

Sen. Nick Hinrichsen, *Chair*
Sen. Kyle Mullica
Sen. Byron Pelton

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



Capital Development Committee

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



October 29, 2024

Ruth Wilson
Administration & Partnerships Director
Colorado Creative Industries
1600 Broadway
Suite 2500
Denver, CO 80202

Dear Ms. Wilson:

On October 29, 2024, the Capital Development Committee (CDC) considered a request to exempt two capital projects from Art in Public Places program requirements pursuant to Section 24-48.5-312, C.R.S. The CDC approved the request unanimously. Table 1 summarizes the projects. Written descriptions of the projects, prepared by Legislative Council Staff, are attached.

Table 1
Projects Receiving Waivers from the Art in Public Places Program Requirements

Project Title	Department	FY 2024-25 Appropriation
Regional Centers: Kitchen, Pools, and Parking Lot	Human Services	\$9,949,111
Kitchen Replacement, CMHHI Pueblo	Human Services	\$26,850,496

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

Ruth Wilson
October 29, 2024
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Sincerely,

A handwritten signature in black ink, appearing to read 'Tammy Story', written in a cursive style.

Representative Tammy Story
Vice-Chair, Capital Development Committee

- c: Capital Development Committee Members
- Joint Budget Committee Members
- Eduardo Lucero, Department of Human Services
- Mark Ferrandino, Office of State Planning and Budgeting
- Tammy Pacheco, Office of State Planning and Budgeting
- Tana Lane, Office of the State Architect
- Andrea Uhl, Joint Budget Committee Staff
- Capital Development Committee Staff

Fiscal Year 2024-25 Capital Construction Request

Human Services

Regional Centers: Kitchen, Pools, and Parking Lot

PROGRAM PLAN STATUS

2024-031

Approved Program Plan

No

Date Approved:

PRIORITY NUMBERS

Prioritized By

Priority

DHS

3 of 8

OSPB

6 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	\$1,390,291	\$1,483,534	\$7,075,286	\$0	\$9,949,111
Total	\$1,390,291	\$1,483,534	\$7,075,286	\$0	\$9,949,111

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	\$184,691	\$176,663	\$848,045	\$0	\$1,209,399
Construction	\$1,079,210	\$1,160,400	\$5,832,003	\$0	\$8,071,613
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$11,604	\$58,320	\$0	\$69,924
Contingency	\$126,390	\$134,867	\$336,918	\$0	\$598,175
Total	\$1,390,291	\$1,483,534	\$7,075,286	\$0	\$9,949,111

PROJECT STATUS

This is the second request for funding for the project. The Department of Human Services (DHS) received an appropriation for the project for FY 2023-24, which was originally a two-phase project. The project has been rescoped to include a third phase.

Fiscal Year 2024-25 Capital Construction Request

Human Services

Regional Centers: Kitchen, Pools, and Parking Lot

PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Human Services (DHS) is requesting state funds for the second phase of a three-phase project to recommission kitchens, repave a parking lot, and repair or replace two swimming pools at Regional Centers. This year's request for Phase II repairs the parking lot and upgrades the training kitchen at Wheat Ridge Regional Center. Phase I addressed the training kitchens at Pueblo Regional Center and Grand Junction Regional Center, and repaired the pool at Pueblo Regional Center. Phase III constructs a new therapy pool at Wheat Ridge Regional Center. The Phase III work was originally scheduled to take place during the second phase, but the pool was recently rendered unusable and must be rebuilt.

The project will update degraded and disused infrastructure and facilities to enable expanded programming at the Regional Centers. The kitchens will enable food preparation training for residents, the parking lot will mitigate safety hazards for staff and visitors, and the swimming pools will meet growing demand and enable increased use of aquatic therapy.

The kitchen facilities at each regional center have been in disuse, or entirely decommissioned, for at least ten years. They require updated appliances, accessibility improvements to meet programmatic needs, code compliance updates, and new fire suppression systems.

The project replaces the pool at the Wheat Ridge Regional Center with an expanded pool with improved ventilation and expanded capacity. The parking lot at the Wheat Ridge Regional Center will receive new asphalt, curbs, gutters, and striping. Two electric vehicle charging stations will be installed in the parking lot, along with infrastructure for ten future stations.

Cost assumption. Project costs were provided by a professional estimator. The project does not include funding for the Art in Public Places program, and it complies with High Performance Certification Program requirements.

PROJECT JUSTIFICATION

None of the kitchens to be improved by the project are operational at present, and the lack of adequate equipment and accessibility precludes their use for programming with Regional Center residents. According to the department, the parking lot in Wheat Ridge has been in need of repair for over ten years. While new parking spaces have been added in recent years to relieve parking pressure, the original lot is degraded and some parts are blocked off as safety hazards. If the project is not funded, the kitchens will remain inoperable and the other amenities will continue to degrade.

The regional centers use training kitchens for occupational therapy in a setting where residents gain independence, build confidence, and develop opportunities for community connections. The kitchen programming allows residents to attain culinary skills that leads to employment opportunities. For instance, residents at the Grand Junction Regional Center make dog biscuits in the training kitchens that they sell to the community.

The pool at the Wheat Ridge Regional Center requires continuous maintenance and repairs to the mechanical and lighting system, which DHS says require more costly work than the current replacement value of the pool. The pool lacks an HVAC system and has poor ventilation, resulting in humidity damage to interior finishes and a large insect population in the pool area. The therapy pools are designed for therapeutic and recreational needs. The department serves residents with medically complex conditions that preclude them from visiting area pools.

PROGRAM INFORMATION

DHS operates three Regional Centers consisting of 40 group homes in Wheat Ridge, Pueblo, and Grand Junction. The Regional Centers provide 24-hour residential services, medical care, and behavioral services for Medicaid-eligible adults with intellectual and developmental disabilities. The regional centers operate out of more than 566,000 GSF of program delivery space.

Fiscal Year 2024-25 Capital Construction Request

Human Services

Regional Centers: Kitchen, Pools, and Parking Lot

PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2024	February 2026
Construction	February 2025	December 2026
Equipment	September 2025	February 2027
Occupancy	November 2025	March 2027

SOURCE OF CASH FUNDS

The project is not funded from cash sources.

OPERATING BUDGET

The department does not expect the project to impact operating costs.

STAFF QUESTIONS AND ISSUES

None.

Fiscal Year 2024-25 Capital Construction Request

Human Services
Kitchen Replacement, CMHHI Pueblo

PROGRAM PLAN STATUS

2023-023

Approved Program Plan

Yes

Date Approved:

July 1, 2020

PRIORITY NUMBERS

Prioritized By

Priority

DHS

1 of 8

OSPB

5 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	\$9,899,619	\$16,950,877	\$0	\$26,850,496
Total	\$0	\$9,899,619	\$16,950,877	\$0	\$26,850,496

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	\$1,762,423	\$0	\$0	\$1,762,423
Construction	\$0	\$7,589,887	\$10,899,540	\$0	\$18,489,427
Equipment	\$0	\$0	\$4,263,193	\$0	\$4,263,193
Miscellaneous	\$0	\$75,899	\$980,959	\$0	\$1,056,858
Contingency	\$0	\$471,410	\$807,185	\$0	\$1,278,595
Total	\$0	\$9,899,619	\$16,950,877	\$0	\$26,850,496

PROJECT STATUS

This is the third request for funding for the project; funding was first requested for FY 2022-23. The project was previously requested as a single-phase project.

Fiscal Year 2024-25 Capital Construction Request

Human Services Kitchen Replacement, CMHHI Pueblo

PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Human Services (DHS) is requesting state funds for the first phase of a two-phase project to construct a new, 34,085-GSF, stand-alone commissary kitchen on the Colorado Mental Health Hospital in Pueblo (CMHHI Pueblo) campus to serve its resident population, along with offenders housed at Department of Corrections (DOC) facilities located on the campus. DHS says it will make kitchen operations more efficient and will help reduce labor costs, reduce food waste, and implement a just-in-time food delivery system. This year's request for Phase I includes project design, constructing the shell of the new kitchen's structure, infrastructure and utilities work, and site improvements at the kitchen's new location. Phase II will complete construction of the kitchen and install fixtures and equipment.

The new kitchen will feature new and enhanced equipment, new food production technologies, more square footage for food production, and additional office and storage space. The project installs larger capacity food service equipment, which the department says will reduce labor costs, currently accounting for 60 percent of total operating costs. The new kitchen will have built-in growth capacity to accommodate CMHHI Pueblo's master plan and future population growth, and will meet current ADA standards. As recommended by an independent study, the new kitchen will be located on the south side of campus on a site that is better suited for traffic needs and site circulation.

Cost assumption. Cost estimates were based on other recent DHS project costs, industry standards, and a third-party study. The cost per GSF is \$788. Inflation is factored at 32.0 percent for professional services, 24.0 percent for Phase I construction, and 32.0 percent for Phase II. The project is in compliance with both the Art in Public Places and High Performance Certification program requirements.

PROJECT JUSTIFICATION

DHS explains that campus population growth, a restrictive size and location, outdated equipment, and diet complexities have rendered the current kitchen at CMHHI Pueblo insufficient for serving its population. The conditions present health and safety concerns for both kitchen staff and campus residents.

The current kitchen is 11,395 GSF and serves about 5,000 meals per day to 1,700 DHS patients and DOC offenders. This is about 2.3 square feet per meal per day, and the industry standard is 4.5 to 5.5 square feet. The issue is pronounced in the dietary kitchen, which is 400 square feet (16 x 25), or 40 percent of industry-recommended square footage. When prep tables and equipment are factored in, three or four employees have a four-foot area in which to operate in the dietary kitchen. Staff must navigate narrow pathways with carts, which leads to damaged equipment and pipes.

There has been little equipment replacement in the kitchen over the past 30 years despite the growth in CMHHI Pueblo's food service demands. The older equipment's upkeep is more expensive, requires custom replacement parts, places staff at continuous risk, and drives up operating costs due to energy inefficiencies. A recent equipment failure resulted in the loss of three days' worth of food costing \$13,000, along with long hours of staff work to remake meals. Some of the main current kitchen deficiencies include:

- most equipment is 25-30 years old and nearing the end of its useful life;
- an unreliable service lift is the only means of transporting food between floors;
- refrigerated storage systems do not have emergency power;
- there is not enough refrigerated storage for the amount of meals the kitchen needs to produce;
- equipment overburdens the power supply; and
- the food delivery system equipment is inefficient.

The Joint Commission, which accredits the CMHHI Pueblo campus, cited the kitchen for infection control concerns related to dead insects, which likely entered the kitchen through cracks in the walls and floors; ice buildup in the uninsulated refrigerators and freezers; drain line issues that could encourage bacteria spread in refrigerators; a dish machine that does not wash at adequate temperatures; paint chips; and boxes stacked too high due to limited space.

Project alternatives. DHS considered hiring external vendors for food service, but says this alternative would cost three times the department's food service costs.

Fiscal Year 2024-25 Capital Construction Request

Human Services Kitchen Replacement, CMHHI Pueblo

PROGRAM INFORMATION

The mental health institutes provide residential services to individuals of all ages with complex, serious, and persistent mental illness. The majority of the patients are referred to the facility by community mental health centers when patients are deemed too unstable for community services to be effective.

CMHHI Pueblo was established in 1879 and has a 516-bed capacity. The campus spans 300 acres and houses the mental health institute; some Division of Youth Services functions; and La Vista and San Carlos Correctional Facilities, which are managed by DOC. The latter youth services and correctional functions range in security level from minimum to maximum, with multiple secure units.

The original CMHHI Pueblo kitchen was built in 1939 and underwent minor renovations in 1978 and 1993. The kitchen currently serves about 5,000 meals per day, or 1.8 million meals per year, to all DHS patients and DOC offenders housed on the CMHHI Pueblo campus. Included in this total are meals for an average of 266 patients and offenders on restricted or religious diets.

PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2024	June 2025
Construction	July 2025	March 2027
Equipment	April 2027	June 2027
Occupancy	July 2027	

SOURCE OF CASH FUNDS

The project is not funded from cash sources.

OPERATING BUDGET

The department anticipates a decrease in operating costs upon completion of the project. While the project will increase the kitchen's production capacity by 25 percent, the department anticipates energy cost savings of 20 percent due to more energy efficient equipment, and lower direct and indirect labor costs because fewer staff will be needed to operate the facility (an estimated 11.8 fewer FTE).

STAFF QUESTIONS AND ISSUES

1. What will the space vacated by the existing kitchen be used for?

CMHHI Pueblo is considering several options for re-envisioning the use of the vacated space. These options include providing kitchen space to help employees learn new skills and for the training of new employees. The space could be used by the vocational rehabilitation department to provide training and employment opportunities for patients developing skills in food services. Potentially, this kitchen space could be used as a backup in emergencies. Finding a nearby hospital, or food service contract company, able to provide nearly 5,000 meals a day is incredibly challenging. Before making any decisions on use of the vacated space, CMHHI Pueblo will need to evaluate any requirements associated with such uses of the space.