State of Colorado

STRATEGIC OFFICE SPACE PLAN

ADDENDUM 02

FY 2022 - 2023 UPDATES

Revised 25 August 2023

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10.02 ADDENDUM 02 EXECUTIVE SUMMARY

The Strategic Office Space Plan (SOSP) was issued 30 June 2021 with a subsequent revision issued 23 July 2021 to address minor clerical issues. Since that time, the Office of the State Architect (OSA) has made progress on several recommendations, and has clarified statewide data, through both additional data collection and by analyzing the data in new ways. The OSA intends to update the SOSP on a yearly basis, utilizing addenda to the SOSP. The purpose of this addendum is to capture substantive updates to the SOSP and to previous addenda, that have occurred in Fiscal Year (FY) 2022-2023. For brevity, this addendum records only changes to previously published material, and avoids repeating that material. Please reference the SOSP and previous addenda for the full content of the State's plan for footprint reduction.

The key updates for Addendum 02 are:

- Test Fit exercises, recommended in Addendum 01, have commenced, resulting in updates to the State-wide space needs data set, and progress towards consolidation of agency footprints. Some agencies have utilized this process to realize space reductions even greater than previously projected.
- Consolidation exercises have led the State to consider selling properties totaling approximately 300,000 GSF or 30% of the State's 1M SF footprint reduction goal.
- Design for the Capitol Complex Renovation Project has begun. Detailed cost estimates are scheduled to be available by June 2023 which can be utilized for future funding requests.

10.03
ADDENDUM 02
OVERVIEW

10.03 INTRODUCTION

This addendum was prepared by the Planning Team of the Office of the State Architect (OSA) and Anderson Mason Dale Architects during spring 2023.

The addendum consists of four pieces:

- *Updated Space Needs Study Findings*
  The 5-year projections for individual agencies continue to evolve from the data set recorded in June 2021. A primary focus for FY 2022-2023 has been in-depth "test fits" for individual agencies in which space needs were verified and applied to planning studies for space in State-owned and commercially leased facilities (see section 10.03.02). This additional scrutiny by agencies of their space needs has resulted in clarifications and revisions to the statewide data set, which are recorded in this addendum.

- *Record of Progress Made Towards Implementing Recommendations*
  This addendum records the FY 2022-2023 progress the State has made towards implementing SOSP tactical recommendations towards achieving the goal of a 1M SF reduction in administrative office space.

- *Updated Analysis of Findings*
  Addendum 01 to the SOSP includes analysis of the Statewide data set, aimed at understanding State-owned and commercial lease needs more precisely, and interagency shared space and backfill opportunities. Because the data set is updated in Addendum 02 for FY 2022-2023, this addendum updates the analysis of the Statewide data set.

- *Updated Action Plan for Achieving Footprint Reduction*
  Working with State agencies, the OSA continues to refine the steps needed to achieve footprint reduction. This addendum updates the Action Plan for achieving the reduction, first published in Addendum 01.

10.03.01 SUMMARY OF UPDATED SPACE NEEDS STUDY FINDINGS

The 5-year projections for individual agencies have evolved during FY 2022-2023, primarily due to new scrutiny by agencies of their individual Space Needs Studies as part of the Test Fit process described below. Revisions to the statewide data set are recorded in this addendum.

Projections for individual agencies have changed slightly, but the net impact on the statewide total is negligible. The updated data set indicates approximately a 1.1M USF statewide reduction comparing pre-COVID to 5-year projections. This area, expressed in rentable square feet assuming a load factor of 15%, is approximately 1.2M RSF, which aligns to the State's footprint reduction goal.

UPDATE | BASIC STEPS UPDATED WITH FINDINGS FROM TEST FIT EXERCISE

AGENCY	Pre-COVID (USF)	Agency Findings Post-COVID (USF) *	Agency Findings 5-Year Projected (USF) *	AGENCY	Pre-COVID (USF)	Agency Findings Post-COVID (USF) *	Agency Findings 5-Year Projected (USF) *
DPA (Sherman, Owned) (USF)	68,005	34,455	38,353				
DPA (Interagency Shared)	8,077	8,516	8,516	**DPA Total**	**76,082**	**42,971**	**46,869**
DOLA (Owned) (USF)	38,512	38,065	39,629				
DOLA (G.J., Interagency Leased from DPA) (USF)	3,783	820	883				
DOLA (Interagency Shared)	0	2,500	2,500	**DOLA total**	**42,295**	**41,385**	**43,013**
DNR (Sherman, Owned) (USF)	56,263	40,382	62,271				
DNR (Other Denver, Owned)	67,954	59,535	64,119				
DNR (Leased) (RSF)	57,452	24,190	26,053				
DNR (Interagency Shared)	0	6,800	6,800	**DNR total**	**181,669**	**130,907**	**159,243**
CDE (Sherman, Owned) (USF)	4,696	1,565	1,685				
CDE (Colfax, Owned) (USF)	41,933	27,192	32,793				
CDE (Sheridan, Owned) (USF)	25,818	27,623	27,915				
CDE (Leased) (USF)	37,631	19,296	22,266				
CDE (Interagency Shared)	0	11,500	11,500	**CDE total**	**110,078**	**87,175**	**96,159**
DHS (Sherman, Owned) (USF)	100,041	73,735	74,767				
DHS (Leased) (RSF)	17,004	4,510	4,857				
DHS (Interagency Shared)	N/A	N/A	N/A	**DHS Total**	**117,045**	**78,245**	**79,624**
DPS (690, 700 Kipling) (USF)	102,316	96,595	105,870				
DPS (710 Kipling, Leased) (USF)	11,888	4,611	5,234				
DPS (Mineral, Chester, Leased) (USF)	28,031	28,657	27,546				
DPS (Interagency Shared)	0	3,490	3,490	**DPS total**	**142,235**	**133,353**	**142,140**
CDPHE (Leased) (RSF)	373,179	180,516	251,953				
CDPHE (Interagency Shared)	N/A	N/A	N/A	**CDPHE total**	**373,179**	**180,516**	**251,953**
HCPF (Grant St., Owned) (USF)	32,630	15,957	21,864				
HCPF (Leased) (USF)	90,117	39,393	81,233				
HCPF (Interagency Shared)	0	3,000	3,000	**HCPF Total**	**122,747**	**58,351**	**106,097**
OIT (Leased) (USF)	91,109	10,848	10,994				
OIT (Interagency Shared)	0	4,500	4,500	**OIT Total**	**91,109**	**15,348**	**15,494**

AGENCY	Pre-COVID (USF)	Agency Findings Post-COVID (USF) *	Agency Findings 5-Year Projected (USF) *	AGENCY	Pre-COVID (USF)	Agency Findings Post-COVID (USF) *	Agency Findings 5-Year Projected (USF) *
CDHE (Leased) (USF)	14,551	15,204	9,375				
CDHE (Interagency Shared)	0	0	0	**CDHE total**	**14,551**	**15,204**	**9,375**
CDHE Hist CO (Owned)	27,900	22,940	24,706				
CDHE Hist CO (Interagency Shared)	N/A	N/A	N/A	**CDHE HC total**	**27,900**	**22,940**	**24,706**
CDOT (Deeper Dive, Owned) (USF)	330,730	170,903	170,903				
CDOT (Leased) (RSF)	11,910	5,650	6,085				
CDOT (Other, Owned) (RSF)	165,069	34,993	37,687				
CDOT (Interagency Shared)	N/A	N/A	N/A	**CDOT total**	**507,709**	**211,546**	**214,675**
DORA (Leased) (USF)	151,238	130,675	155,357				
DORA (Interagency Shared)	N/A	N/A	N/A	**DORA total**	**151,238**	**130,675**	**155,357**
CDLE (Leased) (USF)	154,775	90,296	122,238				
CDLE (Owned) (USF)	99,483	87,002	71,218				
CDLE (Interagency Shared)	16,155	11,230	11,230	**CDLE total**	**270,413**	**188,528**	**204,686**
CDA (Owned) (USF)	53,663	35,021	27,411				
CDA (Interagency Shared)	0	6,000	4,404	**CDA total**	**53,663**	**41,021**	**31,815**
CEO (Leased) (USF)	6,377	7,705	9,733				
CEO (Interagency Shared)	0	1,250	1,750	**CEO total**	**6,377**	**8,955**	**11,483**
OEDIT (Leased) (USF)	12,610	7,969	8,616				
OEDIT (Interagency Shared)	N/A	N/A	N/A	**OEDIT total**	**12,610**	**7,969**	**8,616**
DMVA (Centennial, Leased)	N/A	N/A	N/A				
DMVA (G.J., Owned)	14,615	11,515	12,402				
DMVA (Interagency Shared)	N/A	N/A	N/A	**DMVA total**	**14,615**	**11,515**	**12,402**
DOC (Leased) (RSF)	347,091	91,005	98,012				
DOC (Interagency Shared)	N/A	N/A	N/A	**DOC total**	**347,091**	**91,005**	**98,012**
DOR (Annex, Owned) (USF)	87,204	0	0				
DOR (1881 Pierce, Owned) (USF)	89,031	89,031	89,031				
DOR (Leased) (RSF)	98,368	42,384	42,384				
DOR (Interagency Shared)	N/A	N/A	N/A	**DOR total**	**274,603**	**131,415**	**131,415**
Beneficial Use Space	10,352	10,352	10,352	**Beneficial Use Space**	**10,352**	**10,352**	**10,352**

UPDATE TO FIGURE 06.04: (above) Basic Steps and Agency Findings data used for statewide totals.

Agency Findings data are recorded in USF. Some Basic Steps and Self-Reported data are recorded as RSF, noted in table.

Agency Findings
Basic Steps
Self-Reported
Test Fit in Progress
Test Fit Complete

TOTALS	**2,947,560**	**1,639,374**	**1,853,487**
Reduction from Pre-Covid		**1,308,186**	**1,094,073**
% Change from Pre-Covid		**44.38%**	**37.12%**

UPDATE | OVERALL STATE DATA UPDATED WITH FINDINGS FROM TEST FIT EXERCISE

STATE TOTAL	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	11,551	13,199	1,648		
Seat Count	10,496	7,340	-3,156		
Shared Common	345,060	373,167	28,107		
Interagency Shared	28,636	57,690	29,054		
Beneficial Use	10,352	10,352	10,352	10,352	
Total Space Needs	2,947,560	1,853,487	**-1,094,073**	2,694,649	-252,911

UPDATE TO FIGURE 06.05: Overall State data

- * Total SF includes unique space, Deeper Dive SF and Basic Steps SF
- * Head count 5-year projected for Basic Steps calculated from projected growth 7.7% (1.5%/yr.)
- * 5-year head count for CDPHE calculated from projected growth 7.7% (1.5%/yr.)
- * Shared Common Space and Interagency Space breakdown reflects Agency Findings exercise only
- * Data from Basic Steps exercise did not break out Shared or Interagency Space components
- * Overall space savings from Basic Steps is included

10.03.02 SUMMARY OF PROGRESS MADE TOWARDS IMPLEMENTING RECOMMENDATIONS

During FY 2022-2023, the State faced many of the same challenges to footprint reductions which impacted FY 2021-2022 progress. The primary challenge for FY 2022-2023 continued to be lack of funding for early lease buyouts and lack of funding for renovations necessary to facilitate consolidation.

Despite challenges, the State continues to make progress in implementing the SOSP.
Key points of progress for FY 2022-2023 are:

- *Implementation of Test Fit Process*
  The OSA and its consultants have initiated the Test Fit process described in Addendum 01 with fifteen agencies. This process involves verifying agency space needs, and applying those needs to two design studies:

  1. *Idealized Space Utilization Design Study*
     The agency considers a substantial renovation – either of its existing space or an alternative space - utilizing the State's Design Guidelines for right-sizing office space and optimizing it for the new hybrid work modality.

  2. *Minimum Cost Design Study*
     The agency remains in its existing space, with minimal alterations, and the agency footprint is consolidated within the existing space. These test fits will help agencies to make future funding decisions and enable the OSA to validate the amount of backfill space that is likely to become available as individual agencies reduce their footprints.

     As part of the Test Fit process, projected agency space needs have evolved. See Section 10.03.03 of this addendum.

- *Identification of Under-utilized State-owned Assets for Possible Disposal*
  The State is currently considering selling properties totaling approximately 300,000 GSF: 1570 Grant St., 251 12th Ave. and 1881 Pierce St. See Update To 07.02 Leveraging State-Owned Assets.

- *Design of Renovations of State-owned Buildings in the Capitol Complex*
  In FY 2021-2022, the Colorado General Assembly passed Bill SB22-239 to partially fund renovations in the Capitol Complex, needed for space consolidation. During FY 2022-2023, design has begun for renovation of the Capitol Annex building (with capitol security improvements), renovation of 1570 Grant and upgrades to the State Capitol Building. The project team is scheduled to have accurate cost estimates for use in future funding requests related to the three buildings by June 2023. See Update To 07.02.03 Recommendation: Renovate State-Owned Buildings in The Capitol Complex.

- *Capitol Complex Scenario Planning*
  The State has previously identified Scenario #3: State Conference Center, described in Section 07.02.04.03 of the SOSP, as the preferred scenario for filling space in the Capitol Complex. In FY 2022-2023, the scenario has been updated to reflect findings from the Test Fit process, and recommendations from the ongoing design work for renovations to the Capital Complex.

10.03.03 SUMMARY OF UPDATE TO ANALYSIS OF FINDINGS

Addendum 01 analyzes the statewide data set to better understand the challenges and opportunities of the footprint reduction goal. Section 10.06 of Addendum 02 updates this analysis with the FY 2022-2023 data set.

Important updates from this analysis are:

- *Updated Commercial Space Need*
  Assuming office footprint reduction efforts are successfully achieved, and that select agencies are relocated from private leased office space into State owned office space; private leases will remain a considerable component of the State's office space portfolio. Approximately 570,000 USF of privately leased office space will be required considering 5-year projections; a decrease of approximately 930,000 USF from the Pre-COVID privately leased office space USF. The updated findings indicate that commercial lease space needs would be approximately 880,000 USF in 5 years if those agencies currently in lease space, remain in lease space. Approximately 505,000 of State-owned space is projected to become available for backfill in 4 years, but approximately 195,000 USF of the total backfill space is located in areas that do not have a high concentration of agencies, making the space more difficult to backfill. Therefore, only 310,000 USF of State-owned space will be available in geographic areas that are suitable for backfill. Accounting for the feasible backfill, the remaining 5-year projected commercial lease need is approximately 570,000 USF.

- *Updated Costs for Renovation*
  This addendum updates the cost model for renovating space to right-size the space, incorporating features like collaboration areas necessary to support hybrid work, and supporting the State's goals of healthy and sustainable work environments. The construction marketplace has been in a period of extreme escalation since 2021. This addendum updates escalation costs. Even with a modest reduction in space need discussed in Section 10.04, the increased escalation costs in the model result in a modest increase in statewide projected renovation costs. Renovation costs for the 5-year State-owned space need are projected to be $156M - $256M. Additional costs for renovating State-owned backfill space so that agencies can move from commercially leased space to State-owned space are projected to be $53M - $88M and costs for renovating interagency shared and beneficial space are projected to be $11M - $19M for a total State expenditure of approximately $220M - $363M. Comparing renovation costs to avoid ease costs, utilizing the $24.19 / SF benchmark discussed in Section 08.04.03.02 of the SOSP, the renovation costs have a projected payback duration of approximately 7-12 years due to avoided lease costs.

10.03.04 SUMMARY OF UPDATE TO ACTION PLAN FOR ACHIEVING FOOTPRINT REDUCTION

As described in Addendum 01, the State's office space footprint reduction goal is dependent on lease and funding factors that will likely require several years to resolve.

In Addendum 01, the OSA established an Action Plan describing steps that could be taken immediately towards footprint reduction.

Addendum 02 updates the Action Plan for FY 2022-2023. The changes to the Action Plan are minor in nature, but the urgency of the Action Plan has intensified for FY 2022-2023 due to competition from the commercial lease market. During FY 2022-2023 commercial lease rates have dropped, making moves to State-owned buildings harder to justify. Implementation of the Action Plan is necessary to counteract this phenomenon and realize the State's goal of optimizing utilization of State-owned property.

10.04
ADDENDUM 02
UPDATED SPACE NEEDS STUDY FINDINGS

10.04 INTRODUCTION

As discussed in Section 06.01 of the SOSP, the State led an effort in spring 2021 to collect space needs data from nineteen agencies. The SOSP includes an overall statewide space needs projection based on the available data set as of June 2021, consisting of a combination of self-reported data, Basic Steps data and deeper dive Space Needs Study data for individual agencies. This data set continues to evolve as individual agencies reassess their projections. In FY 2022-2023, a significant impetus for reassessment was the Test Fit process described in Section 10.05.01. This section of Addendum 02 records changes to the data set. Fifteen individual agencies have reported changes to the data set; some of these agencies have completed the Test Fit process and others are still verifying data. The data recorded in this addendum is a snapshot as of May 2023. The current overall net impact on the statewide space reduction projection is modest. The updated data set indicates approximately a 1.1M USF statewide reduction comparing pre-COVID to 5-year projections, while the SOSP indicates approximately the same total reduction for this timeframe.

The Planning Team anticipates that agency projections will continue to evolve in the future. Agencies continue to report a trend towards an increase in employees who wish to remain in a hybrid or fully remote work style, rather than returning to onsite work. This phenomenon is likely to cause continued need for refinement of projections in years to come.

Revised sections of the SOSP are indicated with the title UPDATE and text revisions are indicated in *red italics*. Deleted text is indicated with strikethroughs.

UPDATE TO 06.01.04.03 SPACE NEEDS FINDINGS BY AGENCY

SOSP section 06.01.04.03 is a record of the Agency Findings for each of the nineteen agencies studied. During FY 2022-23, fifteen of those agencies participated in the Test Fit exercises described in Section 10.05 of this addendum. The data set has been updated for FY 2022-23 to include these updates; the updates reflect the statewide data set as of May 2023. Revisions to Section 06.01.04.03 of the SOSP are summarized in the tables below. Through the Test Fit exercise, a few agencies have realized actual space reductions, comparing their 2023 footprint to the pre-COVID footprint. These are recorded in a new “Realized Footprint” data category for the statewide dataset.

SOSP section 06.01.04.03 includes an agency-by-agency summary narrative describing the factors which influence the feasibility of footprint reduction for that agency. Fifteen agencies have commenced the Test Fit exercise during FY 2022-2023, working with the OSA and its Planning Team consultants: Anderson Mason Dale Architects, AECOM, Ron Abo Group and Stantec. Based on this Test Fit exercise, the SOSP narratives shall be amended as follows:

- *Department of Health Care Policy & Financing (HCPF)*
  Prior to the Workplace Strategy initiative’s inception, HCPF engaged with Stantec separately to reconfigure their space at 301 E 17th Street. This effort allowed them to completely vacate their space at 1570 Grant while maintaining their footprint at 301 E 17th – the agency did not lease more space in the building. Head count and seat count requirements were based on the 5-Year projected totals from the 2021 Space Needs Study. The reconfiguration of 301 E 17th Street is on-going and projected to be complete fall of 2023.

- *Department of Local Affairs (DOLA)*
  DOLA engaged with the Planning Team in August of 2022 for their Workplace Strategy effort. This process guided DOLA through the process of creating their own workplace strategy guidelines, which were then used to update their space needs requirements. A Gap Analysis showed that due to the types of spaces DOLA required, it was recommended that DOLA remain in their current space rather than move to 1570 Grant.

  The Planning Team is currently wrapping up DOLA’s space needs requirements into a final report. This report will be submitted to OSA who will then coordinate future space planning efforts with DPA.

- *Department of Natural Resources (DNR)*
  DNR participated in the 2021 Space Needs Study and engaged with the Planning Team for Workplace Strategy in April of 2023. This effort is on-going, and the expectation is that DNR will be verifying and making minor updates to their space needs requirements. The Planning Team will summarize these needs into a final report that will be submitted to OSA. OSA will then coordinate future space planning efforts with DPA.

- *Department of Personnel & Administration (DPA)*
  DPA participated in the 2021 Space Needs Study and engaged with the Planning Team for Workplace Strategy in April of 2023. This project is currently in the kick-off phase.

- *Department of Education (CDE)*
  CDE engaged with the Planning Team in March of 2022 for Workplace Strategy efforts. This process guided CDE through the process of creating their own workplace strategy guidelines, which were then used to update their space needs requirements. The Planning Team used the updated space needs requirements to develop an occupancy strategy that would allow CDE to vacate their Broadway and Evans locations while remaining in 201 E Colfax and obtaining additional move-in ready space at 1525 Sherman. This project is complete.

UPDATE | SUMMARY DATA BY STATE AGENCY UPDATED WITH FINDINGS FROM TEST FIT EXERCISE

HCPF	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	710	1,135	425	1,135	425
Seat Count	684	442	-242	486	-198
Shared Common	30,507	26,230	-4,277	13,700	-16,807
Interagency Shared	0	3,000	3,000	4,396	4,396
Total Space Needs	122,747	106,097	**-16,650**	103,706	-19,041

DOLA	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	217	305	88		
Seat Count	176	164	-12		
Shared Common	5,736	11,838	6,102		
Interagency Shared	0	2,500	2,500		
Total Space Needs	42,295	43,013	**718**	42,295	0

DNR	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	237	269	32		
Seat Count	213	194	-19		
Shared Common	6,183	13,511	7,328		
Interagency Shared	0	6,800	6,800		
Total Space Needs	181,669	159,243	**-22,426**	181,669	0

DPA	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	252	297	45		
Seat Count	250	111	-139		
Shared Common	10,380	7,518	-2,862		
Interagency Shared	8,077	8,516	439		
Total Space Needs	76,082	46,869	**-29,213**	76,082	0

CDE	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	692	709	17	625	-67
Seat Count	552	249	-303	235	-317
Shared Common	16,607	18,241	1,634	18,093	1,486
Interagency Shared	0	11,500	11,500	0	0
Total Space Needs	110,078	96,159	**-13,919**	54,936	-55,142

Self-Reported | **Basic Steps** | **2021 Agency Space Need Findings** | **2022 - 2023 Test Fit in Progress** | **2022 - 2023 Test Fit Complete**

- *Department of Labor & Employment (CDLE)*
The Colorado Department of Labor and Employment engaged the planning process in the fall of 2022, for the two separate locations currently occupied by the agency in the Denver metropolitan area. The division of Unemployment Insurance (CDLE-UI), located at 251 12th Street, engaged in separate planning meetings from the balance of the divisions housed at 633 17th Street, which includes the Executive Director's office (CDLE-EDO). As of this writing, both locations are currently in the middle of Test Fit planning. Planning with CDLE-UI is anticipated to wrap up by fall 2023, with preliminary space need updates suggesting that additional space saving and seat reductions can be realized beyond those identified in the 2021 Space Needs Study. Current planning concerns for CDLE-UI revolve around the proposed sale of their existing building at 251 12th and conversations are ongoing relative to the future of this real estate asset.

  The CDLE divisions housed at 633 17th St, are tentatively anticipating further modest space savings and seat reductions beyond the projections identified in the 2021 Space Needs Study.

- *Department of Agriculture (CDA)*
Since the 2021 Space Needs Study, the Colorado Department of Agriculture engaged in the planning process in the Fall of 2022 and is nearing completion of the Revised Space Needs and Test Fit planning effort. CDA has instituted a flexible work arrangement (FWA) policy, which has been embraced by the divisions, and is yielding greater space saving / seat reduction results than previously anticipated. Overall, CDA's current goals are to improve their space utilization, while also exploring opportunities for expanding co-working and flex-working relationships.

- *Department of Public Safety (DPS)*
DPS has not yet been engaged for Workplace Strategy. The Planning Team will engage with the agency at a later date.

- *Department of Higher Education (CDHE)*
The Colorado Department of Higher Education participated in the 2021 Space Needs Study and engaged with the Planning Team for Workplace Strategy in April of 2023. This effort is on-going, and CDHE has verified and made updates to their space needs requirements. The Planning Team will summarize these needs into a final report that will be submitted to OSA. OSA will then coordinate future space planning efforts with CDHE.

CDLE	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	1,389	1,540	151		
Seat Count	1,229	931	-298		
Shared Common	32,975	53,855	20,880		
Interagency Shared	16,155	11,230	-4,925		
Total Space Needs	270,413	204,686	**-65,727**	270,413	0

CDA	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	191	259	68		
Seat Count	137	99	-38		
Shared Common	14,495	10,124	-4,371		
Interagency Shared	4,404	4,404	0		
Total Space Needs	53,663	31,815	**-21,848**	53,663	0

DPS	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	751	847	96		
Seat Count	576	551	-25		
Shared Common	11,446	25,260	13,814		
Interagency Shared	0	3,490	3,490		
Total Space Needs	142,235	142,140	**-95**	142,235	0

CDHE	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	97	87	-10		
Seat Count	68	32	-36		
Shared Common	4,897	4,333	-564		
Interagency Shared	0	0	0		
Total Space Needs	14,551	9,375	**-5,176**	14,551	0

CDHE (History CO) **Administrative Space Only**	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	104	112	8		
Seat Count	104	112	8		
Shared Common	0	0	0		
Interagency Shared	0	0	0		
Total Space Needs	27,900	24,706	**-3,194**	27,900	0

Self-Reported	**Basic Steps**	**2021 Agency Space Need Findings**	**2022 - 2023 Test Fit in Progress**	**2022 - 2023 Test Fit Complete**

- *Department of Regulatory Agencies (DORA)*
  The next phase for the Colorado Department of Regulatory Agencies is to commit to the Test Fit process in FY 2023-2024, which would begin with workplace strategy workshops and an update to the 2021 Space Needs Study Report.

- *Department of Transportation (CDOT)*
  The Colorado Department of Transportation is commencing the next phase of their agency's workplace strategy which will result in Test Fits and an update to the January 19 2022 Space Needs Study Report. This phase will focus only on Headquarters and Region 1 of CDOT. New data should be available by fall 2023.

- *Office of Information Technology (OIT)*
  OIT engaged with the Planning Team in November of 2022 for Occupancy Strategy and Test Fit efforts. Due to the agency's high proportion of remote work, the agency did not need to go through a Workplace Strategy effort. The Planning Team completed occupancy strategy plans and a Test Fit for space that OIT is utilizing at 1575 Sherman. OIT was able to vacate all their administrative space at Pearl Plaza.

- *Department of Human Services (DHS)*
  CDHS engaged with the Planning Team for Workplace Strategy in February of 2023. This effort is on-going and is expected to be complete by the end of summer 2023. Starting September 1st, 2023, DHS plans to implement a schedule in which all staff work from the office two days a week, on staggered days.

DORA	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	646	787	141		
Seat Count	586	737	151		
Shared Common	24,067	46,552	22,485		
Interagency Shared	0	0	0		
Total Space Needs	151,238	155,357	**4,119**	151,238	0

CDOT	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	1,336	1,336	0		
Seat Count	1,606	769	-837		
Shared Common	66,798	58,545	-8,253		
Interagency Shared	0	0	0		
Total Space Needs	507,709	214,675	**-293,034**	507,709	0

OIT	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	413	771	358	665	252
Seat Count	413	53	-360	102	-311
Shared Common	8,227	4,506	-3,721	2,253	-5,974
Interagency Shared	0	4,500	0	0	0
Total Space Needs	91,109	15,494	**-75,615**	17,887	-73,222

DHS	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	720	733	13		
Seat Count	481	478	-3		
Shared Common	21,269	26,503	5,234		
Interagency Shared	0	0	0		
Total Space Needs	117,045	79,624	**-37,421**	117,045	0

CDPHE	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	1,768	1,816	48		
Seat Count	1,689	1,201	-488		
Shared Common	85,697	61,101	-24,596		
Interagency Shared	0	0	0		
Total Space Needs	373,179	251,953	**-121,226**	373,179	0

Self-Reported | **Basic Steps** | **2021 Agency Space Need Findings** | **2022 - 2023 Test Fit in Progress** | **2022 - 2023 Test Fit Complete**

- *Colorado Energy Office (CEO)*
  As of April 2023, CEO is in the planning stage for beginning the Test Fit process.

- *Office of Economic Development and International Trade (OEDIT)*
  As of April 2023, OEDIT is in the planning stage for beginning the Test Fit process.

- *Department of Revenue (DOR)*
  The Department of Revenue self-reported data for the Addendum 01 update and the agency has no current updates to their space use. DOR, outside of the state-wide DMV offices, is consolidated to two Denver metropolitan area locations: 1881 Pierce St in Lakewood and 1707 Cole Blvd in Golden. 1881 Pierce is state-owned, while the 1707 Cole location is commercially leased. DOR has gone through considerable consolidation over the past several years, while implementing a robust remote and flexible work arrangement policy. The agency continues to review space needs, tracking space utilization, occupancy and growth as essential metrics for future decision-making.

CEO	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	41	51	10		
Seat Count	36	43	7		
Shared Common	1,389	1,722	333		
Interagency Shared	0	1,750	1,750		
Total Space Needs	6,377	11,483	**5,106**	6,377	0

OEDIT	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	78	81	3		
Seat Count	72	43	-29		
Shared Common	4,387	3,328	-1,059		
Interagency Shared	0	0	0		
Total Space Needs	12,610	8,616	**-3,994**	12,610	0

DOR	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	1,526	1,644	118		
Seat Count	1,242	714	-528		
Shared Common	0	0	0		
Interagency Shared	0	0	0		
Total Space Needs	274,603	131,415	**-143,188**	274,603	0

DOC	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	336	382	46		
Seat Count	335	374	39		
Shared Common	0	0	0		
Interagency Shared	0	0	0		
Total Space Needs	347,091	98,012	**-249,079**	241,585	-105,506

DMVA	Pre-COVID	5-Year Projected	Pre-Covid:5-Year Delta	Current Footprint	Pre-Covid:Current Delta
Head Count	47	38	-9		
Seat Count	47	44	-3		
Shared Common	0	0	0		
Interagency Shared	0	0	0		
Total Space Needs	14,615	12,402	**-2,213**	14,615	0

Self-Reported | **Basic Steps** | **2021 Agency Space Need Findings** | **2022 - 2023 Test Fit in Progress** | **2022 - 2023 Test Fit Complete**

10.05
ADDENDUM 02
PROGRESS TOWARDS IMPLEMENTING RECOMMENDATIONS

10.05 INTRODUCTION

During FY 2022-2023 the State has encountered many of the same challenges to achieving footprint reductions experienced in FY 2021-2022, plus some new challenges:

- *Lack of Funding for Early Lease Buyouts*
  In some cases, leases may be bought out for early lease termination. The amount of the buyout typically includes uncollected rent and payback of landlord-financed tenant improvements. Lack of funding for these early buyouts has been a factor in hampering footprint reduction.

- *Lack of Renovation Funding*
  Renovations to right size State-owned space are needed to facilitate 1) consolidating within State-owned space and 2) moving from commercially leased space to appropriate space in State-owned facilities. Lack of funding for these renovations has hampered footprint reduction.

- *Increased Competition from the Commercial Lease Market*
  A new challenge for FY 2022-2023 has been increased competition from the commercial lease market. One of the primary strategies of the SOSP is moving agencies from commercial-leased space to State-owned space to optimize use of State assets. During FY 2022-2023 this strategy has been challenged as the acceptance of remote and hybrid working in the private sector has driven the demand for office space down which in turn has driven down lease rates for prime space, making that space more alluring.

Despite these challenges, the State continues to make progress towards its footprint reduction goals.

10.05.01 TEST FITS

A principal component of the OSA FY 2021-2022 Action Plan for footprint reduction is the development of agency-by-agency and building-by-building test fits. A test fit is a conceptual floor plan used to determine how a space need fits in a particular space – typically a floor of a building. A focus for the OSA during FY 2022-2023 has been the development of these test fits. When an agency has expressed interest, the OSA has utilized its planning consultants to work with the agency to develop test fits. Through this process, the OSA has commenced the Test Fit process for fifteen agencies, described in Section 10.04 of this addendum.

Key steps in the Test Fit process and the benefits of each step are:

1) *Workplace Strategy Workshop*
   The test fit process includes OSA-led workshops discussing strategies for accommodating a mixture of fully remote, onsite and hybrid working. The process has aided executive-level leadership of agencies in accommodating the new workplace modality.

2) *Verification of Space Needs*
   The process is a chance for agencies to verify seat counts, office/workstation distribution, the appropriate amount of shared common space and unique space based on updated agency needs. The updated space needs from this process are recorded in Section 10.04 of this addendum.

3) *Development of Right-Sized Scenario*
   One test fit utilizes the State's Design Guidelines to right-size spaces for efficiency and to configure space so that it works optimally for the new workplace modality, shifting the workplace to address factors such as increased emphasis on collaboration, the need for new workpoint types such as hoteling assigned and unassigned workstations and new support needs for today's workplace such as spaces focused on the wellness and the collective culture of the work group.

4) *Development of Minimum Funding Scenario*
   Funding for significant renovations continues to be a hurdle for footprint reduction. In addition to the right-size scenario, the test fit process includes the development of a low-impact scenario utilizing current space and furniture, requiring minimum renovation and minimum funding. This test fit does not yield the optimal footprint reductions of the right-sized scenario, but it provides agencies with a baseline to compare against. This test fit also demonstrates to an agency a way its footprint can be consolidated to free space for backfill.

The Test Fit process includes projected costs associated with each test fit scenario so that an agency can use these costs for future funding requests.

10.05.02 PROGRESS TOWARDS SOSP RECOMMENDATIONS

Section 07 of the Strategic Office Space Plan (SOSP) includes specific tactical recommendations for the State to consider implementing to achieve the goal of a 1M SF reduction of administrative office space. If the State has progressed towards implementing a recommendation in FY 2022-2023, or if added information has necessitated changing a recommendation, that information is recorded in this section of the addendum. If a particular previous recommendation remains status quo, it is not discussed in this addendum.

For brevity, this addendum focuses on added text or revision text. Generally, this addendum does not repeat information from previous addenda that is unchanged. Please refer to the reference subsection in the SOSP or in previous addenda for the context of the full associated narrative. Revised sections of the SOSP are indicated with the title UPDATE and text revisions are indicated in *red italics*. Deleted text is indicated with strikethroughs.

UPDATE TO 07.02 LEVERAGING STATE-OWNED ASSETS

SOSP section 07.02 is an overview of recommendations for better leveraging State-owned assets. The section shall be amended to add the following text:

During FY 2022-2023, consolidation of agency footprints has allowed the State to consider disposing of some State-owned property. The State should consider disposing or deploying to non-state use 1570 Grant St., 251 12th Ave. and 1881 Pierce St. due to lack of demand or need. These three properties account for a total of approximately 300,000 GSF, 30% of the State's 1M SF footprint reduction goal. Proceeds from these sales could contribute towards funding necessary renovations to State-owned buildings, as described in Section 07.02.03 of the SOSP.

UPDATE TO 07.02.03 RECOMMENDATION: RENOVATE STATE-OWNED BUILDINGS IN THE CAPITOL COMPLEX

SOSP section 07.02.03 is a recommendation to renovate State-owned property, focusing on the downtown Denver holdings. The section is amended in Addendum 01 to indicate that Bill SB22-239 was passed by the Colorado General Assembly during the 2022 Regular Session authorizing funding for a portion of the needed renovations to State-owned buildings in the Capitol Complex. During FY 2022-2023, design has begun for this project: renovation of the Capitol Annex building with capitol security improvements, renovation of 1570 Grant and upgrades to the State Capitol Building. Section 07.02.03 of the SOSP shall be amended with the following text, provided by the Division of Capital Assets:

07.02.03.01 INTRODUCTION

The Department of Personnel & Administration (DPA) – Division of Capital Assets (DCA) is currently working on Phase 1 of the Capitol Complex renovation project to complete security upgrades to the State Capitol Building and State Capitol Annex building. Phase 1 included selection of the design team led by Ratio Architects and construction manager/general contractor (CMGC) team led by Fransen Pittman to provide design documents from pre-design through design development for the security upgrades and renovations of the three buildings listed in SB22-239 above. This team will continue through the completion of all projects. The design and CMGC team have been tasked to complete Pre-design (PD) through Design Development (DD) phases to reach a Guaranteed Maximum Price (GMP). This will provide DPA with detailed cost estimates to be used for future funding requests for the three renovation projects. The estimates are scheduled to be complete by June 15, 2023.

The FY 2023-2024 CCCR funding request for the full Annex building renovation was reduced to a budget that will require a multi-year phased approach. It is anticipated that the security needs of the bill (bollards, wedge barriers, governor's office improvements and CSP Annex basement remodel) and hopefully complete HVAC improvements for the entire Annex building will be completed by 2025. For the HVAC system to be replaced, full demolition of the existing HVAC system and abatement of asbestos is required. Tenant improvements for the general assembly floors will also be completed in this phase of work, pending available funds. If funds are not available to complete all the work stated above, the remaining renovation portions will follow as funding becomes available.

07.02.03.02 PROJECT SCHEDULE

The overall project schedule for the Capitol Complex renovation project consists of the following phases. All dates are preliminary and will likely change as the project continues to evolve:

- *Phase I*
  DD/GMP pricing will be due for the CSP Security Improvement in April 2023 Capitol Security Upgrades 4/2023 – 10/2023 CSP Remodel 8/23 – 5/2024 DD/GMP pricing will be due for the Annex Building in June 2023.

  Preliminary construction schedule: HVAC 52 weeks 9/23 – 9/24 and Tenant Improvement 24 weeks 9/24 – 2/25
- *Phase II*
  DD pricing will be due for 1570 Grant in June 2023
- *Phase III*
  State Capitol Building Upgrades scope of work TBD and timing TBD.
- *Phase IV*
  DD pricing will be due for the Centennial Building in June 2023

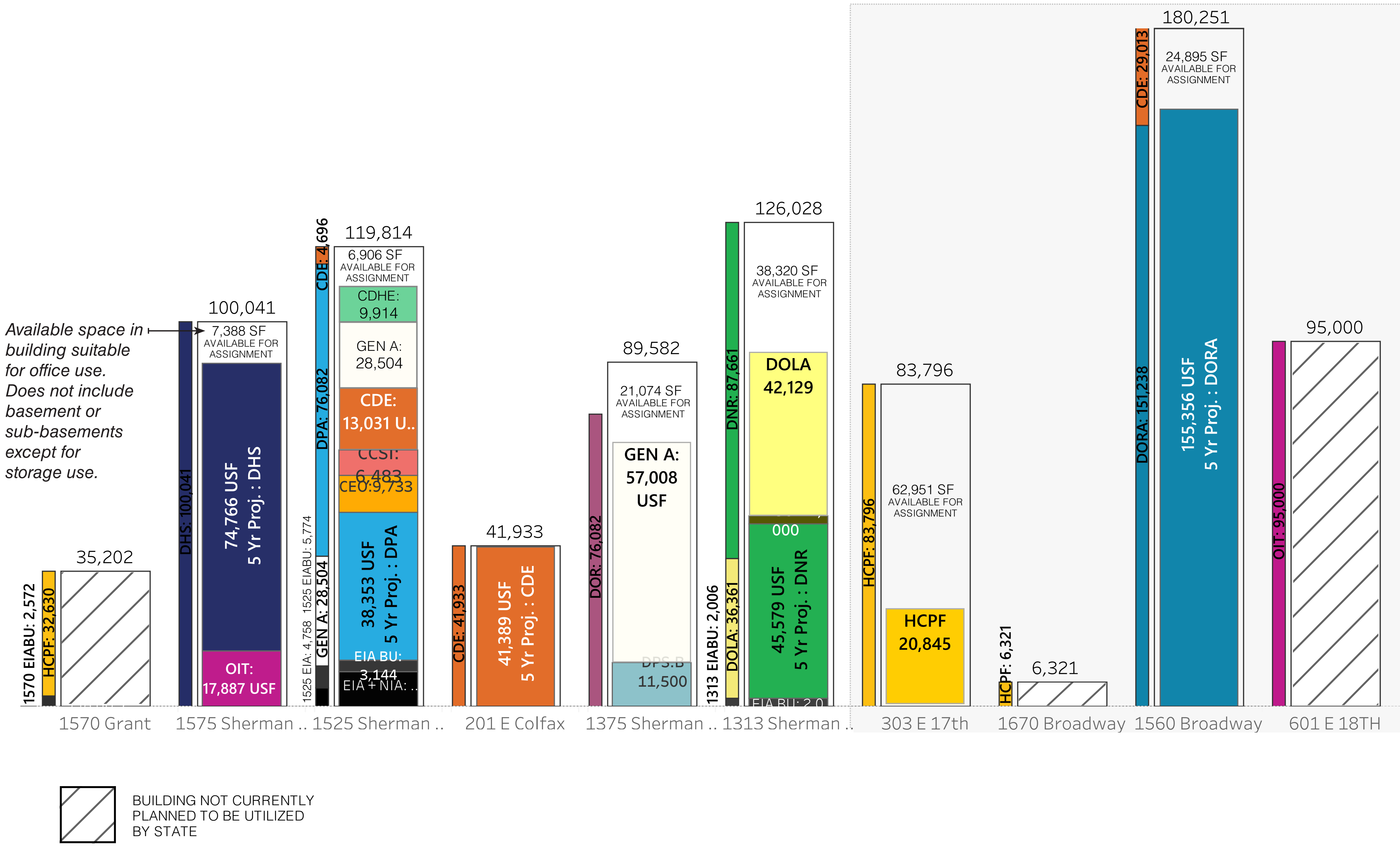
07.02.03.03 PROJECT SCOPE

DCA has been working with the OSA and its planning consultants to identify which agencies are planned for each of the three buildings: the Capitol Annex, Centennial Building and 1570 Grant. During winter 2023, several of the planned occupants have changed:

- DOLA was slated to occupy 1570 Grant, then changed due to an increase in their Housing group program. DOLA is now planned to stay in the Centennial Building. The design consultants for the Capital Complex renovation project are providing design documents for DOLA's 1st floor Centennial improvements.
- Various groups from the Governor's office are planned to move into 6,453 RSF of the fourth floor of the Centennial Building.
- The General Assembly was slated to occupy two floors for the General Assembly with the remainder for the building occupied by DNR. However, it now appears that the General Assembly may occupy more space in the Annex building than originally anticipated, based on discussions during the 2023 Legislative Session and regarding SB 23-305.

Due to moving parts, DCA has directed it's design consultant to provide generic office floor plans for construction pricing purposes until occupants have made firm commitments. Also, the timing of the renovations may extend out longer than originally planned for due to funding which may further complicate who will occupy the Capitol Complex buildings. To meet CCCR funding requests, submission deadlines for FY 2024-2025, assumptions will be made for occupant space needs/tenant improvements to generate construction and design costs. By the end of June 2023 DCA should have detailed pricing for all renovation projects and an updated schedule to complete all projects. DPA is empowered to budget for the projects and the Governor's Office of State Planning and Budgeting is empowered to determine the best funding-request strategies.

SCENARIO 3: STATE CONFERENCE CENTER



BUILDING NOT CURRENTLY PLANNED TO BE UTILIZED BY STATE

EIA *Existing Interagency Shared Use Space*
NIA *New Interagency Shared Use Space*
EIABU *Existing Interagency Beneficial Use Space*
CCSI *Colorado Charter School Institute*

UPDATE TO FIGURE 07.09: Scenario 3: Strategic Office Space Plan - Metro Denver. Graphic courtesy of Stantec.

UPDATE TO 07.02.04 CAPITOL COMPLEX SCENARIO PLANNING

SOSP Section 07.02.04 provides an overview of scenarios for filling six buildings in the Downtown Denver Capitol Complex. Addendum 01 records that Scenario #3: State Conference Center, described in Section 07.02.04.03 of the SOSP, has been identified by the State as the preferred scenario and renamed "Strategic Office Space Plan - Metro Denver." Section 07.02.04.03 shall be further amended to add the following text:

The 5-year projected conditions in Scenario #3 include current agency space needs projections as of FY 2022-2023. Key aspects of the updated Scenario #3 are:

- Agencies are configured so that none occupy State-owned 1570 Grant St., allowing the State to dispose of this property as discussed in Update to Section 07.02.
- 1375 Sherman is configured with a large amount of currently unassigned space. There are current discussions that the General Assembly may utilize this remainder of the building.
- 1313 Sherman is configured with a large amount of currently unassigned space. There are current discussions with DNR and DOLA that these agencies may utilize this remainder of the building.

UPDATE TO 07.03 CO-LOCATION OPPORTUNITIES

SOSP section 07.03 is an introduction to the co-location recommendations. The section shall be amended to add the following text:

During FY 2022-2023, the State continued to see agency interest in co-location. The Department of Revenue (DOR) is discussing a potential co-location with the Colorado Department of Transportation (CDOT). The co-location would allow DOR to vacate 1881 Pierce St. The State could then dispose of 1881 Pierce St. through sale of the property (see Update to Section 07.02) or redevelopment of the property for other purposes.

UPDATE TO 07.04.01 IDENTIFYING COSTS ASSOCIATED WITH MOVING

SOSP section 07.04.01 explains that the costs represented in SOSP Figure 07.18 are for typical office renovation projects and discusses factors which would increase costs from this baseline. The section shall be revised as follows:

- *Escalation after the second quarter of 2021.* The costs listed in Figure 07.18 reflect the Front Range marketplace as of second quarter (Q2) 2021. ~~This report recommends an escalation factor of 4% per year for construction cost and FF&E, for projects starting after Q2 2021.~~ This report recommends escalation factors of 6% / yr for 2021 and 9% / yr for 2022 and 2023 be applied to Figure 07.18 costs. These percentages incorporate marketplace data from the Q2 2021 – Q2 2023 period reflecting cost increases driven by supply chain restrictions, labor shortages and inflation. This report recommends an escalation factor of 6% for 2024 anticipating a slowdown of cost increases and an escalation factor of 4% per year for 2025. The 4% future escalation factor is customary practice for construction pricing under normal economic conditions and aligns with the escalation factor used for leases in the Real Estate Program Policies and Procedures, which is 3.5%-4% per year. However, escalation is subject to many factors and can vary widely from this number. ~~Some construction cost estimators are predicting steep price increases in the post-COVID construction marketplace related to predictions of intensive economic expansion during that period.~~ This report recommends that the State revisit escalation predictions on an annual basis.

10.06
ADDENDUM 02
UPDATED ANALYSIS OF FINDINGS

STATEWIDE TOTALS	Pre-COVID State Total	5-Year Projected State Total	Delta	% Change
Seat Count	10,496	7,340	-3,156	-30%

STATEWIDE TOTALS		Pre-COVID State Total	5-Year Projected State Total
Head Count	*Fully Remote*	9%	34%
	On-site	86%	30%
	Hybrid	4%	36%

UPDATE TO FIGURE 09.01 Statewide Seat Count and Statewide Head Count Distribution. Seat Count data based on Space Needs Findings and Test Fit Exercise. Head Count data based on Agency Findings Deeper Dive data and Test Fit Exercise.

10.06 INTRODUCTION

Addendum 01 includes analysis of the statewide data set to understand seat and head count changes comparing pre-COVID to 5-year projections more precisely, the schedule of expiring leases, and the distribution of State-owned, leased, and interagency square footage. The statewide data set has evolved during FY 2022-2023. The following tables are updated for the current data set. Changes to the statewide seat and headcount distributions, and to State-owned, Leased, and Interagency square footage for FY 2022-2023 are relatively small. Key highlights of the updated data are:

- *Distribution of Work Type*
  The State continues to experience a shift to projections of more fully remote workers in 5-year projections. For FY 2022-2023, the Statewide 5-year projected percentage of fully remote workers has risen to 34%, from 29% one year ago.

- *Challenges with Lease Expirations*
  The State has an ongoing challenge regarding lease expiration dates: More than half of the State's current leased square footage is in leases that will expire after the State's time goal for footprint reduction. The current lack of funding for early lease buyouts is a significant challenge for the State in meeting its time goal for footprint reduction.

- *Projected Available Backfill*
  For FY 2022-2023, the Statewide 5-year projections indicate that approximately 310,000 USF of State-owned backfill space will become available in areas with concentrated agency presence. It is the State's goal to fill this space by moving agencies from commercially-leased space in those areas to the State-owned space. Doing so would require funding for renovation of the State-owned space, so that the space is right-sized to agency needs and meets agency needs regarding changes to the workplace such as the need for hoteling workpoints and increased collaboration areas.

SUMMARY OF STATE-OWNED, LEASED AND INTERAGENCY SF

AGENCY | State-owned facilities	Pre-COVID SF (USF)*	Agency Findings 5-Year Projected SF (USF)
DPA (Sherman, Owned) (USF)	68,005	38,353
DOLA (Owned) (USF)	38,512	39,629
DOLA (G.J Owned) (USF)	3,783	883
DNR (Sherman, Owned) (USF)	56,263	62,271
DNR (Other Denver, Owned)	67,954	64,119
CDE (Sherman, Owned) (USF)	4,696	1,685
CDE (Colfax, Owned) (USF)	41,933	32,793
CDE (Sheridan, Owned) (USF)	25,818	27,915
DHS (Sherman, Owned) (USF)	100,041	74,767
DPS (690 & 700 Kipling, Owned)	102,316	105,870
HCPF (Grant St., Owned) (USF)	32,630	21,864
CDHE Hist CO (Owned)	27,900	24,706
CDOT (Deeper Dive, Owned) (USF)	248,010	133,482
CDOT (Deeper Dive, Owned) (USF)	3,888	3,974
CDLE (Owned) (USF)	99,483	71,218
DMVA (G.J., Owned)	14,615	12,402
DOR (Annex, Owned) (USF)	87,204	0
DOR (1881 Pierce, Owned) (USF)	89,031	89,031
SUB TOTAL *(concentrated state presence)*	***1,112,082***	***804,963***
CDOT (Owned) (USF)	82,720	37,421
CDOT (Other, Owned) (RSF)	161,181	33,713
CDA (Owned) (USF)	53,663	27,411
SUB TOTAL *(dispersed state presence)*	***297,564***	***98,545***
TOTAL SF State-owned	**1,409,646**	**903,508**

AGENCY | Leased facilities	Pre-COVID SF (USF)*	Agency Findings 5-Year Projected SF (USF)
DNR (Leased) (RSF)	36,943	20,533
CDE (Leased) (USF)	37,631	22,266
DHS (Leased) (RSF)	17,004	4,857
DPS (710 Kipling, Leased)	11,888	5,234
CDPHE (Leased) (RSF)	373,179	251,953
HCPF (Leased) (USF)	90,117	81,233
OIT (Leased) (USF)	91,109	10,994
CDHE (Leased) (USF)	14,551	9,375
CDOT (Leased) (RSF)	11,910	6,085
DORA (Leased) (USF)	151,238	155,357
CDLE (Leased) (USF)	154,775	122,238
CEO (Leased) (USF)	6,377	9,733
OEDIT (Leased) (USF)	12,610	8,616
DOC (Leased) (RSF)	347,091	98,012
DOR (Leased) (RSF)	98,368	42,384
SUB TOTAL *(concentrated state presence)*	***1,454,790***	***848,871***
DNR (Leased) (RSF)	20,509	5,520
DMVA (Centennial, Leased)	N/A	N/A
DPS (Mineral, Chester, Leased)	28,031	27,546
SUB TOTAL *(dispersed state presence)*	***48,540***	***33,066***
TOTAL SF Leased	**1,503,330**	**881,937**

AGENCY | Interagency Shared Share & Beneficial Space	Pre-COVID SF (USF)*	Agency Findings 5-Year Projected SF (USF)
DPA (Interagency Shared)	8,077	8,516
DOLA (Interagency Shared)	0	2,500
DNR (Interagency Shared Shared)	0	6,800
CDE (Interagency Shared)	0	11,500
DHS (Interagency Shared)	N/A	N/A
DPS (Interagency Shared)	0	3,490
CDPHE (Interagency Shared)	N/A	N/A
HCPF (Interagency Shared)	0	3,000
OIT (Interagency Shared)	0	4,500
CDHE (Interagency Shared)	0	0
CDHE HC (Interagency Shared)	N/A	N/A
CDOT (Interagency Shared)	N/A	N/A
DORA (Interagency Shared)	N/A	N/A
CDLE (Interagency Shared)	16,155	11,230
CEO (Interagency Shared)	0	1,750
OEDIT (Interagency Shared)	N/A	N/A
DMVA (Interagency Shared)	N/A	N/A
DOC (Interagency Shared)	N/A	N/A
DOR (Interagency Shared)	N/A	N/A
Beneficial Use Space	10,352	10,352
SUB TOTAL *(concentrated state presence)*	***34,584***	***63,638***
CDA (Interagency Shared)	0	4,404
SUB TOTAL *(dispersed state presence)*	0	4,404
TOTAL SF Interagency Shared	**34,584**	**68,042**

UPDATE TO FIGURE 09.03: Summary of State-owned, Leased and Interagency Square Footage

**Agency Findings data are recorded in USF. Some Basic Steps and Self-Reported data are recorded as RSF, noted in table.*

BACKFILL OPPORTUNITIES IN AREAS WITH DISPERSED STATE PRESENCE

	State-Owned				Leased				5-Year Backfill Opportunity		
	CDOT		***CDA***		***DNR***		***DPS***				
Location	Pre-COVID	5-Year	Pre-COVID	5-Year	Pre-COVID	5-Year	Pre-COVID	5-Year	Available State-Owned	Opportunity to Move Leased Space	Remaining State-Owned Space
Alamosa	11,384	2,558			580	0			8,826	0	8,826
Aurora	60,000	9,049							50,951	0	50,951
Boulder	4,100	1,987							2,113	0	2,113
Broomfield			53,663	31,815					21,848	0	21,848
Chester							5,497	5,760	0	0	0
Craig	26,625	4,335							22,290	0	22,290
Durango	2,403	1,982			3,897	1,104			421	1,104	-683
Durango (Deeper Dive)	21,592	7,986							13,606	0	13,606
Eagle	2,266	2,337							-71	0	-71
Glenwood Springs	4,220	1,785			4,200	1,104			2,435	1,104	1,331
Greeley (Deeper Dive)	26,733	16,340							10,393	0	10,393
Golden	9,575	1,621							7,954	0	7,954
Golden (Deeper Dive)	34,396	13,096							21,300	0	21,300
Gypsum	1,980	110							1,870	0	1,870
Lamar	872	994							-122	0	-122
Limon	1,344	1,214							130	0	130
Loveland	7,500	1,325							6,175	0	6,175
Mineral							22,534	21,786	0	0	0
Monte Vista	1,792	110							1,682	0	1,682
Montrose	5,160	1,104			2,193	2,208			4,056	2,208	1,848
Sliverthorne	4,570	110							4,460	0	4,460
Sterling	6,323	1,766							4,557	0	4,557
Trinidad	5,727	110							5,617	0	5,617
Watkins	5,340	1,214							4,126	0	4,126
	243,901	71,134	53,663	31,815	10,870	4,416	28,031	27,546	**194,615**	**4,416**	**190,199**

Towns with opportunity to backfill State-owned space by moving agencies from leased space

UPDATE TO FIGURE 09.04: Backfill opportunities in areas with dispersed state presence

5-YEAR PROJECTED STATEWIDE RENOVATION COST MODEL

RENOVATION COST MODEL State-Owned Space 5-year Projected Need	Space Allocation Model	5-year projected USF	5-year projected GSF	Baseline: Q2 2021 Projected Cost / SF	Escalation: Qs of Escalation 2021 1.5%/Q	Escalation: Qs of Escalation 2022 2.25%/Q	Escalation: Qs of Escalation 2023 2.25%/Q	Escalation: Total Non-compounded Escalation	Q4 2023 Projected Cost / SF	Q4 2023 Modeled Project Cost
Light Tenant Improvement	33%	298,158	N/A	$ 93 - $ 150	2	4	4	21%	$ 113 - $ 182	$ 33,551,674 - $ 54,115,602
Extensive Tenant Improvement	33%	298,158	N/A	$ 134 - $ 202	2	4	4	21%	$ 162 - $ 244	$ 48,343,272 - $ 72,875,678
Full Renovation	34%	307,193	383,991	$ 201 - $ 349	2	4	4	21%	$ 243 - $ 422	$ 74,712,329 - $ 129,724,392
Total Area	100%	903,508							Total Modeled Project Cost	$ 156,607,274 - $ 256,715,672

RENOVATION COST MODEL State-Owned Backfill Space* 5-year Projected Need	Space Allocation Model	5-year projected USF	5-year projected GSF	Baseline: Q2 2021 Projected Cost / SF	Escalation: Qs of Escalation 2021 1.5%/Q	Escalation: Qs of Escalation 2022 2.25%/Q	Escalation: Qs of Escalation 2023 2.25%/Q	Escalation: Total Non-compounded Escalation	Q4 2023 Projected Cost / SF	Q4 2023 Modeled Project Cost
Light Tenant Improvement	33%	102,806	N/A	$ 93 - $ 150	2	4	4	21%	$ 113 - $ 182	$ 11,568,808 - $ 18,659,368
Extensive Tenant Improvement	33%	102,806	N/A	$ 134 - $ 202	2	4	4	21%	$ 162 - $ 244	$ 16,669,035 - $ 25,127,949
Full Renovation	34%	105,922	132,402	$ 201 - $ 349	2	4	4	21%	$ 243 - $ 422	$ 25,761,236 - $ 44,729,709
Total Area	100%	311,535							Total Modeled Project Cost	$ 53,999,080 - $ 88,517,025

*Backfill considered for geographic areas with concentrated State presence plus opportunities in areas with dispersed State presence.

RENOVATION COST MODEL Leased Facilities 5-year Projected Need	Space Allocation Model	5-year projected USF	5-year projected GSF	Baseline: Q2 2021 Projected Cost / SF	Escalation: Qs of Escalation 2021 1.5%/Q	Escalation: Qs of Escalation 2022 2.25%/Q	Escalation: Qs of Escalation 2023 2.25%/Q	Escalation: Total Non-compounded Escalation	Q4 2023 Projected Cost / SF	Q4 2023 Modeled Project Cost
Light Tenant Improvement	50%	285,201	N/A	$ 93 - $ 150	2	4	4	21%	$ 113 - $ 182	$ 32,093,682 - $ 51,764,003
Extensive Tenant Improvement	50%	285,201	N/A	$ 134 - $ 202	2	4	4	21%	$ 162 - $ 244	$ 46,242,509 - $ 69,708,857
Full Renovation	0%	0	0	$ 201 - $ 349	2	4	4	21%	$ 243 - $ 422	$ - - $ -
Total Area	100%	570,402							Total Modeled Project Cost	$ 78,336,191 - $ 121,472,860

5-year Projected Leased Space	881,937
5-year Projected State-owned Backfill	-311,535
5-year Projected Net Lease Need	570,402

RENOVATION COST MODEL Interagency Space 5-year Projected Need	Space Allocation Model	5-year projected USF	5-year projected GSF	Baseline: Q2 2021 Projected Cost / SF	Escalation: Qs of Escalation 2021 1.5%/Q	Escalation: Qs of Escalation 2022 2.25%/Q	Escalation: Qs of Escalation 2023 2.25%/Q	Escalation: Total Non-compounded Escalation	Q4 2023 Projected Cost / SF	Q4 2023 Modeled Project Cost
Light Tenant Improvement	33%	22,454	N/A	$ 93 - $ 150	2	4	4	21%	$ 113 - $ 182	$ 2,526,733 - $ 4,075,376
Extensive Tenant Improvement	33%	22,454	N/A	$ 134 - $ 202	2	4	4	21%	$ 162 - $ 244	$ 3,640,669 - $ 5,488,172
Full Renovation	34%	23,134	28,918	$ 201 - $ 349	2	4	4	21%	$ 243 - $ 422	$ 5,626,488 - $ 9,769,375
Total Area	100%	68,042							Total Modeled Project Cost	$ 11,793,890 - $ 19,332,923

UPDATE TO FIGURE 09.06: 5-Year Statewide Renovation Cost Model

10.06.01 ANALYSIS OF STATEWIDE COSTS FOR RENOVATION

Addendum 01 to the SOSP includes a cost model for renovations considering light tenant improvement (principally updated finishes), extensive tenant improvement (moving walls and modifying building systems) and full renovation (involving mechanical, electrical, plumbing, and building envelope systems). Baseline costs in the model come from Figure 07.18 of the SOSP. The cost model is updated in Addendum 02 for changes in the statewide data set described in Section 10.04 of the addendum, and updates to construction costs, described in Section 10.05 of this addendum. Addendum 02 includes updates to the cost model tables to reflect the current data.

1. *See SOSP Section 08.03.04.02 for an explanation of space allocations.*
2. *See SOSP Section 07.04.01 for an explanation of Q2 2021 Baseline Costs.*
3. *For the purposes of this model, GSF is modeled assuming a 15% load factor plus an additional 10% for building service areas and exterior wall thicknesses.*
4. *Costs are escalated to the midpoint of the 5-year footprint reduction period.*
5. *This report recommends that the State revisit escalation predictions on an annual basis.*

10.07
ADDENDUM 02
UPDATED ACTION PLAN FOR ACHIEVING FOOTPRINT REDUCTIONS

10.07 INTRODUCTION

The COVID-19 pandemic imposed unprecedented challenges on State agency employees forcing them to enact remote and hybrid work as the primary element of workplace strategy. The pandemic now appears to be managed, and because we now know more, the footprint reduction initiative has proven to be effective for creating an efficient workplace for employees that also realizes cost savings. Through these efforts, and with the coordination of the State's strategic plan for implementing technology into the process, working from home and hybrid work is now feasible, welcomed, and necessary. Also, the State's efforts have become critical to workforce recruitment and retention. These factors have led the OSA to continue to move forward with asserting consolidation as a critical step towards creating backfill space in State-owned property.

During FY 2022-2023, the State's leasing program has also been affected by the shift towards working from home. The private sector has largely adopted the remote and/or hybrid work model. With both public and private sector workers now requiring less use of leased office space, availability of prime space has increased, driving market lease rates down. While the opportunities in the current leasing market can be alluring, the OSA continues to focus on the goal of moving agencies from commercially leased space to State-owned space, maintaining the State's fiduciary responsibility to the public.

In Addendum 01 to the SOSP, the OSA put forth an Action Plan describing steps that could be taken immediately towards footprint reduction. That Action Plan is updated in this Addendum 02 for FY 2022-2023. The Action Plan shall be replaced with the complete, updated version below. Changes to the 2021-2022 Action Plan are indicated in *red italics*.

10.07.01 FY 2022-2023 ACTION PLAN

Executive Order D 2022 008 Flexible Work Arrangements in State Government charges DPA with planning the State's footprint reduction. To achieve the footprint reduction, this report recommends that DPA and agencies commence the following steps:

1) OSA to continue to work with agencies in strategizing their implementation planning and assessing their current space requirements.
   - Refine ARPA and other term-limited funded FTE impact and timing.
   - Verify seat counts, office/workstation distribution, the appropriate amount of shared common space and unique space based on updated agency needs.
   - Assist the executive level of agencies in developing workplace strategies by utilizing OSA workshops.
   - Develop a short-term option by providing a test fit utilizing current assets and FFE assuming minimal funding to establish a base line.
   - Determine the cost and benefit of right sizing the agency-dedicated space.
   - Work with the Office of the State Controller and the Division of Human Resource to standardize terminology regarding fully remote, onsite and hybrid work classifications to reduce confusion of term as facilitate data gathering.

2) Agencies to develop an operating budget request to implement their reduction plan as identified in the SOSP.
   - Establish lease termination expenses.
   - Establish right sizing costs.
   - Determine fiscal year(s) to make the request.
   - *Leverage the current lease market conditions if it clearly meets the spirit of the Governor's "Wildly Important Goals" through sub-lease or co-lease to other state agencies and provides costs benefits and/or savings.*

3) Agencies to commence their implementation plan by consolidating their existing space to reflect their current space needs (seat counts and the appropriate amount of support space). Develop a flexible change management strategy to *mandate and* facilitate this implementation.

4) Implement a Capitol Complex plan:
   - Establish need based on verified targeted seat counts and test fits.
     - Test fit study 1: existing assets with minimum renovation and minimum new FFE.
     - Test fit study 2: align with the Design Guidelines to compare the efficiency and establish the benefit of requesting agency by agency funding.
   - Continue planning efforts with the Capitol Complex Architects related to the work and timetables for moving agencies.
   - Implement the revised scenario #3 from SOSP Section 07.02.04 and continue to update as required.
   - Study centralized conference center at 1525 Sherman.
     - Establish a program for centralized conference center to include location(s), interagency shared space needs, and costs to implement.
     - Conduct a usage/need study.
     - Explore technology to ensure this is a state-of-the-art conferencing center to encourage its use.
   - Determine the best use of the State's beneficial use space.

5) For agencies with lease expirations of in FY ~~2023-2024~~ *2024-2025* or before, OSA / agencies to proceed as follows:
   - Identify "best fit scenario" location for agency by providing a test fit for that location.
   - Identify costs associated with space needs and the move to request additional operational funding.

6) For agencies with lease expirations in FY ~~2023-2024~~ *2025-2026* and later, OSA / agencies to proceed as follows:
   - Initiate discussions with property owners for an early termination.
   - Based on test fit, consolidate space to provide opportunity for co-location until lease term expires or lease is modified.
   - Create an operating budget request to consolidate.

7) Identify under-utilized State office buildings and develop options to repurpose including potential Public Private Partnerships (P3s), leasing or disposal if funding is not available for renovation. This report recommends that proceeds be directed towards State footprint reduction efforts.

8) ~~OSA to add to the GIS mapping tool the location and amount of~~ *With the implementation of the OSA GIS mapping tool*, promote available co-location space in both leased and State-owned properties.

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