

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,

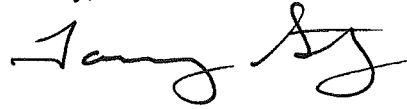
On January 12, 2023, the Capital Development Committee (CDC) considered three regular supplemental requests submitted pursuant to Section 24-75-111, C.R.S. *The CDC approved the requests as submitted.* Table 1 summarizes the requests. Descriptions of the approved requests are attached.

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.

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.
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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.