

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2022-23, FY 2021-22, FY 2019-20

CAPITAL CONSTRUCTION

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
ANDREA UHL, JBC STAFF
JANUARY 20, 2023

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CONTENTS

Summary: FY 2019-20 Appropriation and Recommendation	1
Request/Recommendation Descriptions	1
Summary: FY 2021-22 Appropriation and Recommendation	2
Request/Recommendation Descriptions	2
Summary: FY 2022-23 Appropriation and Recommendation	4
Request/Recommendation Descriptions	4
Supplemental Requests	5
CDPHE Replace Mechanical System, Laboratory Building	5
Department Request:.....	5
Capital Development Committee Action:.....	5
Staff Recommendation:	5
Staff Analysis:	5
DOC Steam Condensate Line Replacement, Sterling Correctional Facility.....	6
Department Request:.....	6
Capital Development Committee Action:.....	6
Staff Recommendation:	6
Staff Analysis:	6
DMVA Field Artillery Readiness Center Land Acquisition, Rocky Mountain Metropolitan Airport	7
Department Request:.....	7
Capital Development Committee Action:.....	7
Staff Recommendation:	7
Additional Staff Recommendation:.....	7
Staff Analysis:	7
Previously Approved Interim Supplemental Requests.....	8
AHEC Campus-wide HVAC Infrastructure Replacement.....	8
Department Request/CDC Action:.....	8
Summary:	8
Committee Action:	8
Community College of Aurora Diesel and Support Services Building.....	9
Department Request/CDC Action:.....	9
Summary:	9
Committee Action:	9
Arapahoe Community College Health Programs Integration and Annex Building Renovation.....	10

Department Request/CDC Action:.....	10
Summary:	10
Committee Action:	10
DMVA Upgrade Restrooms for Code Compliance, Longmont Readiness Center	10
Department Request/CDC Action:.....	10
Summary:	11
Committee Action:	11
Appendix A: Letter to the JBC	12

CAPITAL CONSTRUCTION

SUMMARY: FY 2019-20 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2019-20					
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
FY 2019-20 APPROPRIATION					
SB 19-207 Long Bill	\$224,613,001	\$156,122,857	\$68,092,774	\$0	\$397,370
HB 20-1259 Supplemental	120,683,682	9,139,718	111,543,964	0	0
SB 21-052 Supplemental	0	0	0	0	0
HB 22-1184 Supplemental	(121,856,741)	(1,856,741)	(120,000,000)	0	0
CURRENT FY 2019-20 APPROPRIATION	\$223,439,942	\$163,405,834	\$59,636,738	\$0	\$397,370
RECOMMENDED CHANGES					
Current FY 2019-20 Appropriation	\$223,439,942	\$163,405,834	\$59,636,738	\$0	\$397,370
CDPHE: Replace Mechanical System, Laboratory Building	0	0	0	0	0
DMVA: Upgrade Restrooms for Code Compliance, Longmont Readiness Center	0	0	0	0	0
RECOMMENDED FY 2019-20 APPROPRIATION	\$223,439,942	\$163,405,834	\$59,636,738	\$0	\$397,370
RECOMMENDED INCREASE/(DECREASE)	\$0	\$0	\$0	\$0	\$0
Percentage Change	0.0%	0.0%	0.0%	n/a	0.0%
FY 2019-20 EXECUTIVE REQUEST					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

REQUEST/RECOMMENDATION DESCRIPTIONS

CDPHE REPLACE MECHANICAL SYSTEM, LABORATORY BUILDING (SPENDING EXTENSION):

The Department of Public Health and Environment (CDPHE) requests a two-year extension of spending authority through the close of FY 2024-25 to complete its Replace Mechanical System, Laboratory Building (Capital Renewal) project.

INTERIM SUPPLEMENTAL – DMVA UPGRADE RESTROOMS FOR CODE COMPLIANCE, LONGMONT READINESS CENTER (SPENDING EXTENSION):

The Department of Military and Veterans Affairs (DMVA) requested, and the Capital Development Committee (CDC) and JBC approved, an extension of spending authority through FY 2022-23 for the DMVA Upgrade Restrooms for Code Compliance, Longmont Readiness Center controlled maintenance project.

SUMMARY: FY 2021-22 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2021-22

	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
FY 2021-22 APPROPRIATION					
SB 21-205 Long Bill	\$301,716,984	\$217,395,025	\$79,429,276	\$1,800,000	\$3,092,683
SB 21-064 Retaliation Against Elected Officials	109,462	109,462	0	0	0
HB 22-1184 Supplemental	4,763,216	4,113,216	650,000	0	0
HB 22-1329 Long Bill add-on	0	0	0	0	0
CURRENT FY 2021-22 APPROPRIATION	\$306,589,662	\$221,617,703	\$80,079,276	\$1,800,000	\$3,092,683
RECOMMENDED CHANGES					
Current FY 2021-22 Appropriation	\$306,589,662	\$221,617,703	\$80,079,276	\$1,800,000	\$3,092,683
DOC: Steam Condensate Line Replacement, Sterling Correctional Facility	0	0	0	0	0
HED: AHEC Campus-wide HVAC Infrastructure Replacement	0	0	0	0	0
HED: Aurora CC Diesel & Support Services Building	0	0	4,599,586	0	0
HED: Arapahoe CC Health Programs Integration & Annex Building Renovation	0	0	3,500,000	0	0
RECOMMENDED FY 2021-22 APPROPRIATION	\$314,689,248	\$221,617,703	\$88,178,862	\$1,800,000	\$3,092,683
RECOMMENDED INCREASE/(DECREASE)	\$8,099,586	\$0	\$8,099,586	\$0	\$0
Percentage Change	2.6%	0.0%	10.1%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	\$314,689,248	\$221,617,703	\$88,178,862	\$1,800,000	\$3,092,683
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

REQUEST/RECOMMENDATION DESCRIPTIONS

DEPARTMENT OF CORRECTIONS STEAM CONDENSATE LINE REPLACEMENT, STERLING CORRECTION FACILITY (SCOPE REDUCTION): The Department of Corrections requests a scope reduction to its Steam Condensate Line Replacement, Sterling Correctional Facility (Capital Renewal) project due to inflationary and supply chain issues that render it impossible to complete the original scope within the existing \$8,487,496 Capital Construction Fund appropriation.

INTERIM SUPPLEMENTAL – DEPARTMENT OF HIGHER EDUCATION - AHEC CAMPUS-WIDE HVAC INFRASTRUCTURE REPLACEMENT (SCOPE REDUCTION): The Colorado Commission on Higher Education (CCHE) requested, and the CDC and JBC approved, a non-monetary scope reduction to the AHEC Campus-wide HVAC Infrastructure Replacement project in the FY 2021-22 Long Bill due to severe cost increases. The request reduced the scope of the project from nine buildings and 1,250,000 impacted square feet to three buildings and 800,000 square feet.

INTERIM SUPPLEMENTAL – DEPARTMENT OF HIGHER EDUCATION - AURORA COMMUNITY COLLEGE DIESEL AND SUPPORT SERVICES BUILDING: CCHE requested, and the CDC and JBC approved, an increase of \$4,599,586 cash funds to increase the scope of the Diesel and Support

Services Building project at Aurora Community College to include additional space for a partnership with BuildStrong Academy.

INTERIM SUPPLEMENTAL – DEPARTMENT OF HIGHER EDUCATION - ARAPAHOE COMMUNITY COLLEGE HEALTH PROGRAM INTEGRATION AND ANNEX BUILDING RENOVATION: CCHE requested, and the CDC and JBC approved, additional spending authority of \$3.5 million cash funds, originating as American Rescue Plan Act funds received through Arapahoe County, for the FY 2021-22 Health Programs Integration and Annex Building Renovation project at Arapahoe Community College.

SUMMARY: FY 2022-23 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2022-23					
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
FY 2022-23 APPROPRIATION					
HB 22-1329 Long Bill	\$491,102,435	\$5,246,375	\$484,090,730	\$0	\$1,765,330
SB 22-206 Disaster preparedness and recovery resources	2,700,000	2,700,000	0	0	0
SB 22-239 Buildings in the Capitol Complex	26,721,314	0	26,721,314	0	0
HB 22-1283 Youth and family behavioral healthcare	35,000,000	0	35,000,000	0	0
HB 22-1303 Increase residential behavioral health beds	10,683,678	0	10,683,678	0	0
CURRENT FY 2022-23 APPROPRIATION	\$566,207,427	\$7,946,375	\$556,495,722	\$0	\$1,765,330
RECOMMENDED CHANGES					
Current FY 2022-23 Appropriation	\$566,207,427	\$7,946,375	\$556,495,722	\$0	\$1,765,330
DMVA: Field Artillery Readiness Center Land Acquisition, Rocky Mountain Metropolitan Airport	11,292,930	5,592,930	5,700,000	0	0
RECOMMENDED FY 2022-23 APPROPRIATION	\$577,500,357	\$13,539,305	\$562,195,722	\$0	\$1,765,330
RECOMMENDED INCREASE/(DECREASE)	\$11,292,930	\$5,592,930	\$5,700,000	\$0	\$0
Percentage Change	2.0%	70.4%	1.0%	n/a	0.0%
FY 2022-23 EXECUTIVE REQUEST					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

REQUEST/RECOMMENDATION DESCRIPTIONS

DMVA FIELD ARTILLERY READINESS CENTER LAND ACQUISITION, ROCKY MOUNTAIN METROPOLITAN AIRPORT [LEGISLATION RECOMMENDED]: The Department of Military and Veterans Affairs requests \$5,592,930 Capital Construction Funds and \$5,700,000 cash funds from its Real Estate Proceeds Cash Fund in the current fiscal year to purchase a parcel of land in Jefferson County for the future site of a new Field Artillery Readiness Center to house the 157th Field Artillery Battalion. If approved, legislation is needed to transfer money from the General Fund to the Capital Construction Fund and the Department's Real Estate Proceeds Cash Fund. The transfer to the Real Estate Proceeds Cash Fund fulfills the Department's S1/BA1 Cash Fund Restoration request.

SUPPLEMENTAL REQUESTS

CDPHE REPLACE MECHANICAL SYSTEM, LABORATORY BUILDING (FY 2019-20 SPENDING EXTENSION)

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$0
FTE	0.0	0.0
Capital Construction Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of unforeseen contingencies that caused project delays.

DEPARTMENT REQUEST: The Department of Public Health and Environment requests a two-year extension of spending authority to complete its Replace Mechanical System, Laboratory Building (Capital Renewal) project.

CAPITAL DEVELOPMENT COMMITTEE ACTION: The Capital Development Committee approved the request on January 12, 2023 and forwarded it to the JBC.

STAFF RECOMMENDATION: **Staff recommends that the Committee approve the request.** This will require the addition of a footnote to the FY 2019-20 appropriation specifying that the Department has until the close of FY 2024-25 to complete the project.

STAFF ANALYSIS: This project was originally requested as a two-phase controlled maintenance project. Funding for the first phase was approved in summer 2019 as an emergency supplemental due to rapid building system deterioration. JBC staff recommended also funding the second phase during the regular supplemental process in February 2020, resulting in a \$2,281,506 appropriation in H.B. 20-1259 (Capital Construction Supplemental).

The project upgrades and replaces components of various mechanical systems in the Laboratory Building, where the Department performs laboratory certifications, environmental chemistry and microbiology services, breath-alcohol testing, and newborn screening. The most critical (HVAC) portion of the project was completed in fall of 2020. The remainder of the project was put on hold due to round-the-clock use of the laboratory for COVID-19 testing and a \$15.6 million grant from the Centers for Disease Control and Prevention received in early 2021 to remodel the laboratory on a fast timeline. The Department expects to resume work on Phase II of the original project after the federally-funded project wraps up. Phase II includes replacement of steam boilers, heating system pumps and boilers, chillers, chilled water pumps, condenser water pumps, cooling towers, and an air compressor. Anticipated project completion of Phase II is June 2025.

**DOC STEAM CONDENSATE LINE REPLACEMENT, STERLING
CORRECTIONAL FACILITY
(FY 2021-22 SCOPE REDUCTION)**

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$0
FTE	0.0	0.0
Capital Construction Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of unforeseen contingencies causing the project to significantly exceed its original budget.

DEPARTMENT REQUEST: The Department of Corrections requests a scope reduction to its Steam Condensate Line Replacement, Sterling Correctional Facility (Capital Renewal) project due to inflationary and supply chain issues that render it impossible to complete the original scope within the existing \$8,487,496 Capital Construction Fund appropriation.

CAPITAL DEVELOPMENT COMMITTEE ACTION: The Capital Development Committee approved the request on January 12, 2023 and forwarded it to the JBC.

STAFF RECOMMENDATION: **Staff recommends that the Committee approve the request.** This will require modification of the project name in the FY 2021-22 appropriation to include the words “Phase I”.

STAFF ANALYSIS: This project originally received funding in the FY 2021-22 Long Bill to replace 10,020 linear feet of condensate piping for the steam system and associated infrastructure at the Sterling Correctional Facility. High inflation combined with supply chain constraints have caused significant cost increases that prevent the project from being put out to bid with its original appropriation and scope. The Office of the State Architect recommended splitting the project into two phases. Phase I will cover Living Units 1 through 8, which house Level III, IV, and V offenders, using the original appropriation of \$8,487,496. The Department will submit a FY 2024-25 request estimated at \$13.8 million for Phase II, which will cover Level I and II housing and the Support and Administration buildings.

**DMVA FIELD ARTILLERY READINESS CENTER LAND ACQUISITION,
ROCKY MOUNTAIN METROPOLITAN AIRPORT
(FY 2022-23 INCREASE)**

	REQUEST	RECOMMENDATION
TOTAL	\$11,292,930	\$11,292,930
FTE	0.0	0.0
Capital Construction Fund	5,592,930	5,592,930
Cash Funds	5,700,000	5,700,000
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department of Military and Veterans Affairs requests \$5,592,930 Capital Construction Funds and \$5,700,000 cash funds from its Real Estate Proceeds Cash Fund in the current fiscal year to purchase a parcel of land in Jefferson County for the future site of a new Field Artillery Readiness Center to house the 157th Field Artillery Battalion.

CAPITAL DEVELOPMENT COMMITTEE ACTION: The Capital Development Committee approved the request on January 12, 2023 and forwarded it to the JBC.

STAFF RECOMMENDATION: **Staff recommends that the Committee approve the request.** This will require a supplemental adjustment to the FY 2022-23 Long Bill that adds a new line for this project and provides a Capital Construction Fund and Cash Funds appropriation.

ADDITIONAL STAFF RECOMMENDATION: Staff recommends the Committee sponsor legislation to transfer \$5,592,930 General Fund to the Capital Construction Fund for the recommended Capital Construction Fund appropriation as well as legislation to effectuate the DMVA S1/BA1 Real Estate Proceeds Cash Fund restoration request to transfer \$4,908,395 from the General Fund to the Real Estate Proceeds Cash Fund. Absent this legislation, there will not be sufficient revenue in the Real Estate Proceeds Cash Fund for the land purchase as approved by the CDC.

STAFF ANALYSIS: The Department received funding in the FY 2021-22 Capital Construction budget for Phase I (project design) of a three-phase project to construct a new 75,332 square foot armory in Jefferson County to accommodate the 157th Field Artillery Unit and a headquarters battery. The Department unexpectedly found a 32-acre parcel of land for sale near the Rocky Mountain Metropolitan Airport that is suitable for the new facility, and also has enough space to accommodate a possible future relocation of USPFO facilities that are currently located at Camp George West. The Department expects to submit a FY 2024-25 request to construct the facility and will receive a 75:25 Federal: State match for that phase.

The Department can contribute \$5.7 million from the Real Estate Proceeds Cash Fund for this project, but only if the General Assembly passes legislation to transfer General Fund to the cash fund in the

current fiscal year. The Department, with approval from the Governor, has the authority to sell land and buildings and use those funds for new projects to improve National Guard Facilities. Proceeds from property sales are deposited in the Real Estate Proceeds Cash Fund and used for future project requests. The General Assembly transferred \$4,908,395 from the Real Estate Proceeds Cash Fund to the General Fund during 2020 budget balancing. The Department’s FY 2023-24 R1 request, which has now been moved up to a supplemental request, asks for that amount to be transferred back.

PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUESTS

AHEC CAMPUS-WIDE HVAC INFRASTRUCTURE REPLACEMENT (FY 2021-22 SCOPE REDUCTION)

	REQUEST	APPROVED
TOTAL	\$0	\$0
FTE	0.0	0.0
Capital Construction Fund/General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

DEPARTMENT REQUEST/CDC ACTION: The Auraria Higher Education Center requested, and the CDC approved, a non-monetary scope reduction to the Campus-wide HVAC Infrastructure Replacement project in the FY 2021-22 Long Bill due to severe cost increases. The request reduces the scope of the project from nine buildings and 1,250,000 impacted square feet to three buildings and 800,000 square feet.

SUMMARY: AHEC requested a scope change to reduce the number of buildings that will be completed with the existing \$20.6 million FY 2021-22 appropriation from nine to three due to extreme cost escalations driven by inflation and supply chain issues. An engineering firm was selected for the project in October 2021, and AHEC received cost estimates in January/February of 2022. At that time, costs were 180 percent over what was budgeted for the first three buildings in the project (Central Classroom, West Classroom, and North Chiller Plant).

The estimated cost to complete the first three buildings alone now adds up to approximately 80 percent of the original budget. The requested changes leave approximately \$2.0 million of the original appropriation available for project design for the full nine-building scope. AHEC submitted a FY 2023-24 request for the remaining phase (ranking first on CCHE’s prioritized list) at a cost of \$33,257,292.

COMMITTEE ACTION: Staff recommended, and the JBC approved, the interim supplemental request on June 21, 2022. Staff will include this item in the supplemental bill. To signify the scope reduction, the project will be renamed "AHEC ~~Campus-wide~~ HVAC Infrastructure Replacement (Capital Renewal), THREE BUILDINGS".

COMMUNITY COLLEGE OF AURORA DIESEL AND SUPPORT SERVICES BUILDING

(FY 2021-22 CASH FUNDS INCREASE)

	REQUEST	APPROVED
TOTAL	\$4,599,586	\$4,599,586
FTE	0.0	0.0
Capital Construction Fund/General Fund	0	0
Cash Funds	4,599,586	4,599,586
Federal Funds	0	0

DEPARTMENT REQUEST/CDC ACTION: The Community College of Aurora (CCA) requested, and the CDC approved, an increase of \$4,599,586 cash funds to increase the scope of the Diesel and Support Services Building project to include additional space for a partnership with BuildStrong Academy.

SUMMARY: The Diesel and Support Services Building project received an appropriation of \$6,188,439 Capital Construction Funds and \$3,207,440 cash funds in the FY 2021-22 Long Bill. The project constructs a 22,250 square foot Diesel and Support Services Building, co-locating the Community College of Aurora’s Diesel Power Mechanics, Campus Facilities, and Information Technology Departments from other facilities currently located on the CentreTech and Lowry campuses.

The Community College of Aurora has identified a new opportunity to partner with BuildStrong Academy, a nonprofit training organization created to solve the construction industry’s need for skilled workers, on the existing Diesel and Support Services Building project. With the requested increase, CCA and BuildStrong Academy will create a new training and educational space for students and industry partners that includes four additional homebuilding laboratories, three classrooms, storage space, and office suites. The new building will allow BuildStrong Academy to double its training capacity from 500 to 1,000 students annually.

The total project cost if approved will be \$13,995,465, including \$6,188,439 Capital Construction Fund and \$7,807,026 cash funds. The additional cash funds will come from a variety of sources, including:

- an American Rescue Plan Act (ARPA) grant from Arapahoe County;
- individual donations;
- Community College of Aurora reserves; and
- Community College of Aurora Foundation.

COMMITTEE ACTION: Staff recommended, and the JBC approved, the interim supplemental request on June 21, 2022. Staff will include this item in the supplemental bill.

**ARAPAHOE COMMUNITY COLLEGE HEALTH PROGRAMS
INTEGRATION AND ANNEX BUILDING RENOVATION
(FY 2021-22 CASH FUNDS INCREASE)**

	REQUEST	APPROVED
TOTAL	\$3,500,000	\$3,500,000
FTE	0.0	0.0
Capital Construction Fund/General Fund	0	0
Cash Funds	3,500,000	3,500,000
Federal Funds	0	0

DEPARTMENT REQUEST/CDC ACTION: Arapahoe Community College (ACC) requested, and the CDC approved, spending authority for an additional \$3.5 million cash funds originating as American Rescue Plan Act funds received through Arapahoe County for the FY 2021-22 Health Programs Integration and Annex Building Renovation project.

SUMMARY: Arapahoe Community College received \$3.5 million through a grant from Arapahoe County’s American Rescue Plan Act funds. The money is designated for the expansion of programs that address health care industry workforce shortages. The additional funding will expand the scope of an existing FY 2021-22 Capital Construction project for Health Programs Integration and Annex Building Renovation at ACC.

The additional funding will increase functionality of the original project through an increase of 26,167 assignable square feet in renovated space and technological investments in simulation facilities and IT infrastructure. With the new funding, ACC estimates it will be able to expand capacity from 150 to 300 students for the Nursing program and 90 to 300 for the Emergency Medical Services program.

COMMITTEE ACTION: Staff recommended, and the JBC approved, the interim supplemental request on September 22, 2022. Staff will include this item in the supplemental bill.

**DMVA UPGRADE RESTROOMS FOR CODE COMPLIANCE, LONGMONT
READINESS CENTER
(FY 2019-20 SPENDING EXTENSION)**

	REQUEST	APPROVED
TOTAL	\$0	\$0
FTE	0.0	0.0
Capital Construction Fund/General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

DEPARTMENT REQUEST/CDC ACTION: The Department of Military and Veterans Affairs requested, and the CDC approved, an extension of spending authority through FY 2022-23 for the Upgrade Restrooms for Code Compliance, Longmont Readiness Center controlled maintenance project.

SUMMARY: The project constructs new men’s and women’s toilet/shower rooms at the Longmont Readiness Center to meet building code and Department of Defense requirements. According to the Department, construction of the project was delayed due to questions around which data set - user occupancy count or 2018 International Building Code Requirements – to base the numbers on, internal turnover in the Department, and other COVID-19 related challenges.

The appropriation in question was made in S.B. 19-207 (Long Bill) beginning in FY 2019-20 and expired as of June 30, 2022. Because it takes several months for the State Controller’s Office to finalize year-end numbers, they agreed that the funds that were initially considered “reverted” could be reclassified and extended through FY 2022-23. Unspent appropriations in the Capital Construction Fund remain there and are used to reduce the amount of the General Fund transfer needed to fund the Capital Construction project list in the following year. The fund source for this project is \$397,370 from the Capital Construction Fund and \$397,370 federal funds.

COMMITTEE ACTION: Staff recommended, and the JBC approved, the interim supplemental request on September 22, 2022. Staff will include this item in the supplemental bill by adding a footnote granting spending authority through FY 2022-23.

APPENDIX A: LETTER TO THE JBC

Rep. Tammy Story, *Chair*
Rep. Marc Catlin
Rep. Mandy Lindsay

Sen. Nick Hinrichsen, *Vice Chair*
Sen. Kyle Mullica
Sen. Cleave Simpson



Capital Development Committee

State Capitol Building, Room 029
Denver, Colorado 80203-1784
(303) 866-3521



January 12, 2023

Senator Rachel Zenzinger, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Zenzinger,

On January 12, 2023, the Capital Development Committee (CDC) considered three regular supplemental requests submitted pursuant to Section 24-75-111, C.R.S. *The CDC approved the requests as submitted.* Table 1 summarizes the requests. Descriptions of the approved requests are attached.

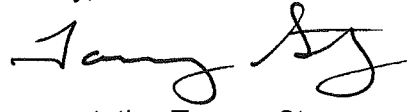
Table 1
Capital Development Committee Recommendation
Regular Supplemental Requests

Department Name	Project Title	Project Short Description	Cost	Vote
Corrections	Steam Condensate Line Replacement, Sterling Correctional Facility (Capital Renewal)	The project replaces condensate piping for the steam system that provides heating at the facility, along with associated infrastructure.	\$0	5-0, 1 excused
Public Health and Environment	Replace Mechanical Systems, Laboratory Building (Capital Renewal)	The project upgrades or replaces various mechanical systems in the Laboratory Building, where the department performs laboratory certifications, environmental chemistry and microbiology services, breath-alcohol testing, and newborn screening.	\$0	6-0
Military and Veterans Affairs	Field Artillery Readiness Center Land Acquisition	The project purchases a 32-acre parcel of land at the Rocky Mountain Metropolitan Airport, upon which the department will construct its new Field Artillery Readiness Center.	\$5,592,930 CCF \$5,700,000 CF	6-0

If you have any questions or concerns about the CDC's recommendation, please call Bo Pogue, Legislative Council Staff, at 303-866-5390.

Senator Rachel Zenzinger
January 12, 2023
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read 'Tammy Story', with a stylized flourish at the end.

Representative Tammy Story
Chair, Capital Development Committee

c: Capital Development Committee Members
Joint Budget Committee Members
Megan Davisson, Governor's Office of State Planning and Budgeting
Rhonda Boger-Linder, Department of Corrections
Lindsay Ellis, Department of Public Health and Environment
Parker White, Department of Military and Veterans Affairs
Andrea Uhl, Joint Budget Committee Staff
Capital Development Committee Staff

FY 2021-22 Supplemental Capital Construction Request

Corrections

Steam Condensate Line Replacement, Sterling Correctional Facility (Capital Renewal)

MOTION

Approve the supplemental request from the Department of Corrections to reduce the scope of the Steam Condensate Line Replacement, Sterling Correctional Facility (Capital Renewal) project, with the intent to request funding for a second project phase in a future fiscal year.

GENERAL INFORMATION

2020-009

1. Which supplemental criterion does the request meet?

New Data

The department is unable to bid the project in its original scope due to cost overruns, and is seeking to reduce the project scope to align it with the amount appropriated. The department plans to submit a funding request for the FY 2024-25 capital construction cycle to complete the project under a second phase.

2. Which projects will be restricted to fund the supplemental request?

An emergency restriction is not required since no additional state funds are sought under the request.

3. Has the request been approved by OSPB and CCHE?

Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: SB21-205

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$8,487,496	\$0	\$13,779,856	\$22,267,352
Totals	\$8,487,496	\$0	\$13,779,856	\$22,267,352

REASON FOR SUPPLEMENTAL REQUEST

The Department of Corrections (DOC) says a robust construction market, along with record inflation, lingering pandemic impacts, supply chain constraints, and labor shortages, have resulted in cost increases that prevent it from putting the project out to bid with its current appropriation and scope. Rescoping the project will allow the DOC to bid a portion of the project as Phase I, to include improvements in Living Units 1-8, which house Level III, IV, and V offenders. The department plans to return during the FY 2024-25 capital construction cycle to request an additional \$13.8 million in state funds to complete the project. This second phase will make improvements to Level I and II housing, which houses 1,096 of the total offender population of 2,488, along with the Support and Administration Buildings.

FY 2021-22 Supplemental Capital Construction Request

Corrections

Steam Condensate Line Replacement, Sterling Correctional Facility (Capital Renewal)

MOTION	Approve the supplemental request from the Department of Corrections to reduce the scope of the Steam Condensate Line Replacement, Sterling Correctional Facility (Capital Renewal) project, with the intent to request funding for a second project phase in a future fiscal year.
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SUMMARY OF PROJECT

The capital renewal project replaces 10,020 linear feet of condensate piping for the steam system that provides heating at the Sterling Correctional Facility, along with associated infrastructure. The associated infrastructure includes:

- replacing 230 isolation valves between the steam condensate pumps and deaerator tank;
- replacing 27 steam-powered condensate pumps and 46 associated isolation valves;
- constructing six maintenance-accessible concrete vaults with louvers, hatches, and ladders for steam branches that currently do not have vaults;
- replacing bucket traps, which discharge condensate, in vaults and at locations where steam piping enters each building; and
- replacing a punctured portion of steam line.

Since 2015, the steam piping system has experienced multiple large-scale leaks in random locations due to chemical corrosion, requiring the department to take the system offline for repairs, thus impacting not only building temperatures but also essential services such as food service, laundry, and clinical services. The source of these leaks is corroding of the lines and associated components from the inside, causing perimeter lines to fail in multiple locations simultaneously. While the leaking takes place, the facility loses up to 700 gallons of potable city water per hour, and the department struggles to keep the heating system operational. Each leak or break takes up to six weeks to repair due to weather conditions, difficulties locating the trouble spot, and conducting excavations of nearly 12 feet in depth and 20 feet in width. The department estimates that up to 600,000 gallons of water is lost per leak, and over 4,000,000 gallons of water have been lost to date. If the project is not undertaken, the DOC anticipates that the steam heating system will fail, potentially resulting in the facility being uninhabitable.

QUESTIONS / OUTSTANDING ISSUES

None.

FY 2019-20 Supplemental Capital Construction Request

Public Health and Environment
Replace Mechanical System, Laboratory Building (Capital Renewal)

MOTION Approve the supplemental request from the Department of Public Health and Environment to extend the time for completion of the Replace Mechanical System, Laboratory Building (Capital Renewal) project to June 30, 2025.

GENERAL INFORMATION

2019-096

1. Which supplemental criterion does the request meet?

Unforeseen Contingency

Use of the facility for COVID-related activities on a round-the-clock basis and a subsequent capital construction project at the facility interrupted the project's schedule, resulting in the need for the Department of Public Health and Environment (CDPHE) to seek an extension of the project's timeline.

2. Which projects will be restricted to fund the supplemental request?

An emergency restriction is not required because this is a regular supplemental. Further, no additional state funds are sought under the request.

3. Has the request been approved by OSPB and CCHE?

Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: HB20-1259

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$2,821,506	\$0	\$0	\$2,821,506
Totals	\$2,821,506	\$0	\$0	\$2,821,506

REASON FOR SUPPLEMENTAL REQUEST

The project was originally requested as a two-phase controlled maintenance project, but received initial, first-phase funding approval in summer 2019 under an emergency supplemental request in response to rapid building system deterioration. The project was subsequently fully funded in the 2020 supplemental capital construction bill, which was signed by the Governor in March 2020, weeks before a stay-at-home measure associated with COVID was announced. CDPHE began using the facility for COVID testing at that point, and the building's mechanical systems could not be shut down for refurbishment. In early 2021, the department received a federal grant of \$15.6 million from the federal Centers for Disease Control and Prevention to remodel the building on a tight deadline. CDPHE says it cannot run two major construction projects in the building concurrently. The grant-funded project is expected to be completed in December 2023 but, since the spending authority for this project expires at the end of the FY 2022-23 fiscal year, CDPHE is seeking an extension of time for the project until June 30, 2025.

SUMMARY OF PROJECT

The project upgrades or replaces components of various mechanical systems in the Laboratory Building, where the department performs laboratory certifications, environmental chemistry and microbiology services, breath-alcohol testing, and newborn screening. The department says the systems are at the end of their design life for the facility type, and system failure would impact ongoing lab work. Systems to be replaced include the steam boiler, hot water boilers, expansion tank, chillers, cooling towers, condenser water pumps, rooftop unit components, and air compressor. The most critical portion of the project (HVAC controls) was completed in the fall of 2020.

FY 2019-20 Supplemental Capital Construction Request

Public Health and Environment

Replace Mechanical System, Laboratory Building (Capital Renewal)

MOTION

Approve the supplemental request from the Department of Public Health and Environment to extend the time for completion of the Replace Mechanical System, Laboratory Building (Capital Renewal) project to June 30, 2025.

QUESTIONS / OUTSTANDING ISSUES

None.

FY 2022-23 Supplemental Capital Construction Request

Military and Veterans Affairs

Field Artillery Readiness Center Land Acquisition, Rocky Mountain Metropolitan Airport

MOTION

Approve the supplemental request from the Department of Military and Veterans Affairs for the Field Artillery Readiness Center Acquisition, Rocky Mountain Metropolitan Airport project (\$5,592,930 CCF; \$5,700,000 CF).

GENERAL INFORMATION

2023-119

1. Which supplemental criterion does the request meet?

New Data

The Department of Military and Veterans Affairs (DMVA) received Phase I funding for FY 2021-22 to build a new Field Artillery Readiness Center (armory) in Jefferson County. Construction of the new facility requires a land purchase, and the department unexpectedly identified a previously unknown parcel that is suitable for the project.

2. Which projects will be restricted to fund the supplemental request?

An emergency restriction is not required because this is a regular supplemental request.

3. Has the request been approved by OSPB and CCHE?

Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill:

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$0	\$5,592,930	\$0	\$5,592,930
CF	\$0	\$5,700,000	\$0	\$5,700,000
Totals	\$0	\$11,292,930	\$0	\$11,292,930

REASON FOR SUPPLEMENTAL REQUEST

DMVA received funding for FY 2021-22 for Phase I (project design) of a three-phase project to construct a new, 75,332-GSF readiness center (armory) in Jefferson County to accommodate the 157th Field Artillery Unit and a headquarters battery. Construction of the facility requires acquisition of a parcel of land. The department has unexpectedly found a 32-acre parcel near Rocky Mountain Metropolitan Airport that is suitable for the new facility. DMVA says they may be able to contribute up to \$5.7 million in cash to the land purchase if the General Assembly restores money to the department's Real Estate Proceeds Cash Fund that was swept in 2020.

SUMMARY OF PROJECT

The project purchases a 32-acre, non-aeronautical parcel of land at the Rocky Mountain Metropolitan Airport. DMVA says the parcel is suitable for constructing its new Field Artillery Readiness Center, and is sufficient in size to meet anti-terrorism/force protection setback requirements. The new readiness center will accommodate a 236-soldier Army National Guard unit and replaces two facilities that are over 60 years old and that the DMVA says are past their useful lives. The department will request Phase II funding for the readiness center project for FY 2024-25. Construction of the readiness center is funded by a 75/25 federal/state funding split.

FY 2022-23 Supplemental Capital Construction Request

Military and Veterans Affairs

Field Artillery Readiness Center Land Acquisition, Rocky Mountain Metropolitan Airport

MOTION

Approve the supplemental request from the Department of Military and Veterans Affairs for the Field Artillery Readiness Center Acquisition, Rocky Mountain Metropolitan Airport project (\$5,592,930 CCF; \$5,700,000 CF).

QUESTIONS / OUTSTANDING ISSUES

None.