

Office Space Renovation in New Geologic Materials Center to Accommodate State Pipeline Coordinator's Office **FY2015 Request:** \$2,165,000
Reference No: 58307

AP/AL: Appropriation **Project Type:** Construction
Category: Development
Location: Anchorage Areawide **House District:** Anchorage Areawide (HD 11-27)
Impact House District: Anchorage Areawide (HD 11-27) **Contact:** Jean Davis
Estimated Project Dates: 07/01/2014 - 06/30/2019 **Contact Phone:** (907)465-2422

Brief Summary and Statement of Need:

The Department of Administration (DOA) received capital appropriations to purchase and renovate an existing Sam's Club building (located at 3651 Penland Parkway, Anchorage) into the new state Geological Materials Center (GMC) facility. The new facility replaces the dilapidated and inadequate Eagle River facility currently used by the Department of Natural Resources (DNR). This appropriation provides funding to build out office space within the new GMC to relocate the State Pipeline Coordinator's Office (SPCO) from a private lease to this state-owned facility. Rent generated by the SPCO will help offset operations and maintenance costs in the new facility, and generate a long-term cost savings.

Funding:	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>Total</u>
AIDEA Div	\$2,165,000						\$2,165,000
Total:	\$2,165,000	\$0	\$0	\$0	\$0	\$0	\$2,165,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec4 Ch16 SLA2013 P105 L10 SB18 \$17,500,000
 Sec1 Ch17 SLA2012 P2 L10 SB160 \$4,000,000

Project Description/Justification:

What is the issue or problem to be solved?

The Department of Administration (DOA) has estimated the annual operating rental cost estimate for occupancy of the new GMC to be \$565,600. Rent collected from the SPCO will help to cover the annual cost.

DOA has calculated that moving the SPCO into the GMC is expected to generate a future net cost-savings after completion of the capital project of approximately \$900,000 over a 10-year period, and \$3,100,000 over a 20-year period. In addition to general fund savings the two occupying agencies (Division of Geological and Geophysical Surveys GMC staff and the SPCO) will be able to share

some positions for administrative purposes, eliminating the need to request an additional support position for the facility.

What is the scope of work?

Renovation of the existing facility will provide 11,500 square feet for the SPCO, including the core office spaces needed for the employees at approximately 7,200 square feet per the new universal space standards, 1,800 square feet for secure case file storage requirements, 250 square feet of library space, and additional space for arctic gear and inventory storage, large format plotters and IT equipment, and a conference room.

Why is this project needed now - what is the impact of remaining status quo?

Not receiving this capital appropriation will result in the need to request increased operating appropriations for the Division of Geological and Geophysical Surveys to cover the annual maintenance and operations of the new GMC. Re-locating the SPCO into the new GMC provides the additional rental revenue at an overall long-term cost-savings to the state.

Specific Spending Detail:

LINE ITEM	DOLLAR AMOUNT	DESCRIPTION
Services	\$ 2,155,000	renovation and construction costs
Project Total	\$2,165,000	