



Capitol Planning Commission 2013 Annual Report and Routine & Deferred Maintenance Discussion





Capitol Planning Commission
2013 Annual Report and Routine & Deferred Maintenance Discussion

Capitol Planning Commission Members

Bill Dikis, Chair

Scott Weiser, Vice-Chair

Matt Anderson

Carol Grant

Liz Isaacson

Allison Dorr Kleis

Mike Carroll, Secretary

Sen. Matt McCoy

Sen. Charles Schneider

Rep. Dan Kelley

Rep. Ralph Watts



Infrastructure Credentials

- Architect, retired 2007 from RDG Bussard Dikis
- Attended Commission meetings more than 30 yrs
- 1981-2006 Architect for State Capitol Restoration
- 1988 Designed East Expansion of Capitol (unbuilt)
- 1996 Fisher Commission / Infrastructure
- 1998 Statewide Vertical Infrastructure Assessment
- 2000 State Space Utilization & Building Study
- 2000 North Dakota State Capitol Master Plan



2013 Annual Report

- The Commission's primary focus is the beauty & dignity of the Capitol Complex, a source of pride for citizens, as well as functioning well and being a good neighbor to the city.
- The guiding principles of the 2010 Capitol Complex Master Plan lend structure to our efforts.
- We defer to DAS expertise for priorities of health & safety, ADA compliance, and maintenance/repairs.



FY2015 CPC Priority Recommendations

1. Wallace Building Renovation
2. Finish the Mercy Annex demolition
3. Repair the Capitol/Lucas tunnel system
4. Lighting under Capitol Rotunda glass floor
5. Property acquisition funding for the Complex
6. Annual dedicated funding for repairs to monuments & artwork, updating of interior painting & carpet replacement (another kind of infrastructure)
7. Stone restoration at Ola Babcock Miller Bldg



Capitol Planning Commission

2013 Annual Report and Routine & Deferred Maintenance Discussion

Particular Interests Beyond FY2015

- Relocation of Fleet Operations
- Completion of the West Capitol Terrace
- Renovation of the Historical Building



Deferred Maintenance

- Maintenance/Repairs = “no constituency, no votes”, too easy to forget the need...
 - BUT timely care for public investment is critical
- Not doing so creates deferred maintenance
- Deferral geometrically increases costs
- Eliminating deferred maintenance backlog is critically important to the public welfare



Appendix A to the Report: Definitions

- Complex “Association Fee” = “rent” for office space... just \$3.46 per square foot for the past few years!
- Statewide ROUTINE maintenance = regular day-to-day upkeep including PREVENTIVE maintenance
- Statewide MAJOR maintenance = replacement & repair of building components to extend useful life + life safety & ADA enhancements



Key to avoiding deferral of maintenance

- Adequate annual funding of building operations
- Compare Capitol Complex “rent” @ \$3.46/SF with Metro DM commercial lease rates:
 - Class A - \$16.50 to \$23.00
 - Class B - \$13.00 to \$16.50
 - Class C – less than \$13.00



CPC Strongly Recommends...

- Increase Association Fee to at least \$5.90/SF
- Per Iowa Code 7E.5A, provide **1% of CRV*** annually for routine & preventive maintenance... if \$150/SF, then +/- \$3.5 million for Capitol Complex
- Begin a continuing annual commitment to reduce & eventually eliminate the deferred maintenance backlog by an annual appropriation of **2% of CRV*** ... +/- \$7 million annually for Capitol Complex

* CRV = Current Replacement Value



1993 Legislative Fiscal Bureau Report

- Estimated statewide deferred maintenance \$175 million, not including State Capitol restoration or DOT
- Occupancy fees (rent) in other states 20 yrs ago:
 - Florida \$14.38/SF
 - Georgia \$9.00 to \$17.00/SF
 - Tennessee \$8.00 to \$12.00



The cost of deferring maintenance

- Construction inflation runs an average of about 4% per year, but has ranged from 1% to 11%
- Example: Judicial Building \$31 million in 2003; in 2013, would cost nearly \$46 million (= CRV)
- Maintenance funding for the Judicial Building at 1% of CRV recommendation would have been \$310,000 in 2003 and would be \$459,000 in 2013



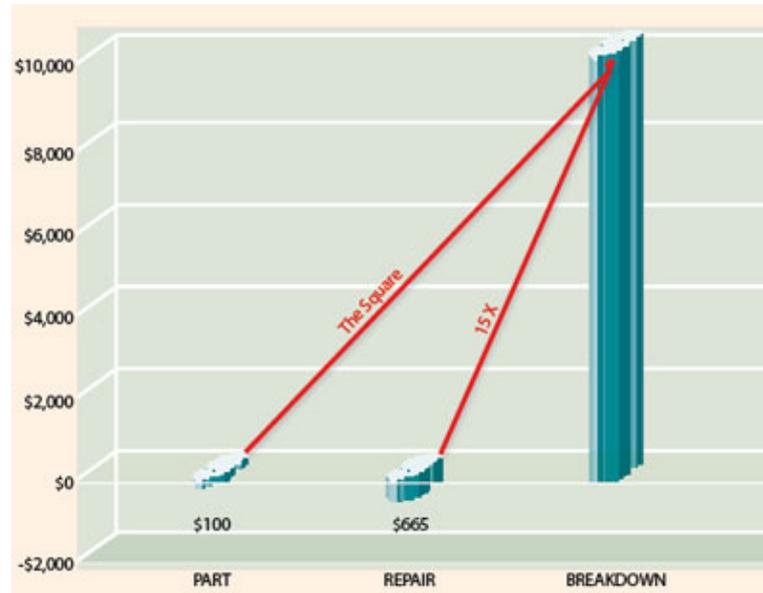
The cost of deferring maintenance

- But there is more than just inflation; cost often multiplies due to damage to related materials and systems
- Depending on how long the deferral lasts, \$1 not spent today on maintenance is estimated to cost between \$4 and \$40 later.



Capitol Planning Commission

2013 Annual Report and Routine & Deferred Maintenance Discussion



- Geaslin's Inverse-Square Rule: Deferred maintenance future cost = cost of the part squared or 15 times the total repair cost
- Intervene early and recoup 40:1 positive cash flow and 15:1 in maintenance man-hours



1996 Fisher Commission on Infrastructure

Not too much has changed! The Strategy:

1. Stop the bleeding – provide adequate funding for today's maintenance needs
2. Eliminate the backlog – elevate dedicated backlog funding until done, will take time
3. Manage future investment – recognize the entire building life cost implications of new construction



Capitol Planning Commission

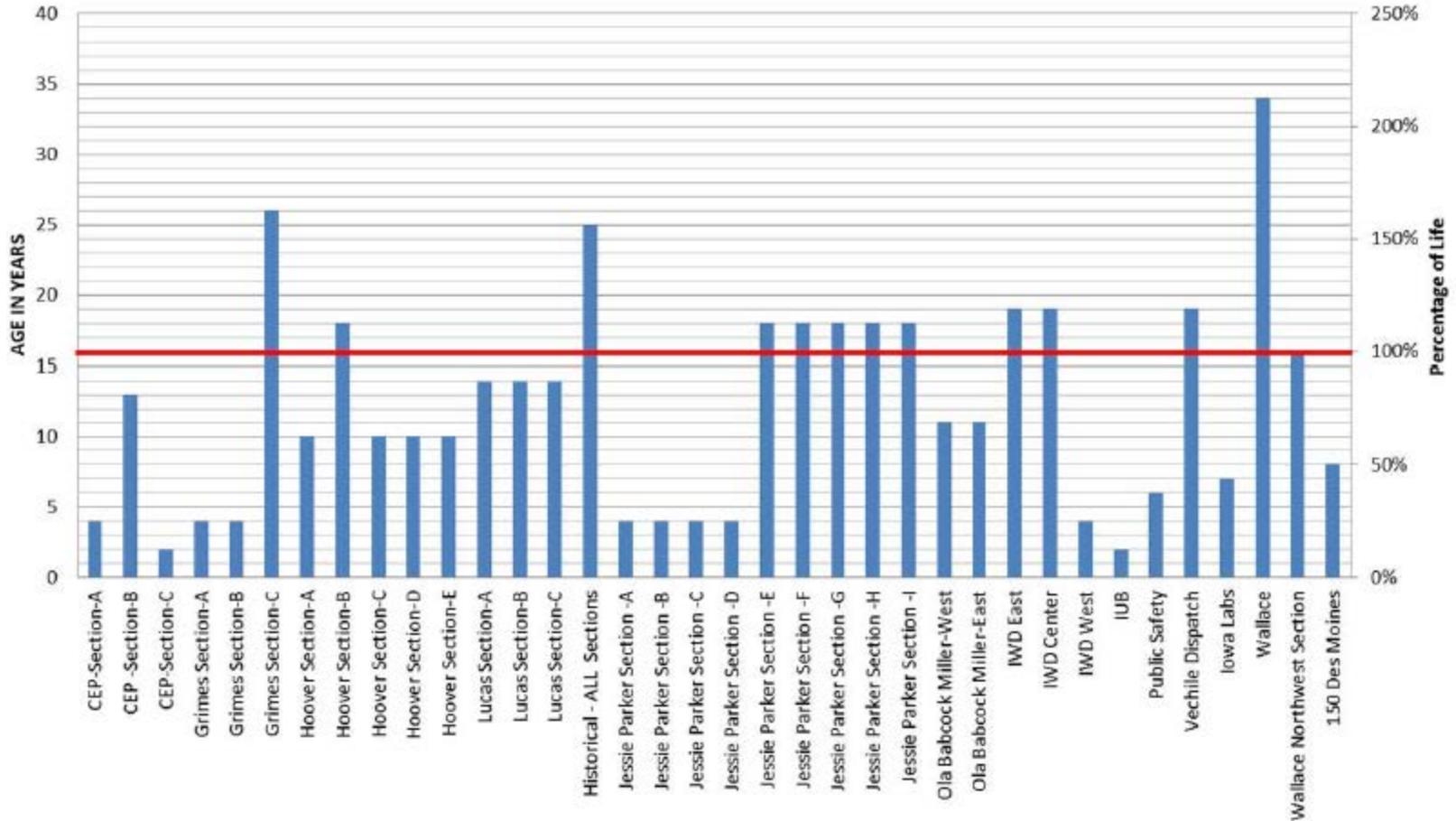
2013 Annual Report and Routine & Deferred Maintenance Discussion

Simplified Example of Useful Life and 100 Year Cost of a 100 Year Building

Component	Cost	% of Cost	Useful Life	100 Year Cost
General Requirements	\$ 2,500,000	10%	50	\$ 5,000,000
Concrete (Foundations)	\$ 3,000,000	12%	100	\$ 3,000,000
Masonry	\$ 2,000,000	8%	60	\$ 3,333,333
Metals (Steel Frame)	\$ 2,250,000	9%	100	\$ 2,250,000
Wood, Plastics, Composites	\$ 1,000,000	4%	20	\$ 5,000,000
Thermal & Moisture Protection	\$ 750,000	3%	40	\$ 1,875,000
Openings	\$ 1,250,000	5%	40	\$ 3,125,000
Finishes	\$ 1,000,000	4%	10	\$ 10,000,000
Specialties	\$ 250,000	1%	25	\$ 1,000,000
Special Construction	\$ 250,000	1%	20	\$ 1,250,000
Conveying Systems	\$ 500,000	2%	20	\$ 2,500,000
Fire Supression	\$ 500,000	2%	30	\$ 1,666,667
Plumbing	\$ 1,500,000	6%	30	\$ 5,000,000
HVAC	\$ 4,500,000	18%	25	\$ 18,000,000
Electrical	\$ 3,000,000	12%	20	\$ 15,000,000
Communications	\$ 750,000	3%	15	\$ 5,000,000
Total Building Costs	\$ 25,000,000	100%		\$ 83,000,000



Capitol Planning Commission 2013 Annual Report and Routine & Deferred Maintenance Discussion



Roofs: Life Expectancy vs. Actual Age



Which Statement Belongs in Iowa?

We can't afford to provide timely maintenance

or

We can't afford NOT to provide timely
maintenance