

# Fiscal Year 2024-25 Capital Construction Request

Revenue  
Collocation and Consolidation to Auraria

## PROGRAM PLAN STATUS

2025-030

Approved Program Plan

No

Date Approved:

## PRIORITY NUMBERS

Prioritized By	Priority
DOR	1 of 1
OSPB	13 of 62

Recommended for funding.

## PRIOR APPROPRIATIONS AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$0	\$3,533,931	\$0	\$0	\$3,533,931
<b>Total</b>	\$0	\$3,533,931	\$0	\$0	\$3,533,931

## ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$75,260	\$0	\$0	\$75,260
Construction	\$0	\$2,873,810	\$0	\$0	\$2,873,810
Equipment	\$0	\$149,350	\$0	\$0	\$149,350
Miscellaneous	\$0	\$173,738	\$0	\$0	\$173,738
Contingency	\$0	\$261,773	\$0	\$0	\$261,773
<b>Total</b>	\$0	\$3,533,931	\$0	\$0	\$3,533,931

## PROJECT STATUS

This is a new, never-before-requested project.

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## Revenue

Collocation and Consolidation to Auraria

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Revenue (DOR) is requesting state funds to relocate part of its operations to the Auraria Higher Education Center (AHEC). The project will consolidate several DOR services in a centralized, downtown location and reduce the department's overall facility footprint.

DOR currently leases a facility at 1881 Pierce Street in Lakewood from the Department of Personnel and Administration (DPA). This project enables DOR to vacate the property on Pierce by January 2025, renovate 13,000 GSF at AHEC, and establish a Regional Services Center that accommodates a Driver's License Office, Tax Services, Cashier's Office, and Mail Services. Some DOR office functions may be relocated to a Department of Transportation (CDOT) facility under an operating budget request (R-02).

The AHEC facility is a parking garage, whose first floor is available for retail residents. The retail space is vacant and is currently a concrete shell. The project builds the space out for DOR use, including electrical, HVAC, finishes, fire suppression, and plumbing, in addition to the necessary equipment and furnishing required for the new offices.

Cost assumption. Estimates are provided by an independent firm in agreement with AHEC, and the project accounts for inflation. The cost per GSF for the renovation is \$272. The project complies with Art in Public Places program requirements, but does not reflect High Performance Certification Program requirements.

### PROJECT JUSTIFICATION

DOR currently leases 89,000 GSF in Lakewood from DPA. Due to changes in workforce, including hybrid work, DOR uses only 21 percent of the leased space. In addition, the building's parking lot is in need of repair, and a competitive bid process in FY 2022-23 indicated costs of at least \$3.6 million. For DOR, the relocation to CDOT and AHEC facilities is a cost-effective alternative to repairing the Pierce Street parking lot and underutilizing that building. For informational purposes, DPA has a capital budget request this year to address the parking lot in Lakewood.

### PROGRAM INFORMATION

DOR has nearly 1,700 employees providing services through the Taxation Division, the Division of Motor Vehicles, the Colorado Lottery, the Marijuana Enforcement Division, and the Specialized Business Group, which regulates auto dealerships, gaming, liquor, tobacco, and horseracing.

### PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2024	November 2024
Construction	December 2024	May 2025
Equipment	June 2025	June 2025
Occupancy	June 2025	

### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

### OPERATING BUDGET

According to DOR, moving from Lakewood to the AHEC and CDOT properties in Denver will have a negligible net impact on operating costs once the projects are complete. DOR is expecting to see a short-term increase in operating costs for leased space during the transition. This project and the related operating budget request result in decreased operating revenue for DPA and increased operating revenue for AHEC and CDOT.

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### STAFF QUESTIONS AND ISSUES

All responses have been incorporated into the project write-up.