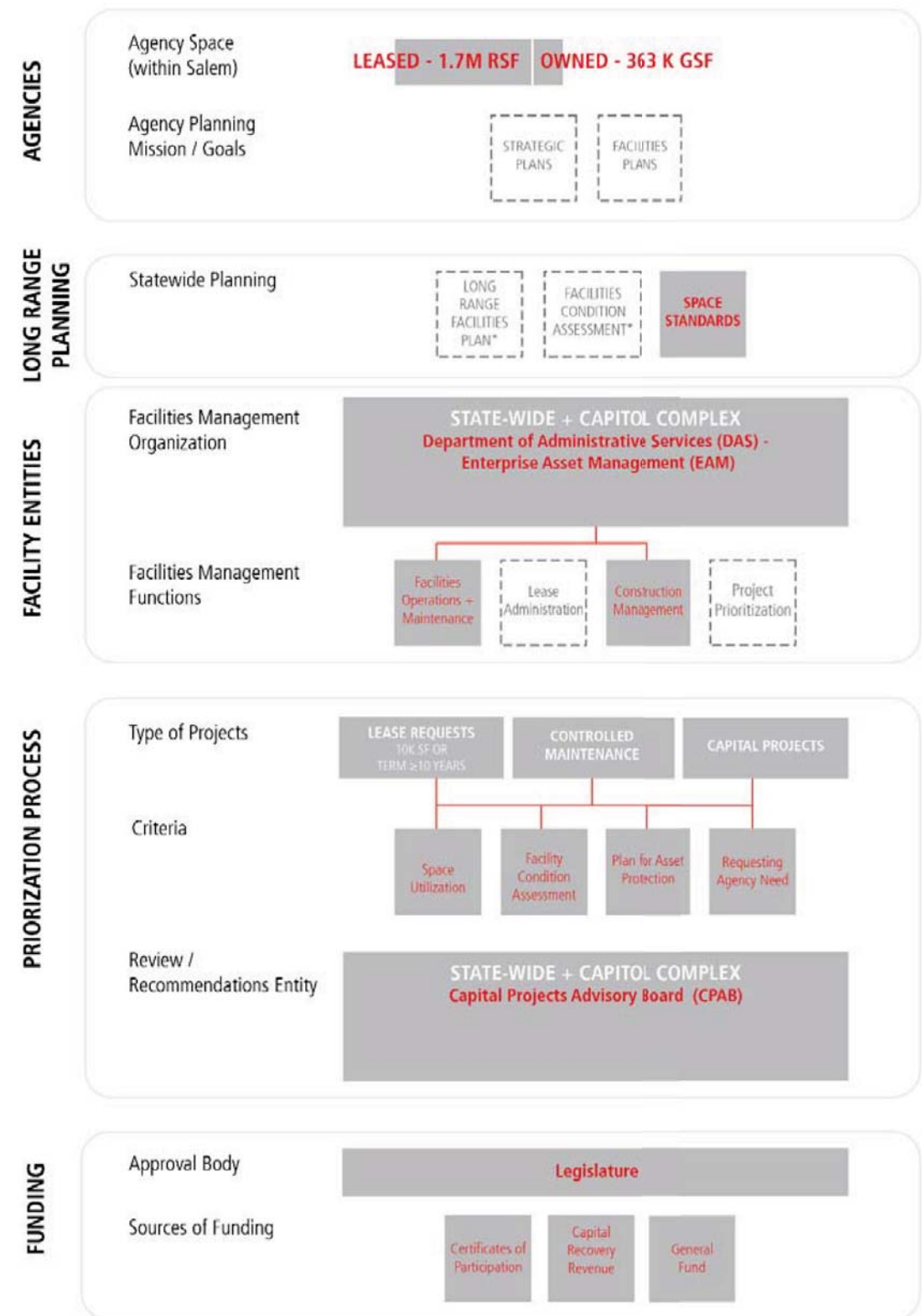
Capitol Complex Master Plan: Area Plan last prepared in

1992, Capitol Building Plan last prepared in 2009

The Department of Administrative Services (DAS) was given a legislative mandate in 1997 to plan, finance, acquire, construct, manage, and maintain state government facilities and to establish a statewide facility management process. The Capital Projects Advisory Board (CPAB) was created at the same time to establish a public review process for the proposed major (above \$1 million) capital projects, major deferred maintenance projects, and significant leases (10,000 SF or more) of all state agencies. DAS established State Facilities Planning Process Manual in January 2012 that establishes guidelines and policy framework for the state facilities planning process. The manual provides creation of State Facilities Plan by each agency consisting of an agency's respective space needs, leasing, building maintenance needs, and construction plans to be submitted to CPAB. Due to relatively recent adoption of the Facilities Process Manual, the consultant was not able to access copy of the State Facility Plan to ascertain if the guidelines are in the process of implementation as mandated by legislature.

The Capital Planning Commission (CPC), was re-established in 2009 to review and make a recommendation before a state agency to a proposal for the purchase, construction, or significant change of use of a state building (more than \$1 million), within the cities of Salem and Keizer. Additional duties of the CPC include adopting Area Plans and Capitol Mall Area Master Plan. CPC advises DAS on planning and location of state buildings in Salem and Keizer.

Recent Capitol Master Plan was completed in 2009 by SRG Partnership, and was solely focused on the Capitol building. Capitol Mall Area Plan was completed by the Capitol Planning Commission in 1992 by the Capitol Planning Commission.



* Executive Order 10-11 required DAS to develop a comprehensive plan for implementing long term capital planning, including facility assessment and deferred maintenance. No document found to suggest action has been taken on this plan.





TEXAS

State Population: 26.0M

Capital City Population: Austin, 842,592

Facilities Management Organization: Modified Centralized

Statutory Authority over Capitol Complex Planning:

Texas Facilities Commission and Preservation Board

Capitol Complex Master Plan: Last prepared in 1989, currently a detailed Capitol Complex Master Plan document has been proposed

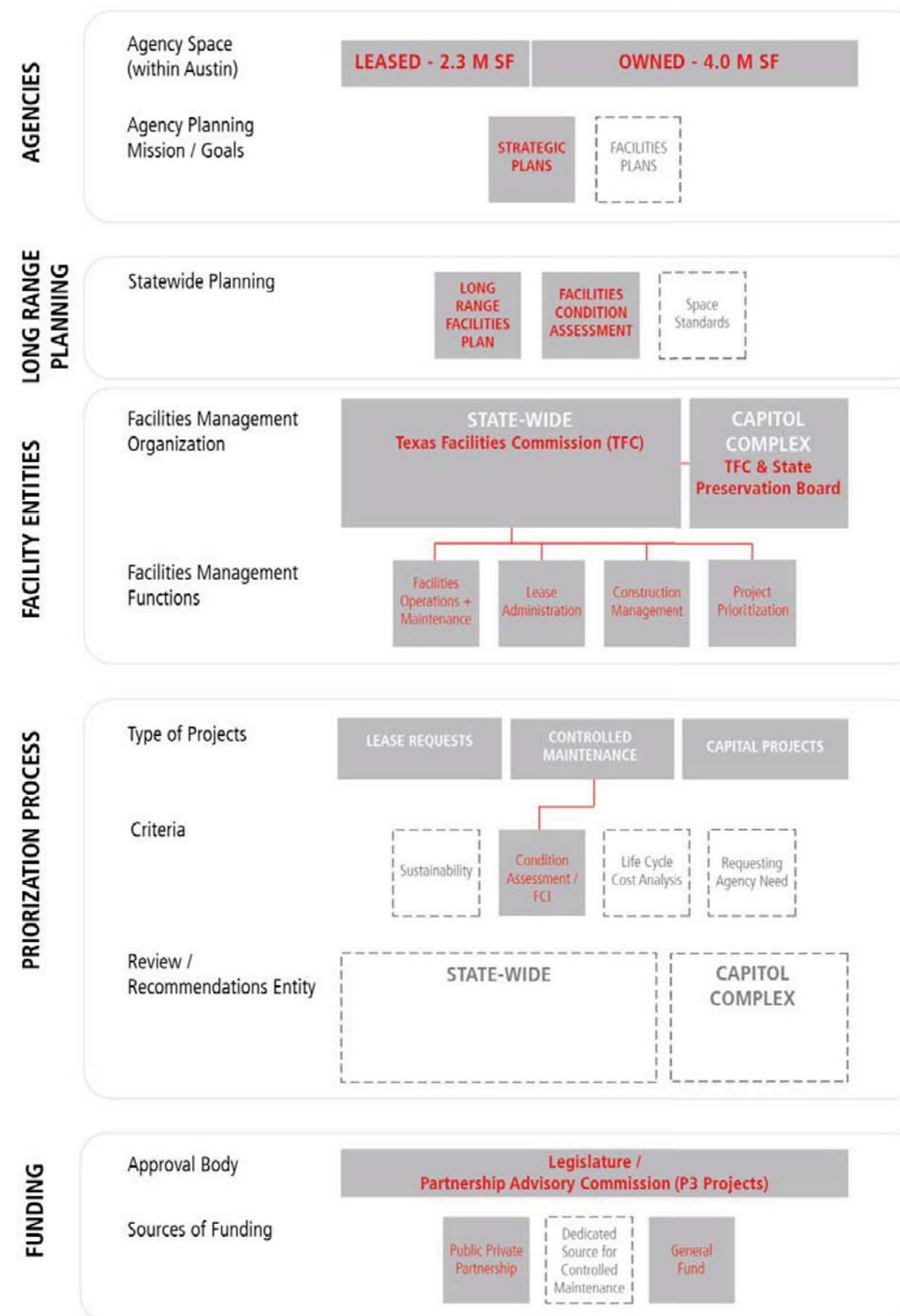
The Texas Facilities Commission (TFC) is a state-wide entity that oversees facilities planning, development, management, and operations. The goal of the TFC is to advance statewide planning by engaging state agencies for long-range planning and facilities condition assessment. The TFC prepares a biennial Statewide Facility Master Plan which assesses and directs long-term asset management and development strategies for state-wide assets.

The TFC relies on robust database and Facilities Condition Index (FCI) information to help prioritize projects for consideration that they submit to the Legislature for approval. State agencies have direct input in the Facilities MP process. TFC issues a Request for Information (RFI) to each agency to which they are required by law to respond. In 2006, TFC performed a comprehensive facility condition assessment that identified an extensive backlog of repairs and renovations for all state-owned office buildings maintained by the agency.

A new building – the Capitol Extension located on the north side of the Capitol, is a four-level underground structure (667,000 GSF) which was completed in 1993 by the State Preservation Board. It was built to provide the Capitol with much-needed additional space. It is connected to the Capitol by three pedestrian tunnels.

General obligation bond funding is usually requested by TFC to fund backlog of deferred maintenance projects. TFC has been at the forefront of Public Private Partnership (P3) land monetization strategy to consolidate leases to the Capitol Complex and at other under-developed state-owned locations within Austin. The Public and Private Facilities and Infrastructure Act, was passed to encourage redevelopment of underdeveloped and underutilized state owned properties.

In the State's Sunset Advisory Commission (2013) Report, TFC has been criticized for lack of coordinated, transparent approach to planning future development of the Capitol Complex, and for its current approach to P3's for its need for additional safeguards to avoid exposing the state to significant risks. TFC does not have space standards.





VIRGINIA

State Population: 8.0M

Capital City Population: Richmond, 204,214

Facilities Management Organization: Centralized

Statutory Authority over Capitol Complex Planning:

Department of General Services and Bureau of Facilities Management

Capitol Complex Master Plan: Last prepared in 2005

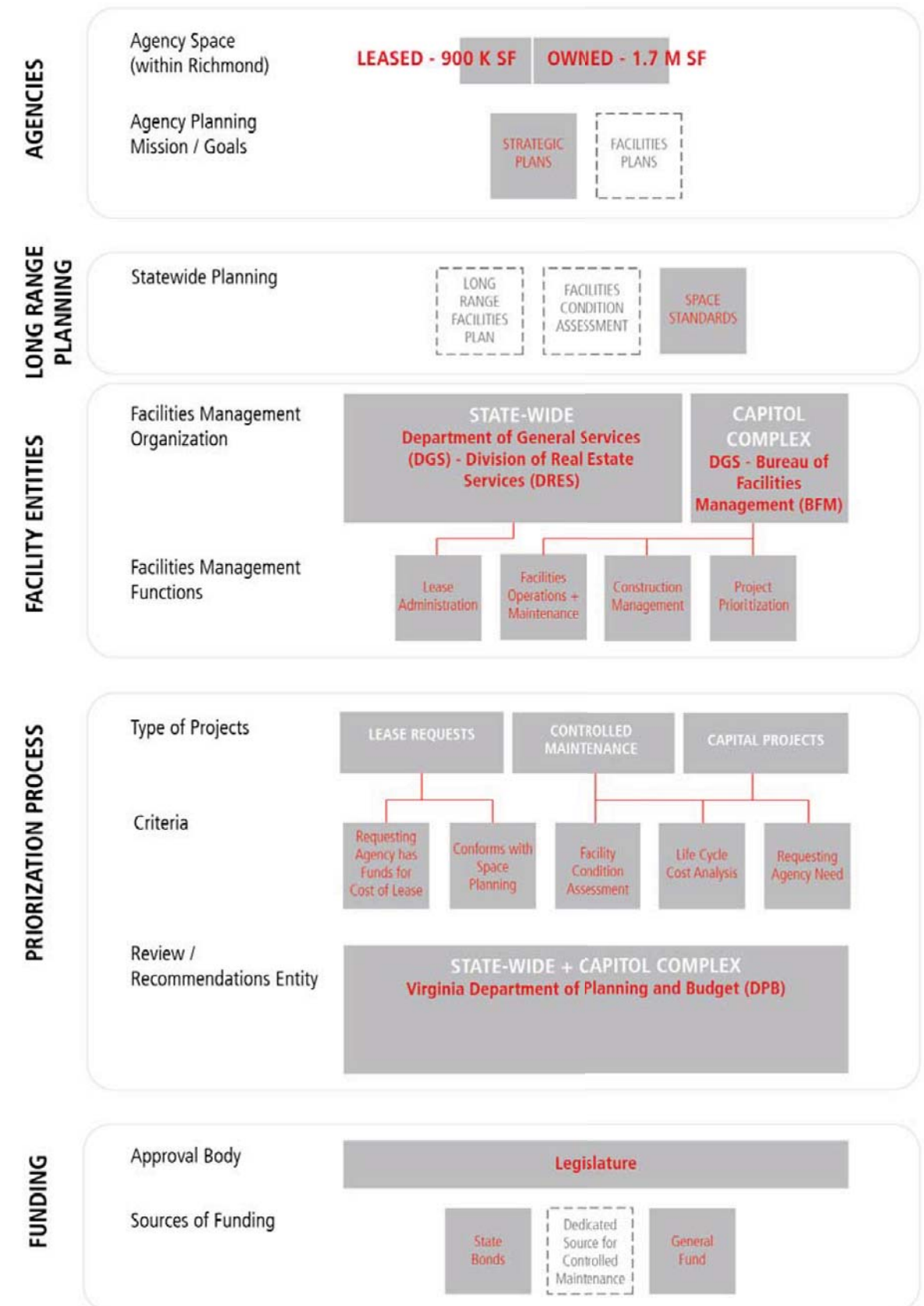
The Commonwealth of Virginia's Department of General Services (DGS) – Division of Real Estate Management focuses on State-wide facilities management; this division was created in 2005 to supplement the DGS's Bureau of Facilities Management (BFM) work which is now solely focused on the Capitol Complex and greater Richmond metro area.

DGS or DRES do not prepare statewide plans. Statewide real estate strategic planning was outsourced to CBRE in 2003. Initial statewide plan was prepared by CBRE that included review of agency missions and needs. DRES was formed in 2005 as result of CBRE recommendations. DRES works with agencies to prepare real estate strategic plans since 2008. DGS / BFM prepare comprehensive Capitol Complex Master Plans every five years.

DGS maintains a Facilities Inventory Conditions & Assessment System (FICAS). FICAS is a centralized database with building condition assessment information that provides agencies, the Governor, and General Assembly with an effective capital planning tool. A list

of maintenance reserve projects is prepared for the six year plan by the DGS and submitted to the Department of Planning and Budget (DPB) for capital projects and maintenance reserve budgetary purposes. DGS and DPB use FICAS to manage and prioritize capital project and maintenance reserve requests in consultation with agencies.

Controlled maintenance and capital projects must consider facilities condition assessment, life-cycle cost analysis, and requesting agency's need. DPB then submits prioritized list to the Legislature for their review and approval. Central Capital Outlay serves as a capital maintenance, construction, and renovation 'holding account' to better manage state resources including general fund and non-general fund cash, tax-supported debt, and revenue bonds. Budgetary process requires agencies to provide a Master Plan and multi-year Capital Development Plan in a biennial budget capital outlay request to the General Assembly. Approval by the State Division of Engineering and Buildings is required before a project can proceed from one design stage to another.





WISCONSIN

State Population: 5.7M

Capital City Population: Madison, 233,209

Facilities Management Organization: Centralized

Capitol Complex Master Plan: No document found

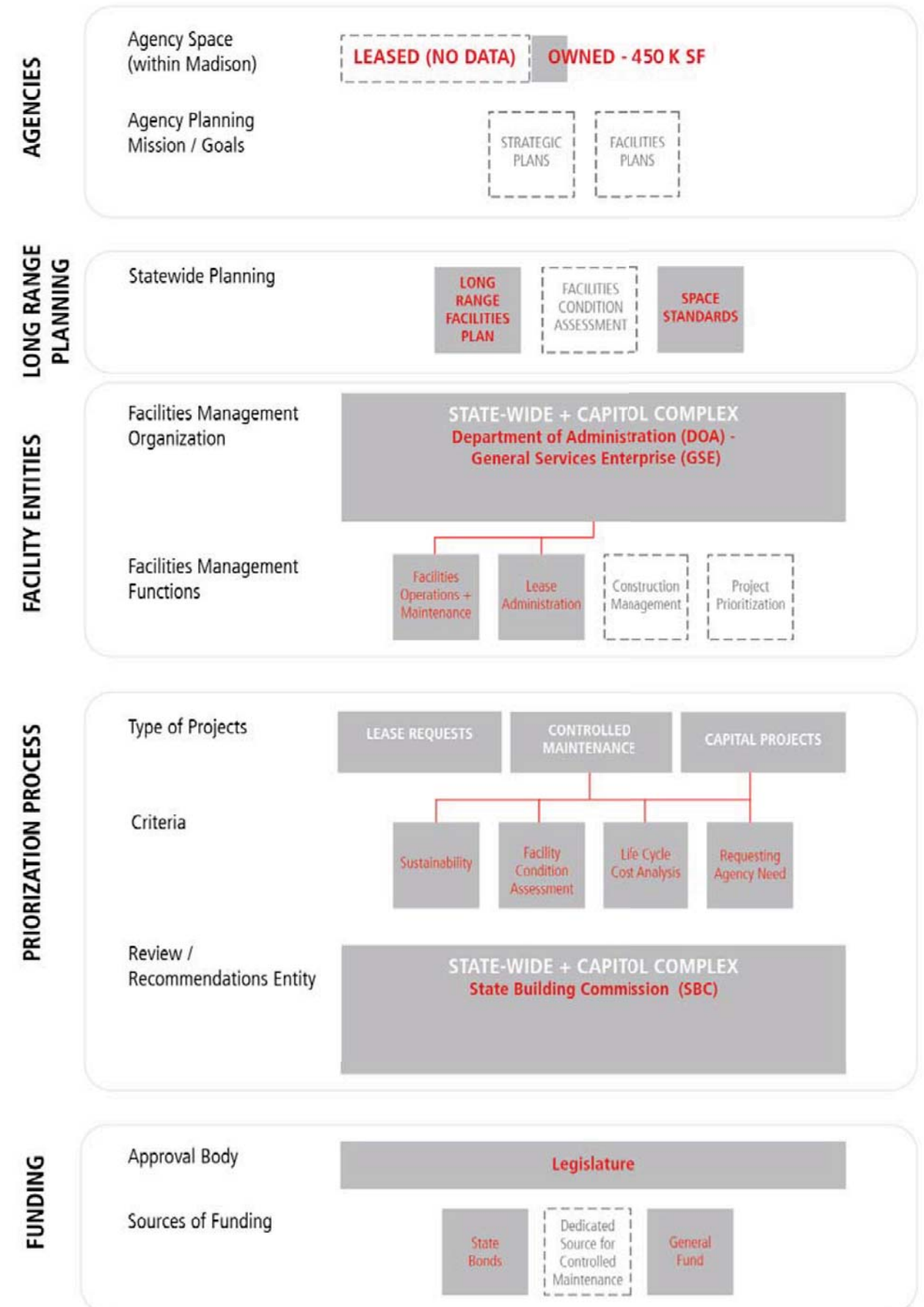
Wisconsin's Department of Administration (DOA), Division of State Facilities (DSF) is divided into two functional units: the Division of Facilities Development (DFD) and the Division of Facilities Management (DFM).

DFD oversees all aspects of planning, facility management, and capital investment for the State's real estate portfolio, but requires Wisconsin Building Commission approval for all projects greater than \$185,000. DFM assists tenants, customers, and vendors in state facilities by providing building management, custodial services, craftwork, heating and power plant operations, energy conservation, LEED EB, sustainability, and emergency planning. DSF's purview includes both state-wide and Capitol Complex facilities.

The State of Wisconsin Building Commission (WBC) oversees the planning, improvement, major maintenance, and renovation of state facilities. WBC is an eight-member body consisting of the governor, three state senators, three state representatives, one citizen member and three non-voting advisory members from the DOA.

The Administrative Affairs Subcommittee of the WBC is responsible for reviewing building program requests of all non-higher education state agencies. The powers and responsibilities of the Commission were enlarged in 1969 to include the supervision of all matters relating to the contracting of public debt. The DOA's Division of State Facilities provides technical and administrative staff support to the WBC, while the WBC provides criteria for capital projects, building renewal, and controlled maintenance for agencies.

WBC prioritizes capital projects and then submits them to the Legislature for their consideration and approval. The criteria for controlled maintenance and capital projects include: sustainability, facilities conditions assessment, life-cycle cost analysis, and requesting agency's need. DSF uses a tiered space standard where space per FTE employee is allocated by virtue of position.



6.7 - BEST PRACTICES STATES

Based on the research and comparative analysis of the peer states, interviews with the respective state facility management officials of the three best practice states – Minnesota, Utah and Washington – were conducted following the preliminary benchmarking research. These interviews helped confirm the research findings and provided an understanding of how these states manage and operate their respective facilities portfolio, particularly within the Capitol Complex, prioritize future capital construction, building renewal and controlled maintenance projects, and plan for future space needs.

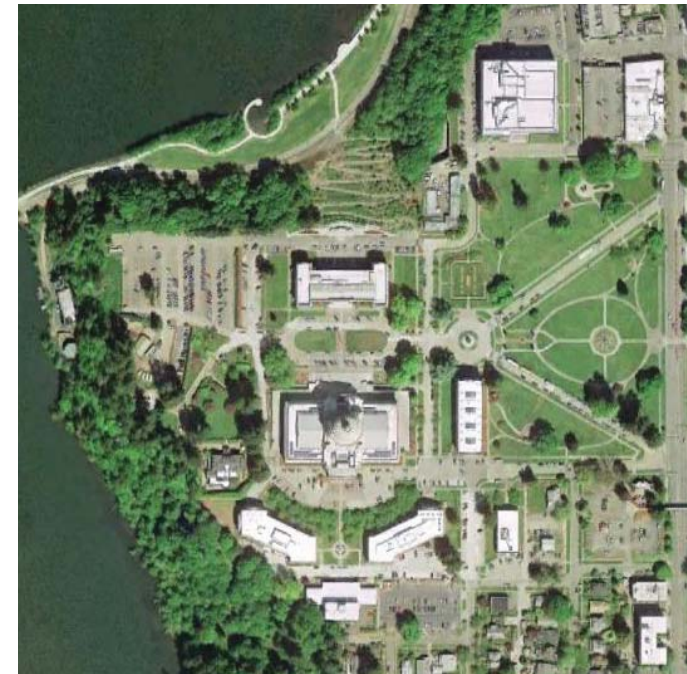
A brief summary of each best practice state highlighting its key aspects of state-wide and capitol complex organizational structure, legislative process, and funding is provided below. In addition, key aspects of each state's facilities management structure including owned and leased space at the Capitol Complex, presence of statewide long-range planning facility condition assessment, space standards, facility management entities, capital and controlled maintenance prioritization processes, and funding methods are highlighted in a diagrammatic form.



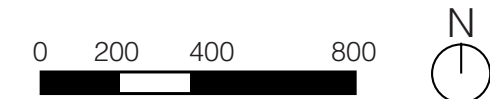
Minnesota



Utah



Washington





MINNESOTA

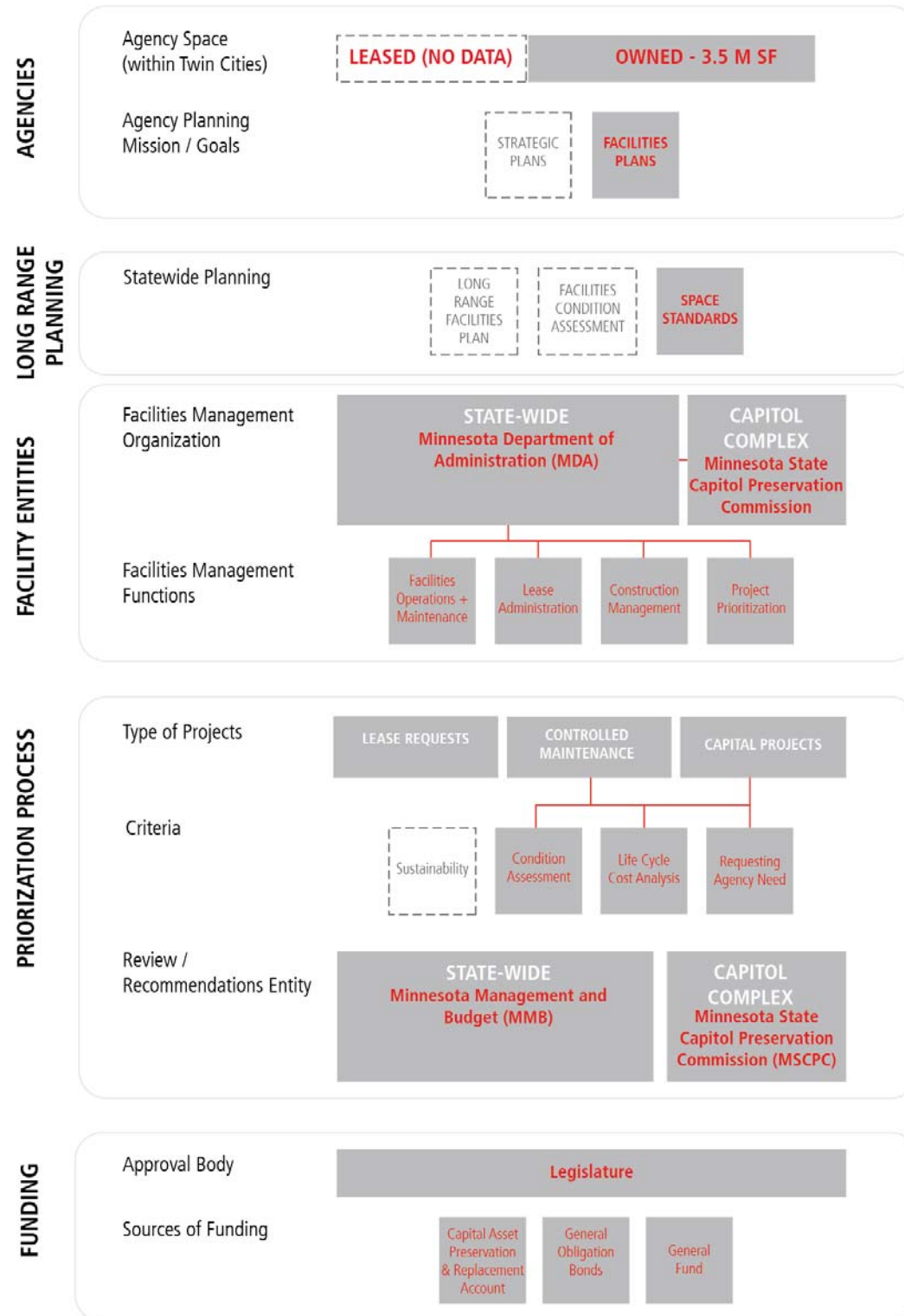
State Population: 5.3M

Capital City Population: St. Paul, 285,068

Facilities Management Organization: Modified Centralized

Statutory Authority over Capitol Complex Planning: Plant Management Division

Capitol Complex Master Plan: Prepared in 2013, focused on capitol building



State of Minnesota is comparable in population to the State of Colorado thus providing an interesting comparative analysis. The Minnesota Department of Administration (MDA) and the Plant Management and Real Estate and Construction Services (RECS) teams maintain, operate, and manage all State real estate assets and construction projects.

Planning at the Capitol Complex is conducted by either the Capitol Area Architectural and Planning Board (CAAPB) or Minnesota State Capitol Preservation Commission (CPC). The CAAPB is mandated to develop a comprehensive use plan for the Capitol Complex. The 1998 Comprehensive Plan for the Capitol Complex was updated in 2003 by the Planning Board. The CPC is mandated to develop a comprehensive plan for the restoration of the Capitol building. Capitol report was prepared by the CPC in 2013 that identifies maintenance obligations and space requirements.

Despite the lack of state-wide facilities planning, a one-time State Facility Audit was prepared. Minnesota links agency strategic plans with budget process and requires agencies to include controlled maintenance requests as part of their budget planning consideration. Agencies are expected to submit long-term plans for capital budget

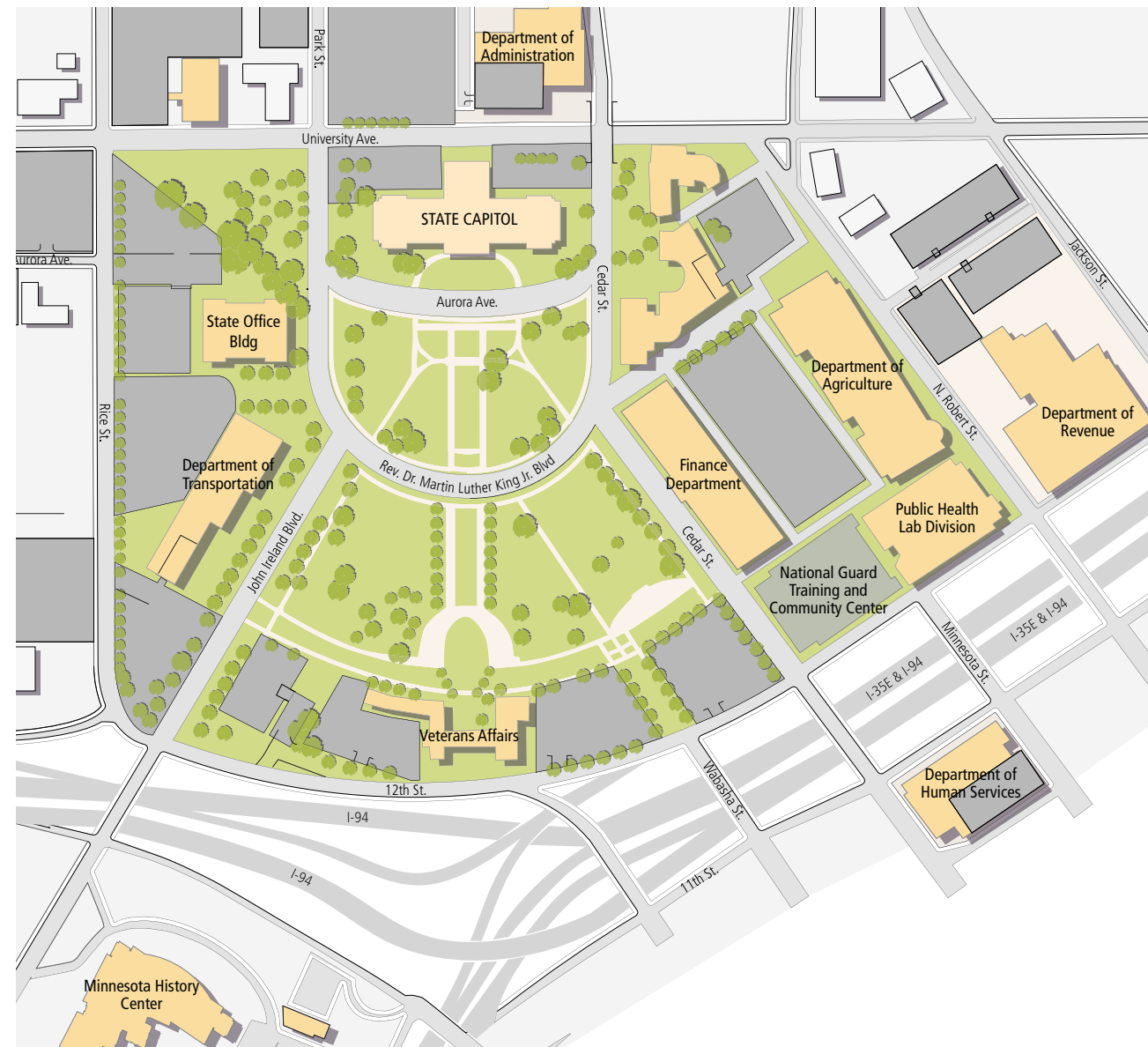
requests to the Minnesota Management and Budget (MMB). Long term plans are then linked to capital budget process by MMB. A backlog of Controlled Maintenance is funded by a dedicated funding source utilizing primarily general obligation bond funding; by statute this is set at 1% of current replacement value. MDA provides criteria for approval in the form of a comprehensive checklist which includes project impacts as a criterion. MMB applies these criteria to state-wide efforts. MMB expects agencies to identify, for each capital request, the project's impact on the agency's operating budget over the next six-years.

Minnesota has established innovative space standards that acknowledge and embrace the evolution of the workplace. These standards anticipate the shifts in workforce and work place which include designation of spaces for "resident" and "mobile" employees. The space standards assign space based on the specific need, promotes flexibility and adaptability, while economizing space need by driving up space utilization rates.

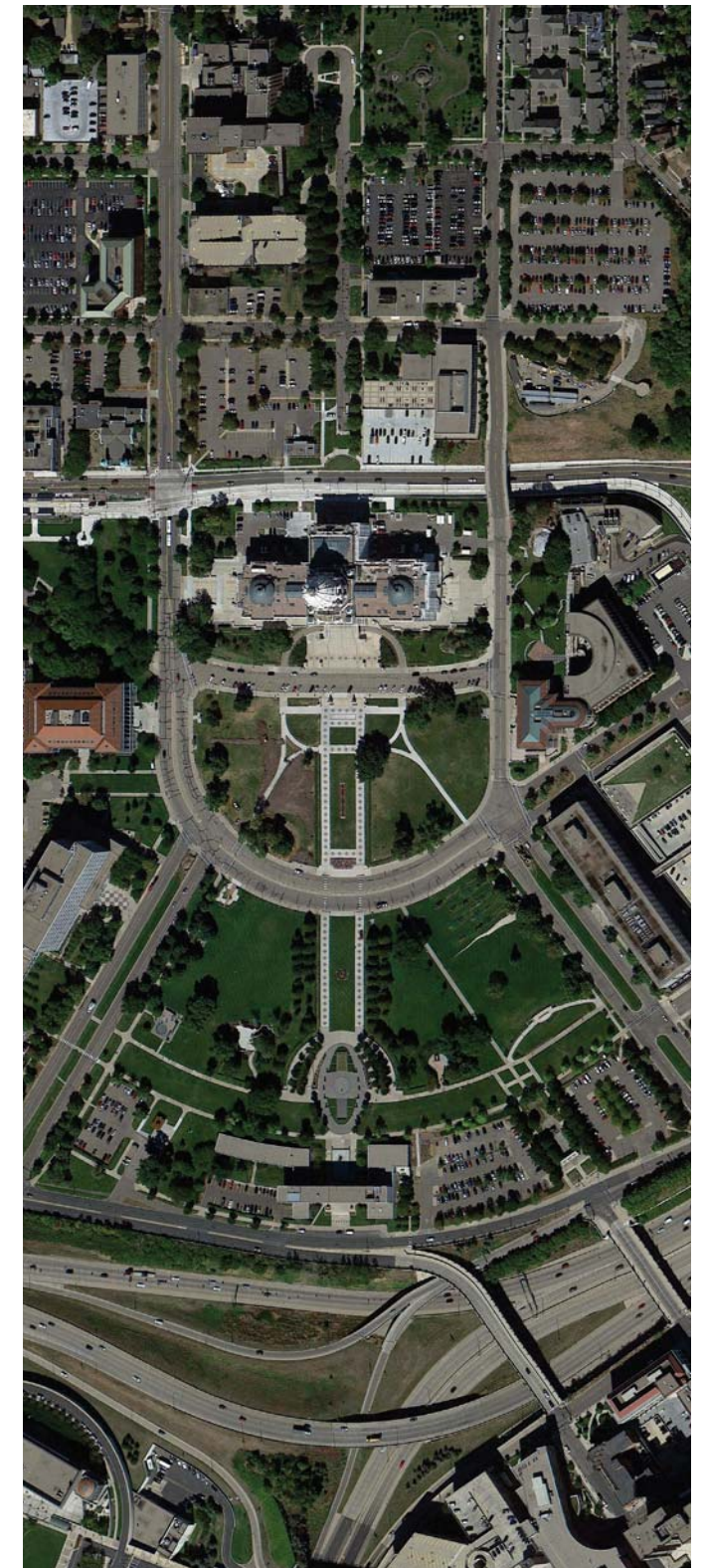


Additional details about Minnesota’s facilities management organization were collected from the interviews with the Minnesota Department of Administration (MDA) and Real Estate and Construction Services (RECS) divisions. The Following aspects of Minnesota’s facility management structure were identified as best practices relevant for the State of Colorado:

- Modified centralized organization structure of the Minnesota DAS.
- Linking of long range plans to the capital budget process by the MMB.
- Streamlined process set by the MMB for approving capital budget requests with a comprehensive checklist to be submitted by the requesting agency.
- Application of innovative space standards based on need and flexibility.
- Use of Enterprise Real Property System (Archibus) – A facility management system is being used by Minnesota that has helped standardize the Facility Conditions Assessment process throughout the state. All agencies are required to prepare FCA through Archibus System.



Minnesota Capitol Complex Site Plan





UTAH

State Population: 2.85M

Capital City Population: Salt Lake City, 189,314

Facilities Management Organization: Centralized

Statutory Authority over Capitol Complex Planning: State Capitol Preservation Board

Capitol Complex Master Plan: No document found, however State Capitol Board is obligated to prepare a long-range plan of the complex annually

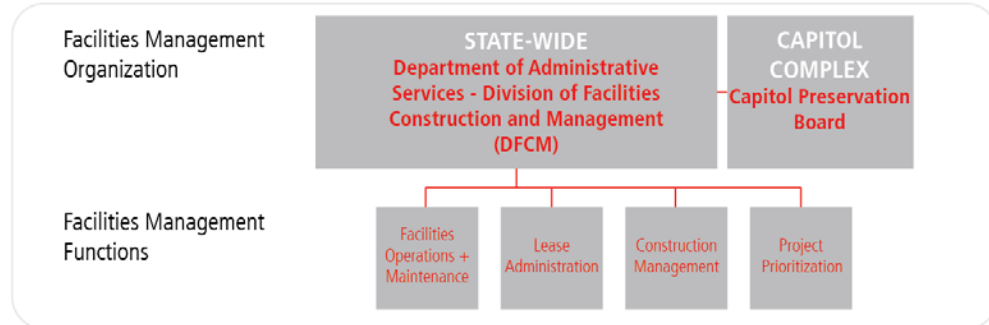
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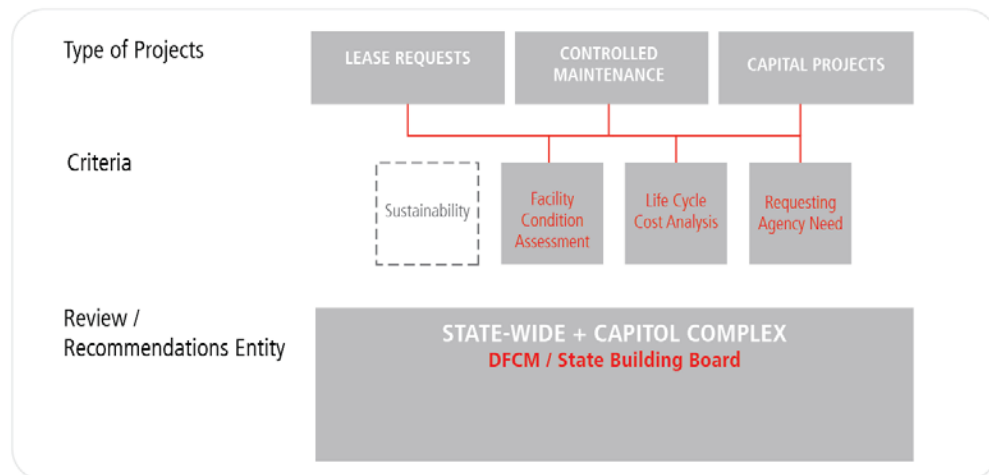
LONG RANGE PLANNING



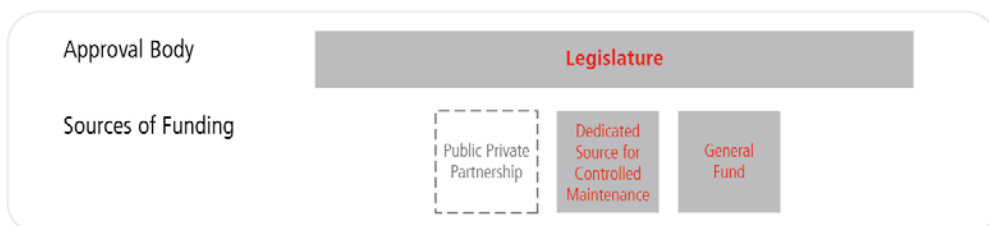
FACILITY ENTITIES



PRIORITIZATION PROCESS



FUNDING



* No Document Found

Utah's Department of Administrative Services (DAS) - Division of Facilities Construction and Management (DFCM), State Building Board, and Capitol Preservation Board work in concert to develop a plan and budget in a streamlined fashion. The Division of Facilities and Construction Management have statutory authority over the allocation of appropriations for the State's real estate capital expenditures, asset portfolio, and responsibility for the annual maintenance of a five-year capital development plan.

Utah State Building Board is required to develop and maintain a five-year plan that includes a priority list of capital development with additional detail for projects within the first two years. State Capitol Preservation Board is required to prepare and submit "long range master plan for the capitol hill complex, capitol hill facilities, and capitol grounds annually."

Utah has developed a robust list of criteria for capital projects, building renewal, and controlled maintenance projects. They include: the requesting agency's need; facility condition assessment that is performed by a third

party; and life cycle cost analysis. DFCM and the State Building Board apply the criteria to the projects under review to help prioritize projects that are recommended to the Legislature for their budgetary approval.

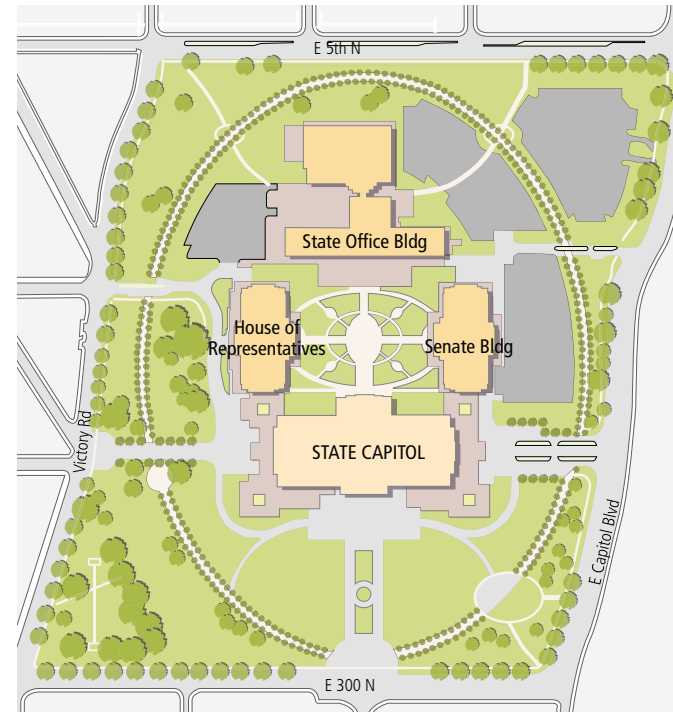
Utah is also proactive in regards to controlled maintenance by allocating 1.1% (although some national studies indicate that higher levels of funding in the range of 2-4% are more realistic) of the replacement value of its existing building assets to address the building maintenance backlog and funding. State statute sets annual funding at 1.1 percent of the replacement value of state-owned buildings for the capital improvement program. This equates to approximately \$95 million.



annually; however, the legislature has not always appropriated the full amount needed to address all of the immediate repairs that are needed. DFCM does not have space standards.

Additional details about Utah's facilities management organization were collected from the interviews with Utah's Department of Administrative Services (DAS) Division of Facilities Construction and Management (DFCM). The following aspects of Utah's facility management structure were identified as best practices relevant for the State of Colorado:

- Centralized facility management structure with Utah State Building Board and DFCM working in tandem. The State Building Board provides guidance on facilities use, maintenance standards, and design standards and oversees Facility Condition Assessment process.
- Utah has a dedicated source of revenue to fund controlled maintenance projects (1.1% of the replacement value of existing buildings).
- Utah has succeeded in integration of Facility Condition Assessment process (FCA) with the five year planning process and with the capital budget approval process for identifying project priorities and decision making process. FCA program is funded by the Utah legislature.
- Use of Facility Management System (AIM through Assetworks) to produce and monitor facility data and metrics.
- Utah is currently in the process of updating statewide space standards.
- Each agency prepares a facility master plan and capital budgets with assistance from DFCM.



Utah Capitol Complex Site Plan (additional state-owned office buildings in adjacent downtown Salt Lake City)





WASHINGTON

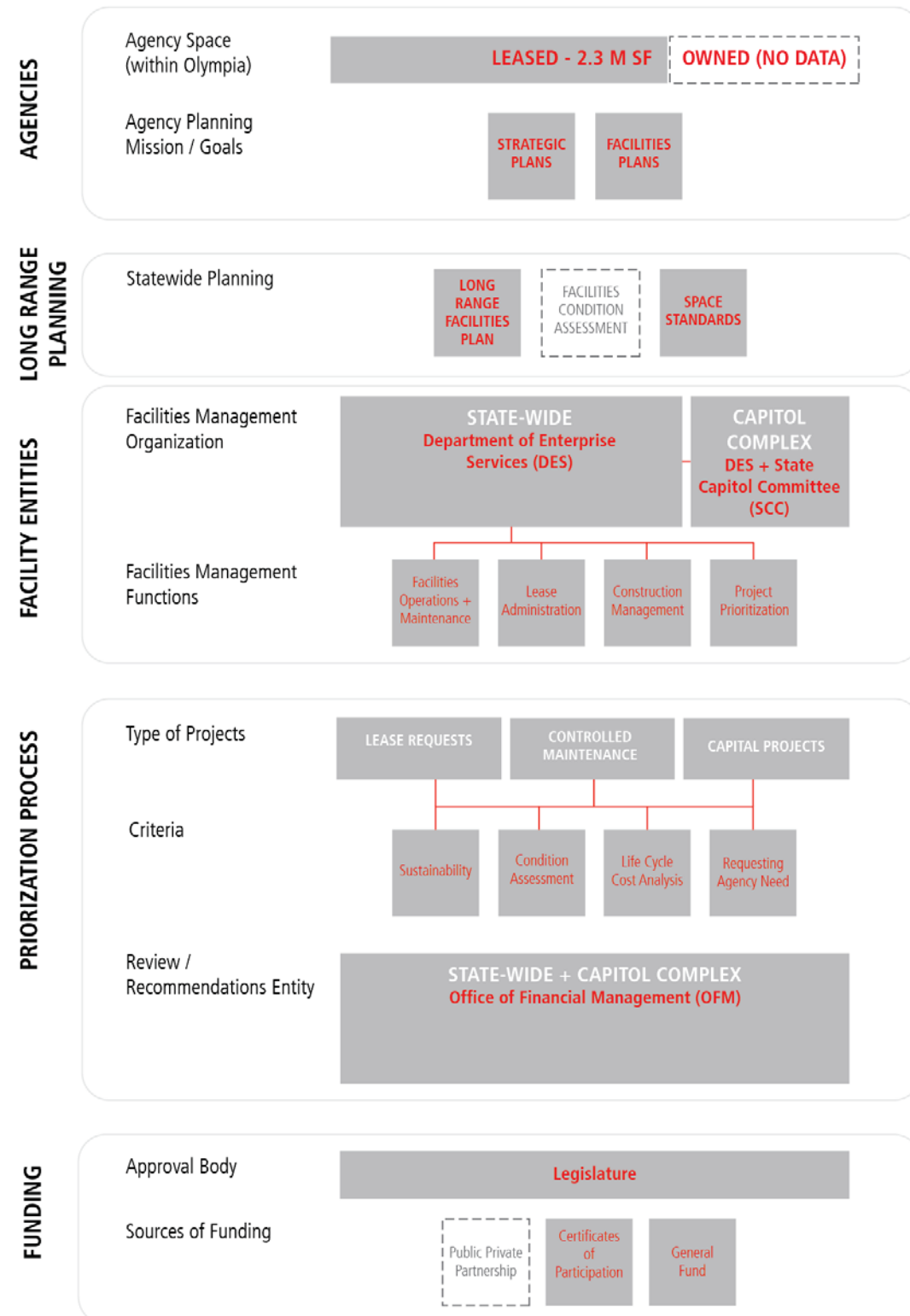
State Population: 6.73M

Capital City Population: Olympia, 46,478

Facilities Management Organization: Centralized

Statutory Authority over Capitol Complex Planning: Department of Enterprise Services, with input from State Capitol Committee and Capital Campus Design Advisory Committee

Capitol Complex Master Plan: Last prepared in 2006, ostensibly updated biennially



The State of Washington has developed a series of concerted planning initiatives to manage the State's portfolio of building assets. Agencies are required to submit a strategic plan and facilities plan every two years. In 2011, the State created the Department of Enterprise Services (DES) to manage the process of folding these plans into a long range state-wide facilities plan. For facilities that are part of the Capitol Complex, DES works in conjunction with State Capitol Committee (SCC) to determine its needs.

DES centralizes and streamlines all facility related functions such as: facilities operation and maintenance, lease administration, construction management, and project prioritization. The Office of Financial Management Facilities Oversight Unit (OFM) prioritizes the list of projects that are submitted to the Legislature for their consideration and approval. The OFM then applies a set of criteria including but not limited to: sustainability, condition assessment, life-cycle cost analysis, and requesting agency's need. This set of criteria is often considered by peers and industry analysts to be an example of best practice. DES uses uniform space standard per FTE employee.

The following aspects of Washington's facility management structure were identified as best practices relevant for the State of Colorado:

- Capitol Complex Master Plans used to prioritize and help in the decision making process (2006 master plan is currently being updated).
- Centralized facility management structure with DES and Office of Financial Management Facilities Oversight Unit working in tandem. OFM oversight unit was created by the Legislature to strengthen OFM's oversight role.
- Washington is using an alternative financing structure under Internal Revenue Service (IRS) 63-20 rule. This alternative method of financing government and nonprofit construction projects uses tax exempt debt. Created under IRS ruling #20 from 1963, it was revised by a new IRS procedure (82-26) in 1982. It allows for a nonprofit corporation to be set up for the sole purpose of issuing tax exempt bonds and to enter into a development agreement to construct a facility, for a tax exempt purpose, for the government.



Washington Capitol Complex Site Plan



Table Comparing Facility Management Organization and Other Relevant Facts of Minnesota, Washington and Utah

CATEGORY	MINNESOTA	UTAH	WASHINGTON
LEASED AND OWNED FACILITIES (STATEWIDE)			
Leased Space	30%	10%	40%
Owned Space	70%	90%	60%
FACILITIES CONDITIONS ASSESSMENT PROCESS			
Purpose	Asset preservation/ Condition rating	Used as a baseline for the five-year plan	Strategic Improvements
Facilities Conditions Assessment	Contracted- Facility Engineering Associates (FEA)	Contracted- Faithful and Gould	In Progress (2013)
FACILITY MANAGEMENT SYSTEM			
	All facility management functions and data is tracked	To produce and monitor facility data and metrics	N/A
Facilities Management Software	State of Minnesota Enterprise Real Property System (Archibus)	AiM Capital Project Management (Assetworks)	N/A
SPACE STANDARDS			
	Innovative space standards that embrace the evolution of workplace	Utah State Space Standards (1994) in the process of updating	GA's Space Allocation Standards Policy Manual
FACILITIES MANAGEMENT ORGANIZATION STRUCTURE			
Management of State Facilities	Modified Centralized	Centralized	Centralized
State Facilities Commission / or Board / Agency	Minnesota Department of Administration (MDA) - Real Estate and Construction Services Division	Department of Administrative Services - Division of Facilities Construction and Management (DFCM) - Construction Division - Energy Office - Land and Real Estate - Facilities Management	Department of Enterprise Services (DES) - Capitol Campus - Real Estate Services - Maintenance & Operations - Construction & Public Works - Energy Services - Washington State Building Code Council
Entity Managing Facilities within Capitol Complex	Plant Management Division - Buildings and Grounds/ Parking	State Capitol Preservation Board	State Capitol Committee (SCC) Capitol Campus Design Advisory Committee (CCDAC)
Agency with Statutory Authority to Oversee Planning and Development of Capitol or Capitol Complex	Capitol Area Architectural and Planning Board (Capitol Complex) Minnesota State Capitol Preservation Commission (Capitol)	State Capitol Preservation Board Utah State Building Board	Department of Enterprise Services (DES) with advice from SCC and CCDAC
FACILITIES OPERATIONS AND MAINTENANCE			
	Lease rate is different for each building because debt service is included	Lease rate charged by DFCM varies building by building - Average \$8/SF	Lease rate currently \$12.16 (includes capital budget surcharge for major maintenance of \$2.39 which funds building operations among other issues)
PLANNING			
Statewide Plans	Capitol Area Architectural and Planning Board (CAAPB) N/A	Each institution N/A	Department of Enterprise Services (DES) 2013-19 Six-Year Facilities Plan (2013)
Capitol Complex Plans	The Minnesota State Capitol Building Comprehensive 20 Year Master Plan (2012)	N/A	Master plan for the Capitol of the State of Washington (2006) - Currently being updated
Plans or Reports from State Facilities Commission / or Board / Agency	Capitol Area Architectural and Planning Board Biennial Report 2014-2015 The Zoning and Design Rules (2010)	2013-2017 Five-Year Building Program For State Agencies and Institutions (2012) A Performance Audit of State Buildings and Land (2014)	Facilities Inventory System Report(2013)
Agency Master Plans are Linked to Strategic Plans	Yes - Capital Budget Process	Yes - for the Project Requests	Yes - The Strategic Business Process Map

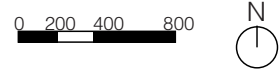


CATEGORY	MINNESOTA	UTAH	WASHINGTON
PROJECT PRIORITIZATION, FUNDING and FINANCING			
Funding for Capital Development Projects	General obligation bonds	General fund (Tax Revenues)	General obligation bonds and other dedicated revenues
Funding for Controlled Maintenance	Minnesota utilizes general obligation bonds for Asset Preservation projects with the amount set annually at 1% of current replacement value. Capital Asset Preservation and Replacement Account (CAPRA) is used for emergency funding	Utah has a dedicated source of revenue from the general fund to fund controlled maintenance projects set at 1.1% of the current replacement value	General obligation bonds and other dedicated revenues
Public Private Partnerships	None	None	Yes- using certificates of participation (COP) and lease purchase or lease development etc. Washington is using an alternative financing structure under Internal Revenue Service (IRS) 63-20 rule
Who Prioritizes (State Capital Budget Board or any other)	Minnesota Management and Budget (MMB)	Utah State Building Board	Office of Financial Management (OFM)
Board / Commission Composition	Commissioner of Minnesota Management & Budget is appointed by the Governor. MMB has about 250 employees	Composed of eight members, seven of which are private citizens appointed by the Governor, and the eighth being the ex-officio member from the Director of the Governor's Office of Planning and Budget. Staff assistance to the Board is provided by the Division of Facilities Construction and Management (DFCM)	OFM director is appointed by the Governor. OFM assesses the performance of state agencies, provides tools and technical assistance to agencies to help improve performance, and manages the Priorities of Government (POG) budget process
Who Initiates Capital Budget Requests (All Agencies or Single Agency)	Agencies are expected to submit long-term plans for capital budget requests to MMB	Division of Facilities Construction and Management (DFCM) submits priority projects to Building Board	All agencies submit request to OFM
Criteria to Approve Capital Projects (Statewide and/or Within Capitol Complex)	A comprehensive checklist (See State of Minnesota Capital Grants Manual, 2012 for the full list)	Weighted Criteria (See Building Board - Capital Development Request Evaluation Guide, 2004)	Capital Plan Instructions
Policies / Criteria to Monitor Approved Capital Projects	Yes - Minn. Stat. Sec. 16A.695, subd. 5	No	Yes- Capital budget requests are required to include operating budget impacts. Once budgets are approved, OFM monitors
Capital Budget Requests Provide Life Cycle Costs	Minnesota Management & Budget expects agencies to identify, for each capital request, the project's impact on the agency's operating budget over the next six years	Guiding Principle - from the highest priority projects listed in DFCM's Condition Assessment reports	No

6.8 - STATE CAPITOLS CASE STUDIES

For this Capitol Complex Master Plan, the consultant team evaluated state capitol buildings in the eleven states to determine among other data the extent of renovation and/or restoration, examples of utilization of “found space” within the building, and whether or not the Capitol Complex had a legislative office building in addition to the Capitol.

CAPITOLS CASE STUDIES



Colorado



Texas



Iowa



Utah



Kansas



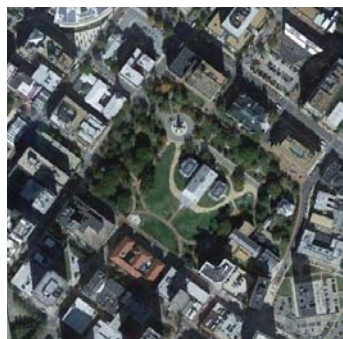
Minnesota



Oregon



Arizona



Virginia



Washington



Wisconsin

COLORADO STATE CAPITOL



CAPITOL COMPLEX

Location: Denver, CO

Area: 52 Acres

CAPITOL

Built: 1886-1898

Area: 220,000 SF

Architect(s): Elijah E. Myers

Renovated: 2006 - 2015 (ongoing)

Renovation of Capitol includes following projects:

- The Life Safety Renovation project (complete fire sprinkler and smoke detection system and exit stair extensions) was completed in 2006 for a total cost of \$27 million.
- The Dome Restoration project was completed in 2014 for a total cost of \$17 million.
- Currently the House and Senate chambers are being restored for a total of \$6.2 million to be completed in 2015.
- A large committee hearing room is being constructed on the second floor for \$1.6 million with completion in 2014.
- Starting in January 2015, 44 House and Senate members will office in 1525 Sherman Building - an office building that they share with the Department of Personnel & Administration and the State Auditor's Office.
- Six members of the Joint Budget Committee office in the Legislative Services Building and the other 50 members office in the Capitol.

ARIZONA STATE CAPITOL



Arizona Capitol Complex

CAPITOL COMPLEX

Location: Phoenix, AZ

Area: 164 Acres

CAPITOL

Built: 1900

Area: 123,000 SF

Architect(s): James Riely Gordon

Renovated: 1990s

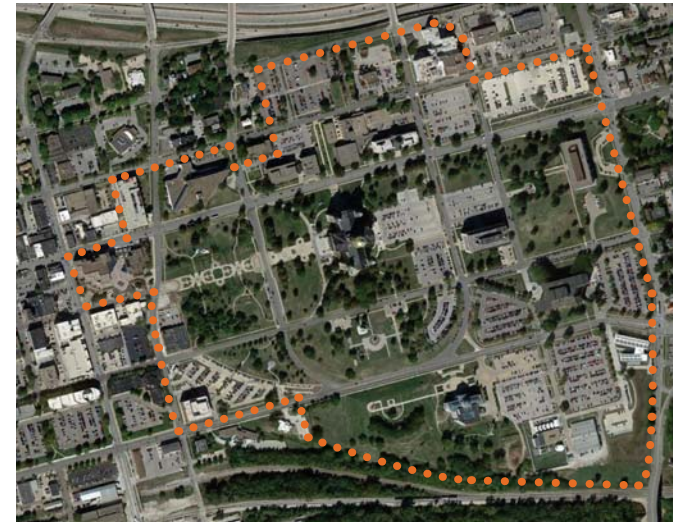
Renov. Cost: \$3 million



Aerial view of Capitol Museum and adjacent House of Representatives and Senate Buildings

- Four legislative buildings are located adjacent to the Capitol Museum. They include the State Capitol West Wing, Capitol Building (1918-38 addition), Senate Building and House of Representatives Building.
- The Senate Building and House of Representatives Building located close to the Capitol Museum house respective legislature offices.
- Other legislative support offices are located within the Capitol Mall in vicinity of the Capitol Museum. They include the Joint Legislative Budget Office Building at 1716 W. Adams Street and two State Office Buildings (1624 W. Adams and 1616 West Adams).
- The Capitol Museum (1700 West Washington Street) has been used primarily as a museum for more than thirty years.
- A conceptual plan for the Arizona state capitol restoration was submitted to the Legislative Council in 2012 that proposed re-introduction of the legislative functions within the Capitol Museum and connecting the Capitol Museum with other three adjacent modern buildings with an estimated cost of \$40 million.

IOWA STATE CAPITOL



Iowa Capitol Complex

CAPITOL COMPLEX

Location: Des Moines, Iowa

Area: 170 Acres

CAPITOL

Built: 1871-1886

Area: 330,000 SF

Architect(s): John C. Cochrane / Alfred H. Piquenard

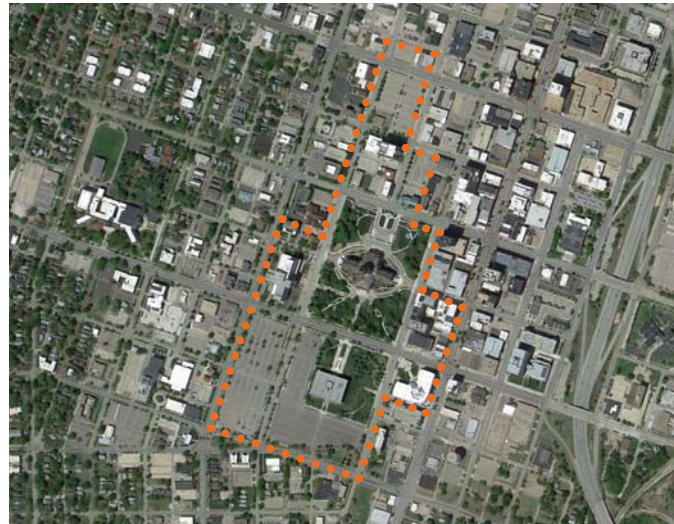
Renovated: 1983-2001

Renov. Cost: \$41 million



- The Capitol Building houses the Iowa Senate, House of Representatives, Office of the Governor, and Offices of the Attorney General, Auditor, Treasurer, and Secretary of State. The building also includes a chamber for the Iowa Supreme Court.
- Three other office buildings are located within the Capitol Complex. In addition to the Capitol, the Old Babcock Miller Building and Lucas Building adjacent to the Capitol house legislative support offices.
- Exterior restoration of the Capitol was completed in 2001 at an estimated cost of \$41 million. Interior renovation of Capitol is planned.
- A new Judicial Building of 123,800 SF was completed in 2003 within the Capitol Complex at an estimated cost of \$27 million.

KANSAS STATE CAPITOL



Kansas Capitol Complex



Rendering of New Visitors Center and Office Extension to the Capitol (Image credit: Treanor Architects)

CAPITOL COMPLEX

Location: Topeka, KS

Area: 74 Acres

CAPITOL

Built: 1866-1903

Area: 300,000 SF

Architect(s): Edward Townsend Mix (Master)
John G. Haskell (Wing)

Renovated: 2001-2013

Renov. Cost: \$285 million

- The legislature offices are located within the Kansas Statehouse (Capitol) Building.
- A 13 year multi-phase plan to renovate the Kansas Statehouse was completed in 2013 at an estimated cost of \$285 million. It included construction of an underground two-story parking structure with a visitors center and ground floor office space (118,000 SF).
- The new visitors center was constructed on top of the garage and provides a connection between visitor parking and the Statehouse north wing ground floor.

MINNESOTA STATE CAPITOL



Minnesota Capitol Complex



Artist's rendering of proposed legislative office building to be built just north of the Capitol (Image courtesy of the State of Minnesota)

CAPITOL COMPLEX

Location: St Paul, MN

Area: 97 Acres

CAPITOL

Built: 1905

Area: 378,825 SF

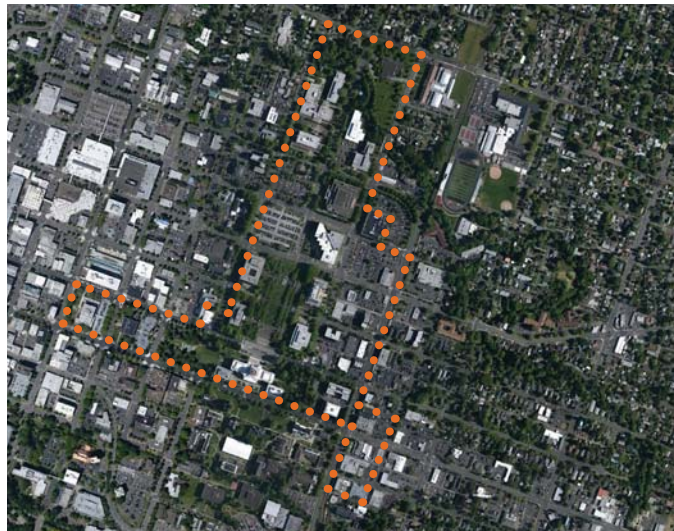
Architect(s): Cass Gilbert

Renovated: Phase I - 2006-11/ Phase II - 2013-17 (ongoing)

Renov. Cost: \$241 million

- The legislature offices are located within the Capitol.
- Full renovation of the Capitol Building is planned at an estimated cost of \$241 million to be completed by December 2017.
- Renovation of the Capitol Building will require the Senate to lose 23,000 SF of office space for bathrooms, elevators and other improvements to the Capitol building.
- A new Senate Legislative Office Building of approximately 160,000 GSF north of the Capitol is proposed to provide new office space for the Senate at an estimated cost of \$76.8 million. It is proposed to house all 67 senator offices as well as three hearing rooms and additional space for the Legislative Reference Library.
- The House of Representatives members are temporarily relocated to the State Office Building at 100 Dr. Martin Luther King Jr. Boulevard. The Senate members are temporarily relocated to the Centennial Office Building (378,825 SF) at 658 Cedar Street. The House of Representatives members will be relocated to Capitol after its renovation.

OREGON STATE CAPITOL



Oregon Capitol Complex

CAPITOL COMPLEX

Location: Salem, OR
Area: 88 Acres

CAPITOL

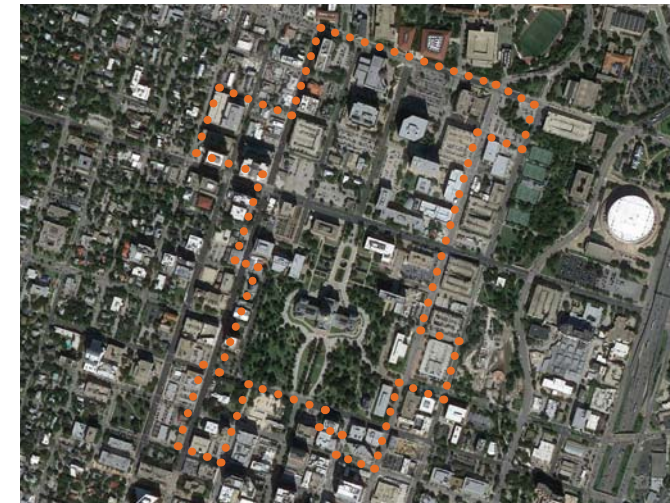
Built: 1938
Area: 233,750 SF
Architect(s): Trowbridge & Livingston
Renovated: 2007-2008
Renov. Cost: \$34 million



Section through capitol proposed concourse level and additional hearing rooms
 (Image Credit: Oregon State Capitol Master Plan 2009)

- The Capitol houses the State Legislature, and the offices of the Governor, Secretary of State, and Treasurer in the original 1938 portion of the building. The Capitol Wings house legislative offices, hearing rooms, support services, a first floor Galleria and underground parking.
- The Capitol Master Plan completed in 2009 identified additional space needs of 19,200 SF to be provided by a single story infill at the existing courtyard within the Capitol (existing area 174,250 SF).
- The Capitol is currently undergoing seismic upgrade and renovation following the completion of the Master Plan in 2009.

TEXAS STATE CAPITOL



Texas Capitol Complex

CAPITOL COMPLEX

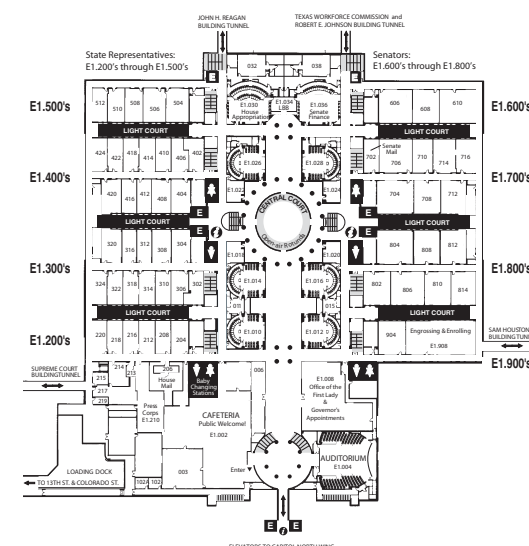
Location: Austin, TX
Area: 50 Acres

CAPITOL

Built: 1882-1888
Area: 360,000 SF
Architect(s): Elijah E. Myers
Renovated: 1995-1997
Renov. Cost: \$98 million



- The Capitol Extension - an underground addition to the main Capitol with 667,000 GSF was completed in 1993 at an estimated cost of \$75 million. It is connected to the Capitol and four other state buildings by tunnels. It contains 16 committee hearing rooms, 8 conference rooms, a large auditorium, cafeteria, and a bookstore.
- The Capitol Extension also includes office spaces for Senate and House of Representatives members and two levels of parking for the Capitol staff.
- In 1995, a comprehensive interior and exterior restoration of the Capitol was completed at a cost of approximately \$98 million.
- The Capitol includes Agricultural Museum, Treasurer's Business Office, Secretary of State's Private Office, Senate Chamber, Governor's Public Reception Room, House of Representatives Chamber, Legislative Reference Library, Supreme Court Courtroom, and Court of Criminal Appeals Courtroom.



First Floor Plan of the Capitol Extension

UTAH STATE CAPITOL



Utah Capitol Complex



Aerial view of Utah Capitol Complex
(Image courtesy of Utah Governor's office of Economic Development)

CAPITOL COMPLEX

Location: Salt Lake City, UT

Area: 144 Acres

CAPITOL

Built: 1912-1916

Area: 320,000 SF

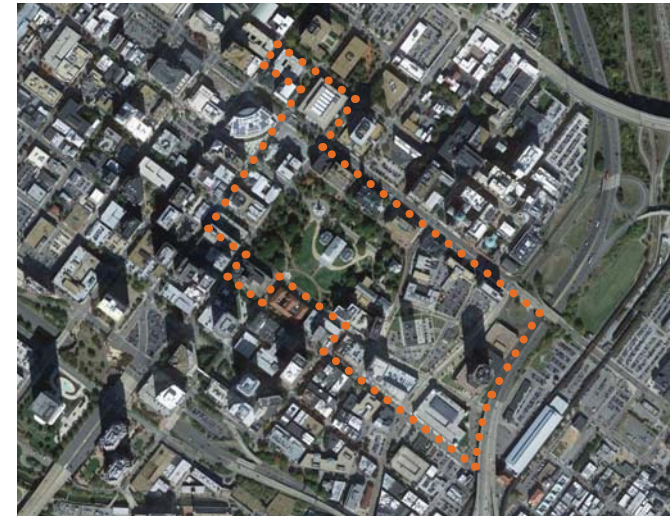
Architect(s): Richard K.A. Kletting

Renovated: 2000-2008

Renov. Cost: \$260 million - Seismic Upgrade and Restoration

- Two identical 92,500 SF new office buildings - House and Senate Buildings, were constructed under a design / build contract as the first phase of a comprehensive capitol complex restoration and construction project completed in 2004. These new buildings provided temporary space for the legislature during renovation of the Capitol. The project also included a parking structure with 316 spaces and landscaped plaza over an existing parking garage.
- The new House and Senate Buildings have offices of lower ranking House and Senate legislative members respectively. The two buildings also have offices for legislative staff and executive staff offices. Higher ranking members have offices in the Capitol. Multiple committee rooms exist in both the buildings.
- A \$260 million seismic retrofit and restoration of the Capitol was completed in 2008. Capitol houses the Assembly and Senate Chambers, and the State Supreme Court.
- The Capitol Complex also includes State Office Building that was built in the 1950s. It was modernized recently. The building houses about 150 to 250 employees.

VIRGINIA STATE CAPITOL



Virginia Capitol Complex



Photos of new Visitors Center / Capitol Extension
(Image courtesy of Commonwealth of Virginia)

CAPITOL COMPLEX

Location: Richmond, VA

Area: 48 Acres

CAPITOL

Built: 1785-88 / 1904 (East and West Wings)

Area: 180,000 SF

Architect(s): Thomas Jefferson / Charles-Louis Clérisseau

Renovated: 2004-2007

Renov. Cost: \$104.5 million - Restoration and new Visitors Center

- The legislature offices are located in the General Assembly Building within the Capitol Complex.
- As part of the 2007 Capitol Restoration and Renovation project, a 27,000 SF underground extension was added to the Capitol in 2006 at a cost of \$104.5 million to provide a new visitors center, reception, meeting, media, and multi-purpose conference space for the legislators.

WASHINGTON STATE CAPITOL



Washington Capitol Complex

CAPITOL COMPLEX

Location: Olympia, WA

Area: 80 Acres

CAPITOL

Built: 1922-28

Area: 230,400 SF

Architect(s): Walter R. Wilder, Harry K. White

Renovated: 2001-2004

Renov. Cost: \$120 million



- The Senate and House of Representatives majority and minority leadership offices are located within the Legislative (Capitol) Building.
- The Legislative Building houses both chambers of the legislature and Office of the Governor.
- Senators' offices are located at Cherberg and Newhouse buildings located adjacent to the Legislative Building.
- House of Representatives' offices are located at John L. O'Brien Building adjacent to the Legislative Building.
- A three-year rehabilitation and seismic repair of the Legislative Building was completed in 2004 at a cost of \$120 million.

WISCONSIN STATE CAPITOL



Wisconsin Capitol Complex

CAPITOL COMPLEX

Location: Madison, WI

Area: 48 Acres

CAPITOL

Built: 1906

Area: 448,297 SF

Architect(s): George B. Post

Renovated: 1988-2002

Renov. Cost: \$155 million

Restoration + Renovation



- The Wisconsin Capitol underwent a 14 year multi-phase renovation / restoration starting in 1988 and was completed in 2002 at an estimated cost of \$155 million. Each phase focused on one of the four wings or the central portion of the Capitol.
- The legislature offices are located in the Capitol Building.
- The Capitol houses both chambers of the legislature along with the Supreme Court and Office of the Governor.

6.9 - POTENTIAL ORGANIZATIONAL ALTERNATIVES FOR COLORADO

Within the context of this master plan, the following three potential organizational scenarios are suggested for the State's consideration and further evaluation based on the findings of the benchmarking study. Further review and discussion of the existing facilities organizational structure is recommended to narrow down suitable options.

BASELINE SCENARIO

This scenario recommends implementation of the November 2012 Audit of State of Colorado Capital Asset Management and Lease Administration Practices. The scenario will include the following recommendations illustrated in the adjoining diagram:

- Enforce agencies to have an approved Facilities Plan or Master Plan;
- Establish a statutory requirement to prepare state-wide long range Facilities Master Plan linking to all agency facilities plans:
 - Potential legislation to require all real estate related capital requests to be evaluated against an existing approved master plan.
- No major change in the decentralized facilities management organization structure;
- Continue to implement 2012 Audit recommendations for capital construction and lease administration including:
 - Establish formal policies for the construction and administration phase of capital construction projects to ensure State agencies prepare project monitoring reports and thorough project closeout evaluations, including a written assessment of lessons learned upon completion; and
 - Legislation to outline criteria for monitoring capital construction projects, length of reporting term, and capital construction close outs and when independent third party consultants should be engaged.

- Major capital construction, controlled maintenance and building renewal project prioritization based on approved agency master plan, state-wide facilities plan and capitol complex master plan:
 - Improve the completeness and comprehensiveness of the information used to prepare capital project justifications and support decision making;
 - Revise capital budget instructions to include total life-cycle cost for the projects;
 - Include adequate and complete supporting documentation;
 - Create a repository for future use to capture major project assumptions; and
 - Create a pool of specialists to oversee capital construction project justifications and funding requests.
- Implement lease surcharge (for agencies) and funding mechanism for controlled maintenance as part of approved operating budgets:
 - Requiring all new capital construction projects to include a funding mechanism for controlled maintenance as part of the approved operating budgets.

HYBRID ALTERNATIVE

This scenario combines recommendations of the 2012 Audit with other best practices from other states.

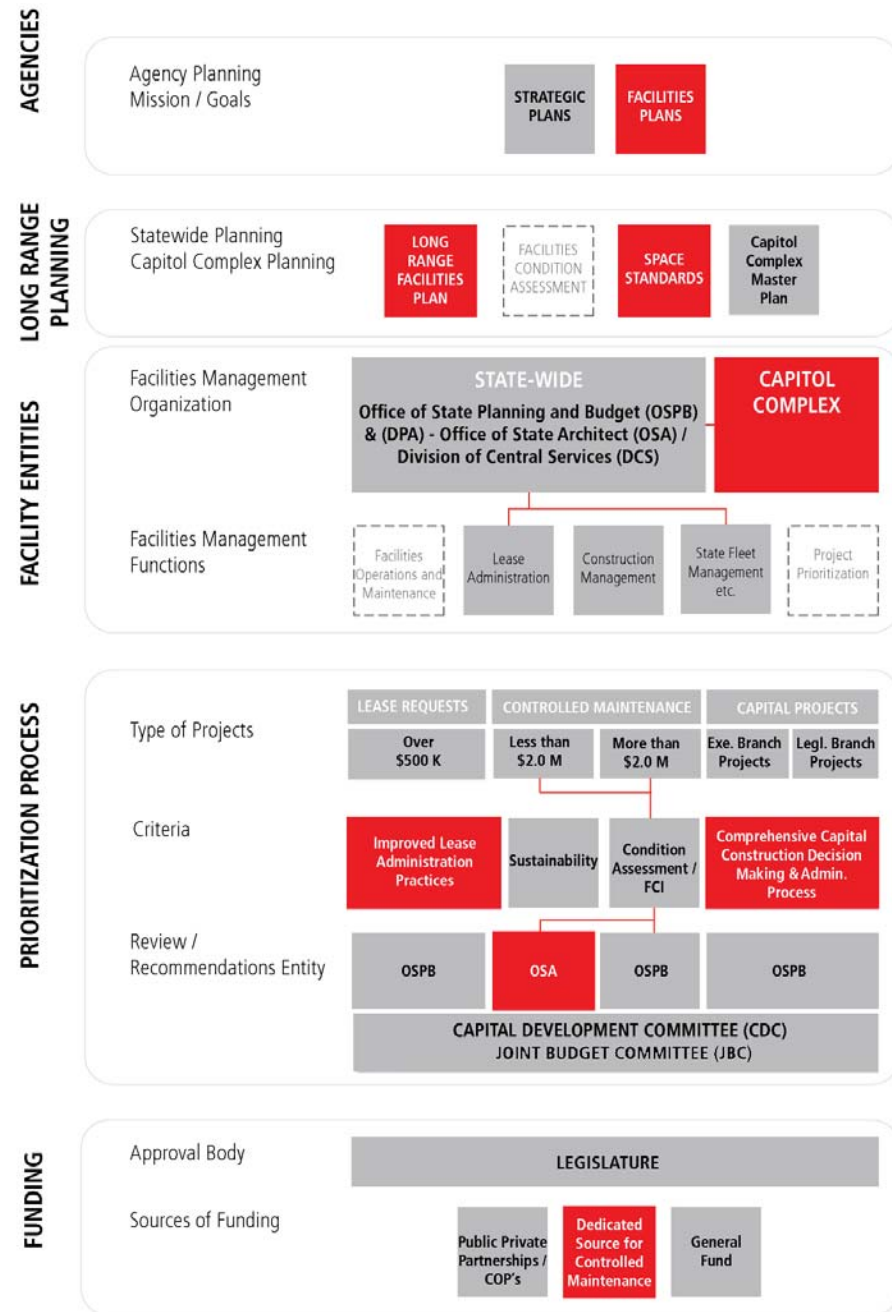
- Linking of agency capital planning and strategic planning and regular plan updates;
- Comprehensive facilities assessment of State's real estate portfolio including the Capitol Complex. The results of such assessment will result in a long range plan that encompasses owned and leased facilities;
- Facilities conditions evaluated by independent third party;
- Centralized ownership, planning, and management of state facilities with added staff and capacity;
- Centralized leasing and coordination (authority to acquire, use, maintain, and dispose);
- Major capital construction, controlled maintenance and building renewal project prioritization by an agency or commission for legislative approval;
- Develop and adopt prioritization criteria / uniform maintenance standards;
- Potential oversight by an review agency; and
- Identify a dedicated source of revenue for capital facilities renewal linked to facilities condition assessments.

MODEL SCENARIO

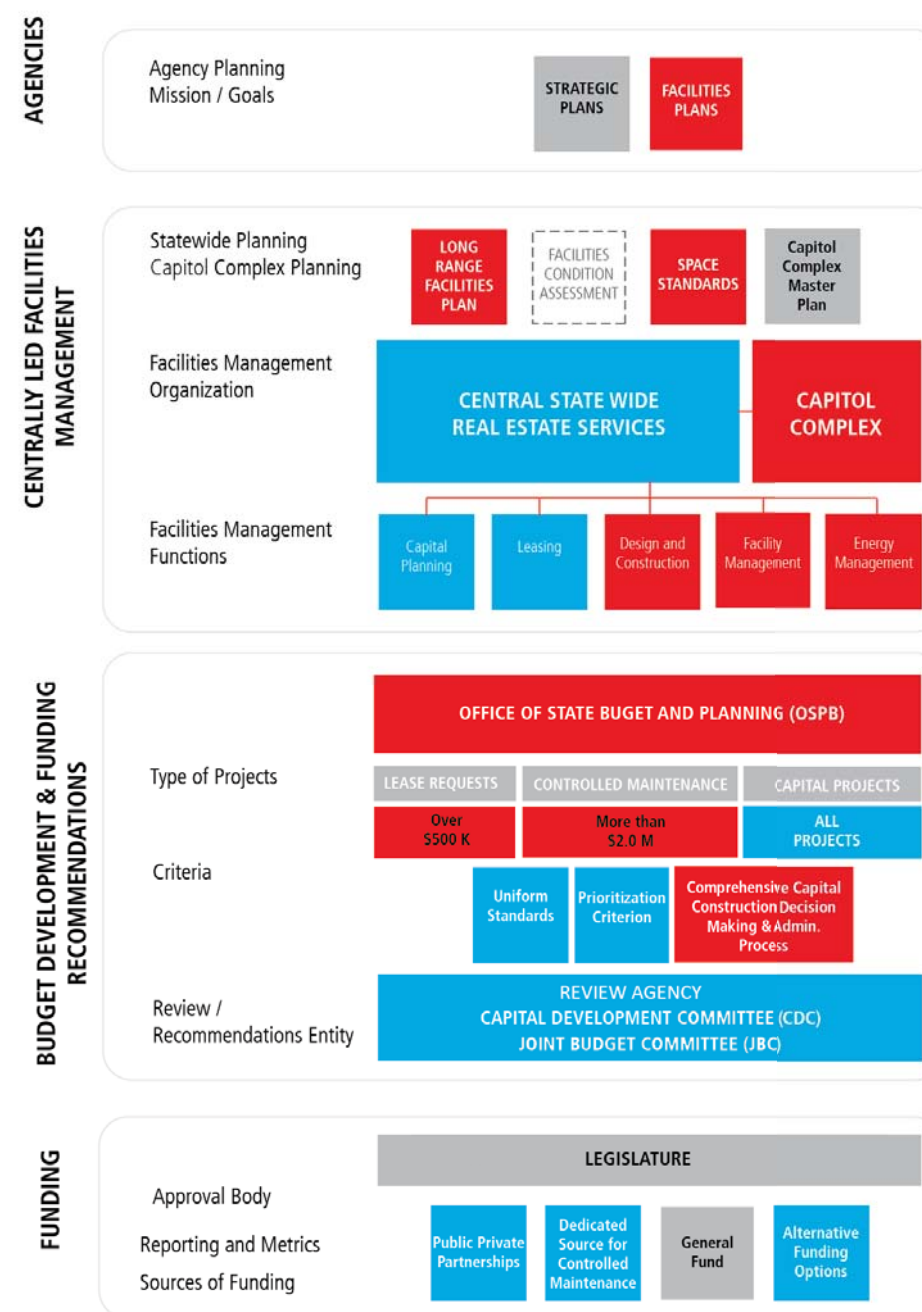
This scenario recommends adoption of best practices in facility management with following salient features:

- Strategic Asset Management Program;
- Linking of agency capital planning and strategic planning and regular plan updates;
- Inventory and database, comprehensive assessment, long range plan that encompasses owned and leased facilities;
- Centralized ownership and management of state facilities with added staff and capacity;
- Centralized leasing and coordination (authority to acquire, use, maintain, and dispose);
- Major capital construction, controlled maintenance and building renewal project prioritization by an agency or commission for legislative approval;
- Adopt prioritization criteria / uniform maintenance standards;
- Independent recommendations / review agency;
- Identify a dedicated source of revenue for capital facilities renewal; and
- Adopt best practices for uniform or tiered space standards.

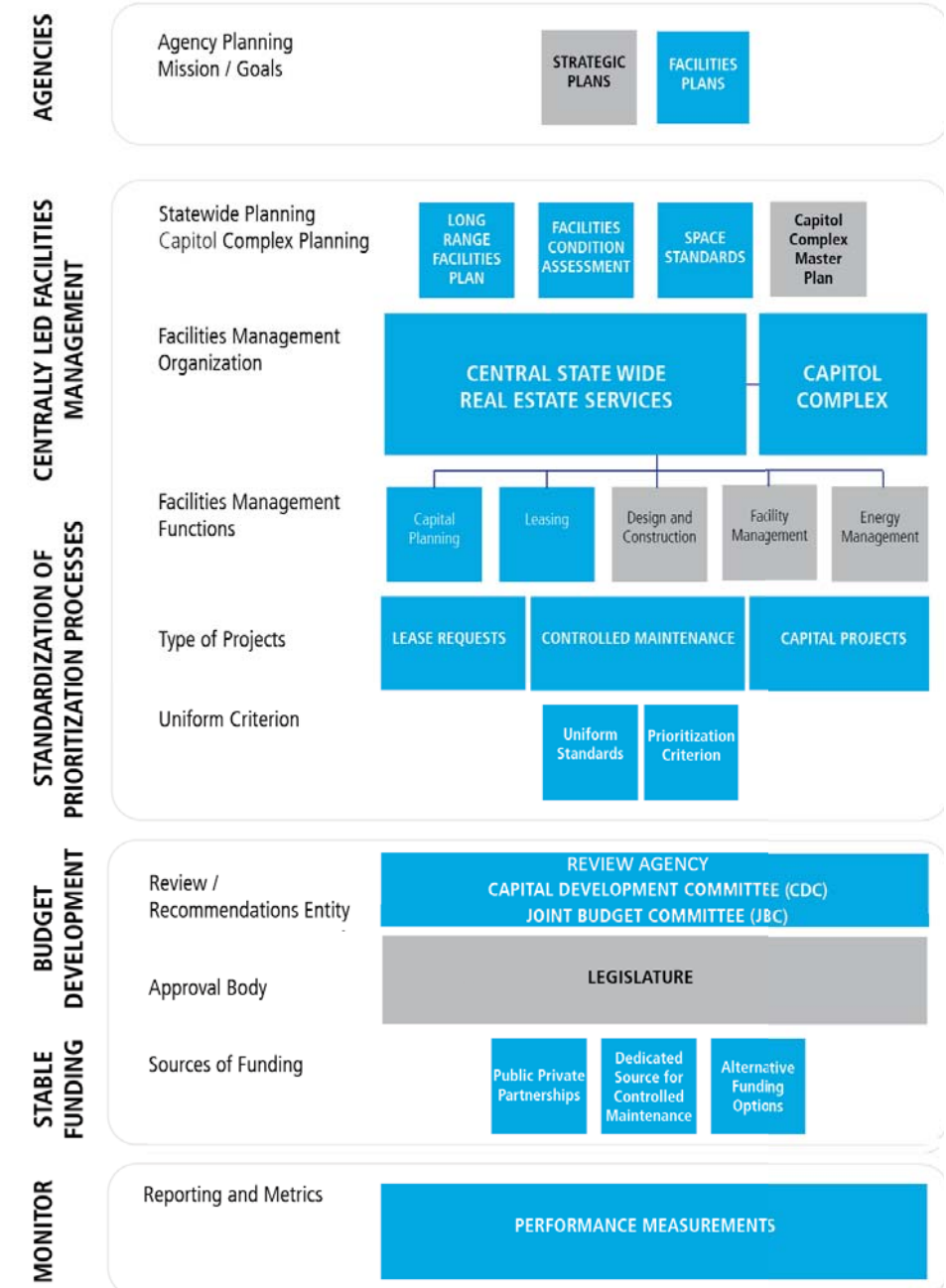
BASELINE SCENARIO



HYBRID SCENARIO



MODEL SCENARIO



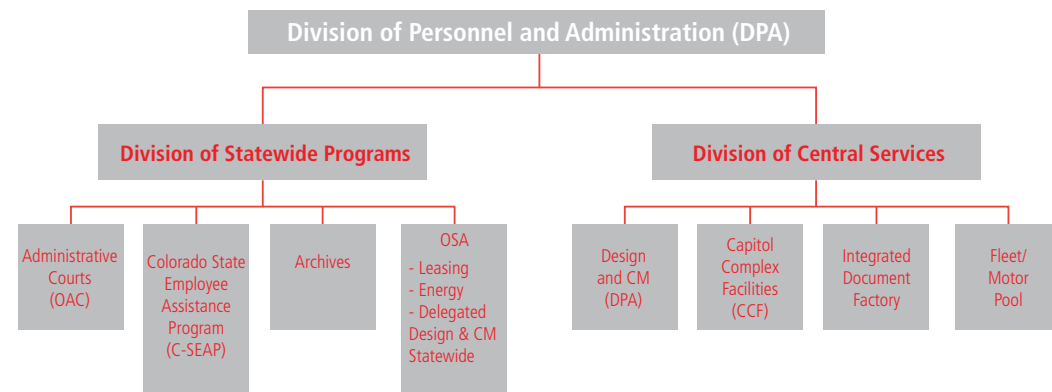
■ Suggested Area of Improvement
 ■ Existing Functions
 Potential Functions
 ■ Best Practice Function



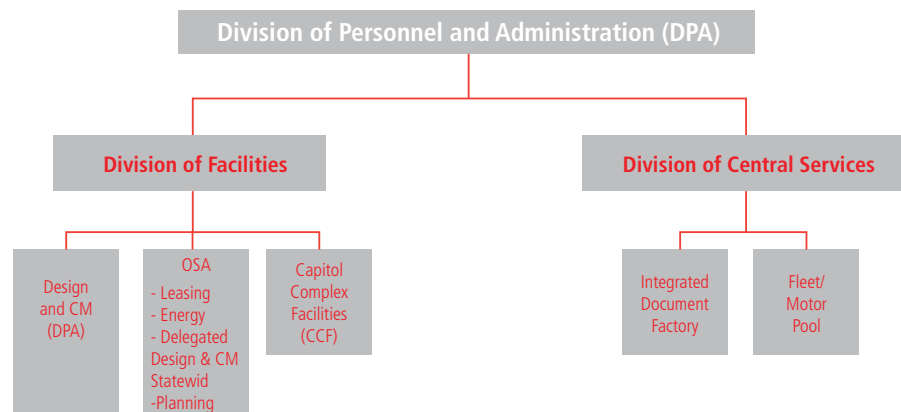
6.10 - KEY RECOMMENDATIONS

A single coordinated group that combines the existing functions of the OSA and CCF (both design and construction management and property management) with or without an oversight agency can be considered by the Department of Personnel & Administration. This single group could address all facilities planning and management issues relative to DPA owned/CCF managed buildings. In addition, the planning function could provide support to the Office of State Planning and Budgeting relative to the development and review of planning documents and capital construction requests.

Many states that were reviewed as part the benchmarking study provide similar alternative models that can be considered including the neighboring State of Utah (centralized) and State of Washington (where a recent such restructuring was conducted). In addition to the potential changes to the governing or organizational structure related to facilities management and the need for long range facilities planning, the following additional changes should be considered by the state:



Existing Facilities Organization within DPA



Recommended Facilities Management Organization within DPA

CHAPTER 6.0 - BENCHMARKING KEY RECOMMENDATIONS

- A MINIMUM OF ONE FULL-TIME FACILITIES PLANNING FTE SHOULD BE ADDED TO THE STAFF OF THE OFFICE OF THE STATE ARCHITECT (OSA) TO MAINTAIN AND COORDINATE THE IMPLEMENTATION OF THE CAPITOL COMPLEX MASTER PLAN.
- A NEW STATUTORY REQUIREMENT SHOULD BE CONSIDERED TO INCLUDE STATEWIDE PLANNING WITHIN THE RECOMMENDED SINGLE COORDINATED GROUP WITH CAPACITY AND STAFF TO PREPARE AND REGULARLY UPDATE THE STATEWIDE LONG RANGE FACILITIES PLANS. THE REVIEW PROCESS COULD ALSO BE LINKED TO AGENCY STRATEGIC PLANS AND THE CAPITOL COMPLEX MASTER PLAN. THESE AGENCY PLANS WOULD REQUIRE REGULAR UPDATES.
- DEDICATED ANNUAL SOURCE OF FUNDING FOR CONTROLLED MAINTENANCE TO 1.5% TO 2% OF THE REPLACEMENT VALUE OF EXISTING ASSETS. SUCH A PROPOSAL WAS CONSIDERED BY THE STATE BUT HAS NOT BEEN ADOPTED.
- REVIEW AND UPGRADE OF THE EXISTING FACILITIES MANAGEMENT SYSTEM IS NEEDED IN ORDER TO HELP IMPROVE TRACKING AND MONITORING IN FACILITIES OPERATIONS AND MAINTENANCE BUDGETS AND HELP IN PLANNING FUTURE NEEDS. MANY STATES REVIEWED IN THE BENCHMARKING STUDY ARE INCREASINGLY RELYING ON SUCH SYSTEMS. IN ADDITION, THE STATE COULD SOLICIT INPUT FROM A CONSULTANT TO DOCUMENT OVERALL CCF NEEDS AND PRACTICES PRIOR TO CONSTRUCTION OF A NEW BUILDING AND/OR SOLICIT PEER REVIEW ASSISTANCE FROM OTHER STATE AGENCIES RESPONSIBLE FOR FACILITIES MAINTENANCE.
- BENCHMARKING OF THE EXISTING LEASE RATES FOR AGENCIES FOR OPERATIONS AND MAINTENANCE COULD BE CONSIDERED USING THE STANDARDS PUBLISHED BY BOMA.
- CONTINUED USE OF ALTERNATIVE FINANCING STRUCTURES (ALSO USED BY THE STATE OF WASHINGTON) USING THE INTERNAL REVENUE SERVICE (IRS) RULING #20 THAT ALLOWS FOR A NON-PROFIT CORPORATION TO BE SET UP FOR THE SOLE PURPOSE OF ISSUING TAX EXEMPT BONDS AND TO ENTER INTO A DEVELOPMENT AGREEMENT TO CONSTRUCT A FACILITY, FOR A TAX EXEMPT PURPOSE, FOR THE GOVERNMENT.

