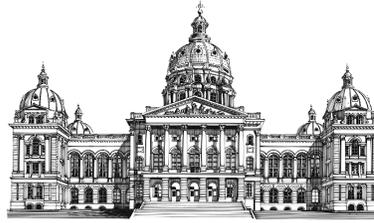


# Iowa Legislative Fiscal Bureau



Dennis Prouty  
(515) 281-5279  
FAX 281-8451

State Capitol  
Des Moines, IA 50319  
November 5, 1998

## Renovation of Facilities on the Capitol Complex

### ISSUE

This *Issue Review* will examine the current status of renovation of State vertical infrastructure facilities located on the Capitol Complex and provide the most recent estimates of renovation and relocation costs for projects currently in progress.

### AFFECTED AGENCIES

All State Agencies located on the Capitol Complex

### BACKGROUND

Since FY 1996, the General Assembly has appropriated a total \$62.9 million from the Rebuild Iowa Infrastructure Fund (RIIF) for restoration and renovation of facilities located on the Capitol Complex including relocation costs. The funds have been appropriated for improvements to three buildings and the tunnel connecting the Lucas Building with the Capitol Building. It is estimated that an additional \$36.2 million will be required to complete the restoration and renovation projects including employee relocation and transition costs.

The following table shows the appropriations received by the Department of General Services from FY 1996 to FY 1999 by facility/project.

#### Rebuild Iowa Infrastructure Fund Appropriations

	FY 1996	FY 1997	FY 1998	FY 1999	Total	Estimated to Complete
Lucas Building	\$ 0	\$ 3,201,455	\$ 2,500,000	\$ 4,500,000	\$ 10,201,455	\$ 6,967,000
Lucas Tunnel	0	100,000	400,000	0	500,000	1,104,228
Old Historical Building	0	5,400,000	4,100,000	0	9,500,000	11,866,580
Capitol Interior Renovation	3,700,000	2,800,000	3,140,000	5,227,600	14,867,600	8,705,100
Capitol Exterior Restoration*	7,165,000	9,300,000	4,400,000	4,400,000	25,265,000	0
Building Demolitions	0	0	0	0	0	2,067,500
Relocation/Transition Costs	0	0	1,300,000	1,300,000	2,600,000	5,515,000
Total	<u>\$ 10,865,000</u>	<u>\$ 20,801,455</u>	<u>\$ 15,840,000</u>	<u>\$ 15,427,600</u>	<u>\$ 62,934,055</u>	<u>\$ 36,225,408</u>

\* Prior to FY 1996, the Department of General Services received funding totaling approximately \$15.2 million over several years for exterior restoration of the Capitol Building. The total cost to complete the restoration is estimated at \$40.5 million.

Each of the projects are discussed individually below.

I  
S  
S  
U  
E  
  
R  
E  
V  
I  
E  
W

**LUCAS BUILDING**

The Lucas Building contains approximately 169,000 sq. ft. of usable space. The fifth and sixth floors have been vacated by the Department of Commerce and are currently under renovation. The renovation will proceed on a floor by floor basis as the upper floors are completed. Work is also progressing on the building's exterior which includes the installation of handicapped entrances, repair of the roof, and cleaning of the stone.

The Department estimates it will cost a total of \$17.1 million to complete the renovation of the Lucas building. The Department has received appropriations totaling \$10.1 million from FY 1996 to FY 1999 and estimates \$7.0 million in additional funding will be required to complete the improvements to the Building. The Department also anticipates receiving \$291,000 through the State of Iowa Facilities Improvement Corporation (SIFIC) which is administered by the Department of Natural Resources. The SIFIC funds will be used for energy related improvements. The Department will request approximately \$4.0 million in FY 2000 and \$2.7 million FY 2001 to complete the funding for the Lucas Building improvements.

The Department anticipates the Lucas Building improvements to be complete in FY 2002 based on several assumptions:

- The Legislative Service Bureau must be moved from the 4<sup>th</sup> floor by December 31, 1998.
- The Legislative Fiscal Bureau and Computer Support Bureau must be moved out of the ground floor by October 1, 2000.
- The down time between the 5<sup>th</sup> and 4<sup>th</sup> floors will not exceed three months.
- The down time between the 3<sup>rd</sup> and 2<sup>nd</sup> floors will not exceed eight months.
- The down time between the 2<sup>nd</sup> and 1<sup>st</sup> floors will not exceed four months.
- There will be no down time between the 1<sup>st</sup> and ground floors.
- All agencies agree to the proposed space master plan prior to December 1998.

**Lucas Building Renovation  
Cash Flow Table**

	Actual FY 1997	Actual FY 1998	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Estimated FY 2002	Total
<b>Revenues</b>							
Balance Carried Forward	\$ 0	\$ 2,604,141	\$ 3,923,291	\$ 4,246,660	\$ 4,246,660	\$ 1,000,000	
Current Appropriated Funds	3,100,000	2,500,000	4,500,000				\$ 10,100,000
Future Appropriation Requests				4,026,000	2,650,000		6,676,000
Other Funding (SIFIC)					291,000		291,000
<b>Total Revenues</b>	<b>3,100,000</b>	<b>5,104,141</b>	<b>8,423,291</b>	<b>8,272,660</b>	<b>7,187,660</b>	<b>1,000,000</b>	<b>17,067,000</b>
<b>Expenditures*</b>	<b>495,859</b>	<b>1,180,850</b>	<b>4,176,631</b>	<b>4,026,000</b>	<b>6,187,660</b>	<b>1,000,000</b>	<b>17,067,000</b>
Appropriation Balance	\$ 2,604,141	\$ 3,923,291	\$ 4,246,660	\$ 4,246,660	\$ 1,000,000	\$ 0	\$ 0

SIFIC = State of Iowa Facilities Improvement Corporation  
 \* Expenses do not include encumbrances (i.e., contracts).

**LUCAS TUNNEL**

Completion of the Lucas Tunnel renovation is estimated to cost \$1.6 million. This will include excavation of the exterior and installation of a new waterproofing system, the addition of a small mechanical room adjacent to the tunnel, and installation of new interior finishes, including airflow and lighting. The General Assembly has appropriated \$500,000 (\$100,000 in FY 1997 and

\$400,000 in FY 1998) toward the cost of renovation. The Department will request \$1.1 million for FY 2000 to complete the funding for the project. The anticipated completion date is FY 2000.

**OLD HISTORICAL BUILDING**

The Old Historical Building contains approximately 43,800 sq. ft. and houses the Board of Regents, Attorney General, and the State Library. Work is currently in progress on interior and exterior restoration. It is estimated that renovation will result in an additional 19,300 sq. ft. of usable space. The Department estimates it will cost \$21.1 million to fully restore the interior and exterior of the Old Historical Building. The General Assembly has appropriated a total of \$9.5 million (\$5.4 million in FY 1997 and \$4.1 million in FY 1998). The Department will request \$5.7 million in FY 2000 and \$5.7 million in FY 2001 to complete the funding for the restoration.

The Department estimates the restoration work to be completed in FY 2001 based on the following assumptions:

- The State Library will remain located in the Building.
- The Board of Regents and the Crime Victim Assistance user groups will move out of the west wing no later than March 1, 1999.
- The east wing (library) is moved to temporary space no later than May 1, 1999.

**Old Historical Building Restoration  
Cash Flow Table**

	Actual FY 1997	Actual FY 1998	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Total
<b>Revenues</b>						
Balance Carried Forward	\$ 0	\$ 4,948,079	\$ 7,539,099	\$ 270,967	\$ 434,886	
Current Appropriated Funds	5,400,000	4,100,000				\$ 9,500,000
Future Appropriation Requests				5,899,155	5,842,425	11,741,580
Other Funding (SIFIC)					125,000	125,000
<b>Total Revenues</b>	<b>5,400,000</b>	<b>9,048,079</b>	<b>7,539,099</b>	<b>6,170,122</b>	<b>6,402,311</b>	<b>21,366,580</b>
<b>Expenditures*</b>						
	451,921	1,508,980	7,268,132	5,735,236	6,402,311	21,366,580
<b>Appropriation Balance</b>	<b>\$ 4,948,079</b>	<b>\$ 7,539,099</b>	<b>\$ 270,967</b>	<b>\$ 434,886</b>	<b>\$ 0</b>	<b>\$ 0</b>

SIFIC = State of Iowa Facilities Improvement Corporation

\* Expenses do not include encumbrances (i.e., contracts).

**CAPITOL BUILDING INTERIOR RESTORATION**

The Department estimates it will cost a total of \$23.8 million to complete the interior architectural restoration. From FY 1996 to FY 1999, the General Assembly has appropriated \$11.2 million for the restoration work. The Department estimates \$4.4 million will be needed in FY 2000 and \$4.3 million in FY 2001 to complete the restoration work as identified in the original scope of the project. The \$23.8 million cost does not include furnishings and other costs associated with the relocation of legislative offices within the Capitol. The Legislative Space Analysis Preliminary Master Plan estimates these costs to be between \$1.4 million and \$1.8 million which includes carpet, electrical/data relocation, task lighting, office equipment and furnishings. The anticipated completion date is FY 2001.

**Capitol Building Interior Restoration  
Cash Flow Table**

	Actual FY 1996	Actual FY 1997	Actual FY 1998	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Total
<b>Revenues</b>							
Balance Carried Forward	\$ 0	\$ 3,113,941	\$ 5,040,299	\$ 5,280,746	\$ 3,063,672	\$ 0	
Current Appropriated Funds	3,900,000	2,800,000	3,140,000	5,227,600			\$ 15,067,600
Future Appropriation Requests					4,381,000	4,324,100	8,705,100
<b>Total Revenues</b>	<b>3,900,000</b>	<b>5,913,941</b>	<b>8,180,299</b>	<b>10,508,346</b>	<b>7,444,672</b>	<b>4,324,100</b>	<b>23,772,700</b>
<b>Expenditures*</b>	<b>786,059</b>	<b>873,642</b>	<b>2,899,553</b>	<b>7,444,674</b>	<b>7,444,672</b>	<b>4,324,100</b>	<b>23,772,700</b>
Appropriation Balance	\$ 3,113,941	\$ 5,040,299	\$ 5,280,746	\$ 3,063,672	\$ 0	\$ 0	\$ 0

\* Expenses do not include encumbrances (i.e., contracts).

**CAPITOL BUILDING EXTERIOR RESTORATION**

Restoration of the Capitol Building’s exterior began in 1983. Between FY 1983 and FY 1993, the Department received appropriations from the General Fund and lottery revenues totaling \$15.2 million. In FY 1994 and FY 1995, the Department received no funding for restoration work. From FY 1996 to FY 1999, the General Assembly appropriated \$25.3 million from the Rebuild Iowa Infrastructure Fund which is expected to cover the remaining cost of the restoration work. The exterior restoration is expected to be completed in FY 2000 at a total cost of \$40.5 million.

**Capitol Building Exterior Restoration  
Cash Flow Table**

	Prior to FY 1996	Actual FY 1996	Actual FY 1997	Estimated FY 1998	Estimated FY 1999	Estimated FY 2000	Total
<b>Revenues</b>							
Balance Carried Forward	\$ 0	\$ 0	\$ 4,958,756	\$ 9,314,403	\$ 8,194,703	\$ 6,594,703	
Current Appropriated Funds	15,195,696	7,165,000	9,300,000	4,400,000	4,400,000		\$ 40,460,696
Future Appropriation Requests							0
<b>Total Revenues</b>	<b>15,195,696</b>	<b>7,165,000</b>	<b>14,258,756</b>	<b>13,714,403</b>	<b>12,594,703</b>	<b>6,594,703</b>	<b>40,460,696</b>
<b>Expenditures*</b>	<b>15,195,696</b>	<b>2,206,244</b>	<b>4,944,353</b>	<b>5,519,700</b>	<b>6,000,000</b>	<b>6,594,703</b>	<b>40,460,696</b>
Appropriation Balance	\$ 0	\$ 4,958,756	\$ 9,314,403	\$ 8,194,703	\$ 6,594,703	\$ 0	\$ 0

\* Expenses do not include encumbrances (i.e., contracts).

**CAPITOL ANNEX/EXECUTIVE HILLS DEMOLITION**

A key component of the renovation and relocation plans for the Capitol Complex involve the demolition of the Capitol Annex facility located at 523 E. 12<sup>th</sup> Street and the Executive Hills buildings located at 1223 E. Court Avenue. The buildings are structurally deficient and no longer provide a safe environment for State employees to work. Combined, the two facilities comprise approximately 34,000 sq. ft. of usable office space on the Complex. The following is a list of agencies currently occupying the facilities:

<b>Capitol Annex</b>	16,225 sq. ft.
Board of Parole	
Dept. of Corrections	
<b>Executive Hills</b>	17,768 sq. ft.

Public Health Nursing Board  
 Attorney General Offices  
 Vocation Education Advisory Council  
 Public Health Medical & Dental Examiners  
 Public Health Pharmacy Board  
 Revenue & Finance  
 First In the Nation in Education (F.I.N.E.) Board

While many of the agencies will be relocated elsewhere on the Capitol Complex, some agencies (primarily the various boards) will lease space off the Complex. Due to unsafe working conditions in the Capitol Annex, the Department of General Services is assisting the Department of Corrections and the Parole Board in locating temporary lease space. The agencies will be relocated on the Complex when renovated space becomes available.

The total cost to demolish the facilities is estimated at \$2.1 million. A large portion of the cost (approximately \$1.0 million) includes removal of asbestos from Executive Hills. The Department will request \$1.1 million in FY 2000 and \$1.0 million in FY 2001 for the demolition of the two facilities. Current plans are to replace the buildings with additional parking areas for visitors and employees.

**RELOCATION/TRANSITION COSTS**

Included in the renovation of the State facilities on the Capitol Complex is the relocation of State employees. The Department of General Services is working with a consultant and State agencies in determining where State offices/functions will be located as a result of the demolition of the Capitol Annex and Executive Hills and the removal of the mezzanines from the Capitol Building. A key decision has yet to be made with regard to the location of legislative staff currently located on the fourth and ground floors of the Lucas Building.

The General Assembly has appropriated a total of \$2.6 million for FY 1998 and FY 1999 for relocation costs. The Department of General Services estimates an additional \$5.5 million will be needed to complete the relocation of State employees. Included in these costs are leases for temporary moves while the Lucas and Old Historical Buildings are being renovated. However, these costs do not include temporary leases for Judicial and Legislative Branch employees.

**Relocation/Transition Costs  
 Cash Flow Table**

	Actual FY 1998	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Estimated FY 2002	Total
<b>Revenues</b>						
Balance Carried Forward	\$ 0	\$ 703,248	\$ 703,248	\$ 0	\$ 0	
Current Appropriated Funds	1,300,000	1,300,000				\$ 2,600,000
Future Appropriation Requests			2,972,500	1,667,500	875,000	5,515,000
<b>Total Revenues</b>	<b>1,300,000</b>	<b>2,003,248</b>	<b>3,675,748</b>	<b>1,667,500</b>	<b>875,000</b>	<b>8,115,000</b>
<b>Expenditures*</b>	<b>596,752</b>	<b>1,300,000</b>	<b>3,675,748</b>	<b>1,667,500</b>	<b>875,000</b>	<b>8,115,000</b>
Appropriation Balance	\$ 703,248	\$ 703,248	\$ 0	\$ 0	\$ 0	\$ 0

\* Expenses do not include encumbrances (i.e., contracts).

STAFF CONTACT: David Reynolds (Ext. 16934)

LFB:IRdlra.doc/11/16/98/11:50 am/all  
Renovation of Facilities on the Capitol Complex