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# Fiscal Year 2013-14 Capital Construction Request

## Agriculture

*Department Office Consolidation*

### PROGRAM PLAN STATUS

2014-012

Approved Program Plan?  Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	1 of 1	
OSPB	NP of 29	Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$0	\$8,689,528	\$0	\$0	\$8,689,528
RF	\$0	\$0	\$239,923	\$719,769	\$959,692
<b>Total</b>	\$0	<b>\$8,689,528</b>	\$239,923	\$719,769	\$9,649,220

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$3,750,000	\$0	\$0	\$3,750,000
Professional Services	\$0	\$236,880	\$0	\$0	\$236,880
Construction	\$0	\$3,384,000	\$0	\$0	\$3,384,000
Equipment	\$0	\$819,600	\$0	\$0	\$819,600
Miscellaneous	\$0	\$50,000	\$239,923	\$719,769	\$1,009,692
Contingency	\$0	\$449,048	\$0	\$0	\$449,048
<b>Total</b>	\$0	<b>\$8,689,528</b>	\$239,923	\$719,769	\$9,649,220

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Agriculture is requesting cash funds spending authority to purchase and retrofit a building in order to consolidate its Denver Metro area offices in a single facility. The office consolidation will affect all of the divisions within the department, with the exception of the Colorado State Fair, which is located in Pueblo. The project addresses space deficiencies within the department and realizes efficiencies through the collocation of services. The department, which consists of eight divisions, currently occupies five separate facilities, including two state-owned facilities and three leased offices in the Denver Metro area. This request also authorizes the sale of one state-owned facility currently occupied by the department: the Inspection and Consumer Services building located in the lower Highlands neighborhood.

The department is planning to purchase a building that is approximately 50,000 GSF. The building will provide administrative office space for seven of the department's eight divisions. Once renovated, the building will also include a conference room for Colorado Agricultural Commission meetings, test facilities for weekly pesticide applicator exams, state-of-the-art biochemistry and metrology laboratories for the Inspection and Consumer Services Division, and parking for employees and visitors. Additionally, the new building will have tall ceilings to accommodate the metrology laboratory. The department says that it will move existing laboratory equipment into the new facility.

The department plans to issue certificates of participation (COPs) to finance the purchase cost and subsequent build

# Fiscal Year 2013-14 Capital Construction Request

## Agriculture

### Department Office Consolidation

out of a new building. Other cash fund sources will pay project costs associated with the COP issuance, purchase furniture, pay moving expenses, and set aside money for a project contingency fund. Additionally, proceeds from the sale of the Inspection and Consumer Services Division facility will be used to offset the purchase price and build-out cost in order to minimize the COP issuance amount. The department says that if the building is sold before the new facility is retrofitted, it plans to lease it back from the new owners until the division can move to the retrofitted facility.

**Additional legislative authorization required.** Section 24-82-102 (1) (b), C.R.S., requires that before a lease-purchase agreement can be executed, it must be specifically authorized by a bill other than the annual general appropriations bill or a supplemental appropriations bill.

### PROJECT JUSTIFICATION

A recent space analysis conducted by the department concluded that it needs about 9,000 additional GSF to meet its existing space needs. Specifically, the Markets and Plant Industry divisions have expanded recently due to the growth in Colorado agriculture. The department says additional space is needed for these divisions in order to promote Colorado products and support a growing organic food industry. Additionally, the Brands and Animal Industry divisions are at capacity and the Conservation Services Division is experiencing an increase in demand for services in the area of noxious weed control and water and soil conservation. Finally, the department explains that the existing Inspection and Consumer Services Division facility is adequate for its space needs; however, changes in the neighborhood have led the department to seek to relocate the division. In particular, continuing development in the surrounding neighborhoods limits the availability of parking, which makes it difficult to host meetings and provide parking for inspection test takers. Also, the department is concerned that the large trucks that travel to and from the facility's metrology laboratory may cause disturbances in the neighborhood.

According to the department, relocating its Metro area offices to a single building will allow it to streamline its operations. The various divisions will be able to share supplies, office equipment, vehicles, and in some instances, personnel. For example, the relocation will allow the department to consolidate multiple reception areas, which in turn will free up some administrative staff to support program staff. Other divisions will also realize efficiencies through collocation. The Animal Industry and Brands divisions will benefit from shared training, shared technical expertise, and better communication, resulting in better disease detection and inspection efficiency, says the department. The Markets Division will have better access to other divisions thus improving its ability to coordinate marketing efforts between divisions.

**Project alternative.** The department considered constructing a new facility to house its administrative functions; however, it determined that it is more economical to purchase an existing facility and renovate the space as needed.

### PROGRAM INFORMATION

According to the department, Colorado agriculture contributes \$40 billion to the state's economy and provides nearly 173,000 jobs annually. The Department of Agriculture oversees Colorado's agricultural industry to ensure a safe, high-quality, and sustainable food supply. It is comprised of eight divisions, including the:

- Animal Industry Division;
- Brands Division;
- Commissioner's Office and administrative services;
- Colorado State Fair;
- Conservation Services Division;
- Inspection and Consumer Services Division;
- Markets Division; and
- Plant Industry Division.

Attachment A details the function of each of these divisions.

# Fiscal Year 2013-14 Capital Construction Request

## Agriculture

Department Office Consolidation

### LEED CERTIFICATION INFORMATION

No state funds were requested for the project so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### PROJECT STATUS

This is a new project.

### SOURCE OF CASH FUNDS

The source of cash funds is proceeds from the future sale of certificates of participation (\$4,452,480), the Agricultural Management Fund (\$2,037,048), and proceeds from the future sale of the Inspection and Consumer Services Division building in the lower Highlands neighborhood of Denver (\$2,200,000).

**COP issuance.** The department is seeking authority to issue COPs on behalf of the project through separate legislation. The department anticipates issuing COPs for a period of 30 years at a rate of 3.5 percent. The anticipated annual lease payment is about \$240,000 in reappropriated funds. The department says the annual lease payment will be made from indirect cost recoveries from cash funds administered by the seven divisions sharing the new building. The indirect cost recoveries will also pay for overhead costs, such as utilities, for various programs within the department. Attachment B is the department's proposed indirect cost model.

**Agricultural Management Fund.** Pursuant to Section 35-1-106.9, C.R.S., the Agricultural Management Fund accrues revenue from 65 percent of the interest earned on the Unclaimed Property Tourism Promotion Trust Fund created in Section 38-13-116.7, C.R.S. The projected FY 2012-13 year-end fund balance of the Agricultural Management Fund is about \$2.0 million.

**Sale of Inspection and Consumer Services Division building.** The department has not yet determined where proceeds from the sale of the state-owned facility currently occupied by the department will be deposited. See #2 in Staff Questions & Issues section.

### STAFF QUESTIONS AND ISSUES

1. Are you seeking authorization for the sale of the Inspection and Consumer Services Division facility through this capital request? Or will this authority be sought through the bill authorizing the COP issuance?

*Yes, the department is seeking approval to sell the Inspection and Consumer Services properties, either through this request or legislative approval, whichever method Legislative Counsel, OSPB, and the CDC find most appropriate.*

2. Where will the proceeds from sale of the ICS building be deposited? Will the department require any additional authorization to spend these funds for the project?

*The department does not have a fund for which proceeds could be deposited and then allocated for this purpose. The proceeds could be deposited to the Agricultural Management Fund, with a statutory change to allow for this one-time expenditure of those funds. This authorization could be provided in the authorizing legislation for the requested COP and sale of the ICS facilities. An appropriation would be needed to expend the proceeds for this purpose.*

3. Has the department identified a building to purchase under this project?

*The department is considering purchasing a facility near I-25 and 120th that meets most, if not all, of the project requirements. The department has been coordinating this effort with State Buildings and Real Estate Programs in the Office of the State Architect.*

# Fiscal Year 2013-14 Capital Construction Request

## Agriculture

Department Office Consolidation

### OPERATING BUDGET

This project will not impact state operating costs. The department anticipates that the office consolidation will result in \$330,000 in annual savings through the reallocation of certain expenses to an indirect cost recovery model and the termination existing lease payments.

### PROJECT SCHEDULE

	Start Date	Completion Date
New Building Purchase/Sale of Existing Building	April 2012	May 2013
Design	June 2013	June 2014
Construction	June 2013	June 2014
Occupancy	January 2014	June 2014

## Colorado Department of Agriculture Divisions

The **Animal Industry Division** provides livestock disease prevention and control services, rodent and predator control services, and pet animal facility inspection and licensing. It is also responsible for animal cruelty investigations and licensing all state aquaculture facilities.

The **Brands Division** inspects and verifies ownership of more than 3.8 million livestock, records more than 35,000 livestock brands, and investigates livestock theft. It also licenses livestock sale barns, packing plants, and alternative livestock farms.

The **Colorado State Fair** is housed at the state fairgrounds in Pueblo. The annual State Fair is an 11-day event held in late August. The fairgrounds is open year-around for many activities.

The **Commissioner's Office** oversees all the divisions within the department.

The **Conservation Services Division** provides administrative and financial assistance to Colorado's 76 conservation districts. It also provides guidance on stream bank erosion and riparian concerns, and assists districts on various water and energy programs, noxious weed management, groundwater protection regulation, and biological pest control.

The **Inspection & Consumer Services Division** provides inspection of animal feed, fertilizer, anhydrous ammonia tanks, eggs, grain warehouses, agricultural commodity handlers and dealers, custom meat and wild game processors, door-to-door food sales companies, weighing and measuring devices, and packages for correct weight and pricing. It also provides metrology and other regulatory laboratory services, such as feed, fertilizer, groundwater, and pesticide testing.

The **Markets Division** assists Colorado food and agricultural companies sell their products in local (Colorado Proud), regional, national, and international markets. It collects livestock and produce market news from around the state, oversees nine market orders, grades and inspects fruits and vegetables, and helps promote Colorado wines through the Colorado Wine Board.

The **Plant Industry Division** provides organic certification, nursery stock inspection, produce, plant and seed export certificates, seed inspection and certification, weed free forage certification, bee inspection and investigations, chemigation (backflow prevention equipment permits and inspections), commercial and private pesticide applicator testing, licensing, and investigations, pesticide product record inspections, and label registration.

## Appendix D: Indirect Cost Assessment Methodology

### Description of Indirect Cost Assessment Methodology

The Department of Agriculture indirect cost assessment methodology is calculated based on three components: an “*Indirect Cost Pool*”, an “*Indirect Cost Base*”, and an “*Indirect Cost Rate*”.

The *Indirect Cost Pool* is based on the estimated personal services, operating, utility, and certificate of participation line items, for the requested budget year in the Commissioner’s and Administrative Services Office. For FY 2013-14 the Department’s Indirect Cost Pool as requested is \$1,614,413. *Table 1* outlines which lines are included in the department’s Indirect Cost Pool.

Division	Line Item	FY 2013-14 Request
Executive Director’s Office	Personal Services	\$1,021,596
	Operating	241,982
	Utilities	239,923
	Certificate of Participation	110,621
<b>FY 2013 -14 Indirect Cost Pool</b>		<b>\$1,614,413</b>

The *Indirect Cost Base* is 90.0 percent of the fund’s total spending authority for FY 2011-12 in each division. The *Indirect Cost Rate* is generally set at 11.0 percent. The *Indirect Cost Rate* is applied the *Indirect Cost Base*. Additionally, in the Department’s plan an estimated \$220,000 will be collected from federal sources, yet the request included \$199,709 federal funds. *Table 2* summarizes the Department’s cash funds *Indirect Cost Base*, *Indirect Cost Rate*, and *Indirect Cost Assessment* by division. Note that the Brand Board, Alternative Livestock, Chemigation, and Agricultural Products Inspection are not subject to a full assessment based on statutory indirect cost caps. *Indirect Cost Rates* have been adjusted to accommodate these restrictions.

Division	Cash Fund	Total Approp.	90% of Approp.	Rate	Assessment
Commissioner	Agriculture Management	\$2,304,260	\$2,073,834	11%	\$228,120
Commissioner	Food Systems Advisory Council	22,531	20,278	11%	2,231
<b>Division Total</b>		<b>\$2,326,791</b>	<b>\$2,094,112</b>		<b>\$230,351</b>
Ag Services	Vet, Vaccine and Service	\$347,098	\$312,388	11%	\$34,363
Ag Services	Diseased Livestock	25,000	22,500	11%	2,475
Ag Services	Cervidae Disease	26,174	23,557	11%	2,591
Ag Services	Animal Protection	25,000	22,500	11%	2,475
Ag Services	Colorado Aquaculture	45,437	40,893	11%	4,498
Ag Services	Pet Animal Care and Facility	564,375	507,938	11%	55,873
Ag Services	Plant Hlth, Pest, Enviro Protection	3,658,580	3,292,722	11%	362,199
Ag Services	Seed Potato	2,054	1,849	11%	203

Ag Services	ICS	2,350,000	2,115,000	11%	232,650
Ag Services	Noxious Weed Management	17,487	15,738	11%	1,731
<b>Division Total</b>		<b>\$7,061,205</b>	<b>\$6,355,085</b>		<b>\$699,059</b>
Brand Board	Brand Inspection	4,547,938	4,093,144	3.6%	147,353
Brand Board	Alt Livestock	107,462	96,716	3.6%	3,482
Brand Board	Brand Estray	94,050	84,645	3.6%	3,047
<b>Division Total</b>		<b>\$4,749,450</b>	<b>\$4,274,505</b>		<b>\$153,882</b>
Ag Markets	Ag Products Inspection	2,086,553	1,877,898	5%	93,895
Ag Markets	Wine Development	571,635	514,472	5%	25,724
Ag Markets	Seal of Quality	500	450	11%	50
Ag Markets	Agriculture Value Added	991,749	892,574	11%	98,183
<b>Division Total</b>		<b>\$3,650,437</b>	<b>\$3,285,393</b>		<b>\$217,851</b>
State Fair	State Fair Authority	8,390,329	7,551,296	1.5%	113,269
<b>Division Total</b>		<b>8,390,329</b>	<b>\$7,551,296</b>		<b>\$113,269</b>
<b>TOTAL FY 2013-14 Cash Assessment</b>					<b>\$1,414,413</b>

### FY 2013-14 Indirect Cost Assessment Request

For FY 2013-14 the Department has requested \$1,634,413 (Grand Total above plus \$220,000 federal funds) for indirect cost assessments. This amount is more than the Indirect Cost Pool of \$1,614,122 to accommodate for the utilities estimate and a pending Capital Development Committee request. *Table 3* shows the FY 2013-14 Department indirect cost assessment based on the November 1 request for each division.

<b>Division</b>	<b>Total</b>	<b>CF</b>	<b>FF</b>
Commissioner's Office	236,452	230,352	6,100
Agricultural Services	888,398	699,059	189,339
Agricultural Markets	222,121	217,851	4,270
Brand Board	153,882	153,882	0
State Fair	<u>113,269</u>	<u>113,269</u>	<u>0</u>
<b>Total FY 2013-14 Request</b>	<b>\$1,614,122</b>	<b>\$1,414,413</b>	<b>\$199,709</b>
FY 2012-13 Indirect Cost Assessment	862,477	790,497	71,980
<b>Difference (FY 14 - FY 13)</b>	<b>\$751,645</b>	<b>623,916</b>	<b>127,729</b>

**Colorado State University  
Five-Year Projection of Need  
FY 2013-14 through FY 2017-18**

Project Title	Fund Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Totals
<i>Current Year Request(s)</i>							
Chemistry Building Addition	CCF	44,600,000	0	0	0	0	\$44,600,000
	CF	5,400,000	0	0	0	0	\$5,400,000
<i>Out Year Request(s)</i>							
Anatomy/Zoology Building Revitalization (Capital Renewal Project)	CCF	0	0	9,300,000	0	0	\$9,300,000
	CF	0	0	0	0	0	\$0
Chemistry B and C Wing Renovation	CCF	0	0	0	5,800,000	0	\$5,800,000
	CF	0	0	0	11,700,000	0	\$11,700,000
Engineering Research Center Renovation	CCF	0	0	0	0	20,000,000	\$20,000,000
	CF	0	0	0	0	0	\$0
Health and Exercise Sciences Addition	CCF	0	0	0	13,700,000	0	\$13,700,000
	CF	0	0	0	0	0	\$0
Life and Biomedical Sciences Building	CCF	0	14,937,986	36,399,519	18,062,495	0	\$69,400,000
	CF	0	0	0	0	0	\$0
San Luis Valley Research Center Improvements	CCF	0	0	0	0	4,800,000	\$4,800,000
	CF	0	0	0	0	0	\$0
Shepardson Building Renovation and Expansion	CCF	0	0	4,490,898	4,509,102	0	\$9,000,000
	CF	0	0	0	22,800,000	0	\$22,800,000
Western Slope Agriculture Experiment Station Consolidation	CCF	0	0	0	0	15,000,000	\$15,000,000
	CF	0	0	0	0	0	\$0
<i>Total: State Funds</i>		44,600,000	14,937,986	50,190,417	42,071,597	39,800,000	\$191,600,000
<b>Grand Total</b>		<b>\$50,000,000</b>	<b>\$14,937,986</b>	<b>\$50,190,417</b>	<b>\$76,571,597</b>	<b>\$39,800,000</b>	<b>\$231,500,000</b>

## Two-Year Projection of Cash Need

Colorado State University

Tuesday, December 18, 2012

### SUGGESTED MOTION:

*Approve four new projects (\$69,000,000 CF) listed on the Colorado State University two-year projection of cash need.*

### New Project List, Requires Approval

Project Name	LEED Certification	Amount	Fund Source
<b><i>Accelerator and Propulsion Expansion, Engineering Research Center</i></b> 2014-018 The project retrofits 8,500 GSF at the Engineering Research Center to accommodate the installation of additional research equipment. The university says the project benefits researchers within the Center for Extreme Ultraviolet Science and Technology. The center, which is located on the Foothills campus, was created by the National Science Foundation in 2003 to research and develop extreme ultraviolet source technology. The source of cash funds is grants or institutional cash sources, or a combination of the two. <b><i>Date Authorized Until: TBD</i></b>	N/A	\$5,000,000	CF
<b><i>Equine Orthopaedics Lab Addition</i></b> 2014-020 The project renovates 10,900 GSF in and constructs a 3,500-GSF addition to the Equine Orthopaedics Research Laboratory on the south campus. Research conducted in the laboratory concerns musculoskeletal disease and injury in animals and humans. The source of cash funds is donations. <b><i>Date Authorized Until: TBD</i></b>	Gold	\$2,000,000	CF
<b><i>Shields Street Parking Garage</i></b> 2014-019 The project constructs a mixed-use, 400,000-GSF, 1,200-space parking garage. The building will also house commercial space or residential apartments. Some of the parking spaces will be made available to students living in nearby residence halls, and some will be made available to the campus community and the public. The project will be financed by a private third-party firm identified through a request for qualifications process. The university says the building will be owned and managed by the private firm, and that the university will issue a 40-year ground lease, with two additional ten-year options to this firm. <b><i>Date Authorized Until: TBD</i></b>	N/A	\$50,000,000	CF

## Two-Year Projection of Cash Need

Colorado State University

Tuesday, December 18, 2012

**SUGGESTED  
MOTION:**

*Approve four new projects (\$69,000,000 CF) listed on the Colorado State University two-year projection of cash need.*

**South Boulder Creek Watershed Conservation Easement**

N/A

\$12,000,000

CF

2014-021

The project purchases a 4,728-acre perpetual conservation easement to protect open space along the South Boulder Creek watershed, including 4,348 acres in Gilpin County and 380 acres in Boulder County. The Colorado State University system will hold legal title to the conservation easement on behalf of the Colorado State Forest Service (CSFS). A map of the proposed easement is attached. The terms of the conservation easement require the property owner to relinquish all rights to future subdivision or development on the property. Furthermore, the property owner will agree to manage the property under a forest stewardship plan approved by the CSFS.

The cost of the easement will be paid by the U.S. Forest Service, including \$5.0 million federal funds and \$7.0 million cash funds from state and local sources.

**Date Authorized Until:** *TBD*

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**Subtotal:**

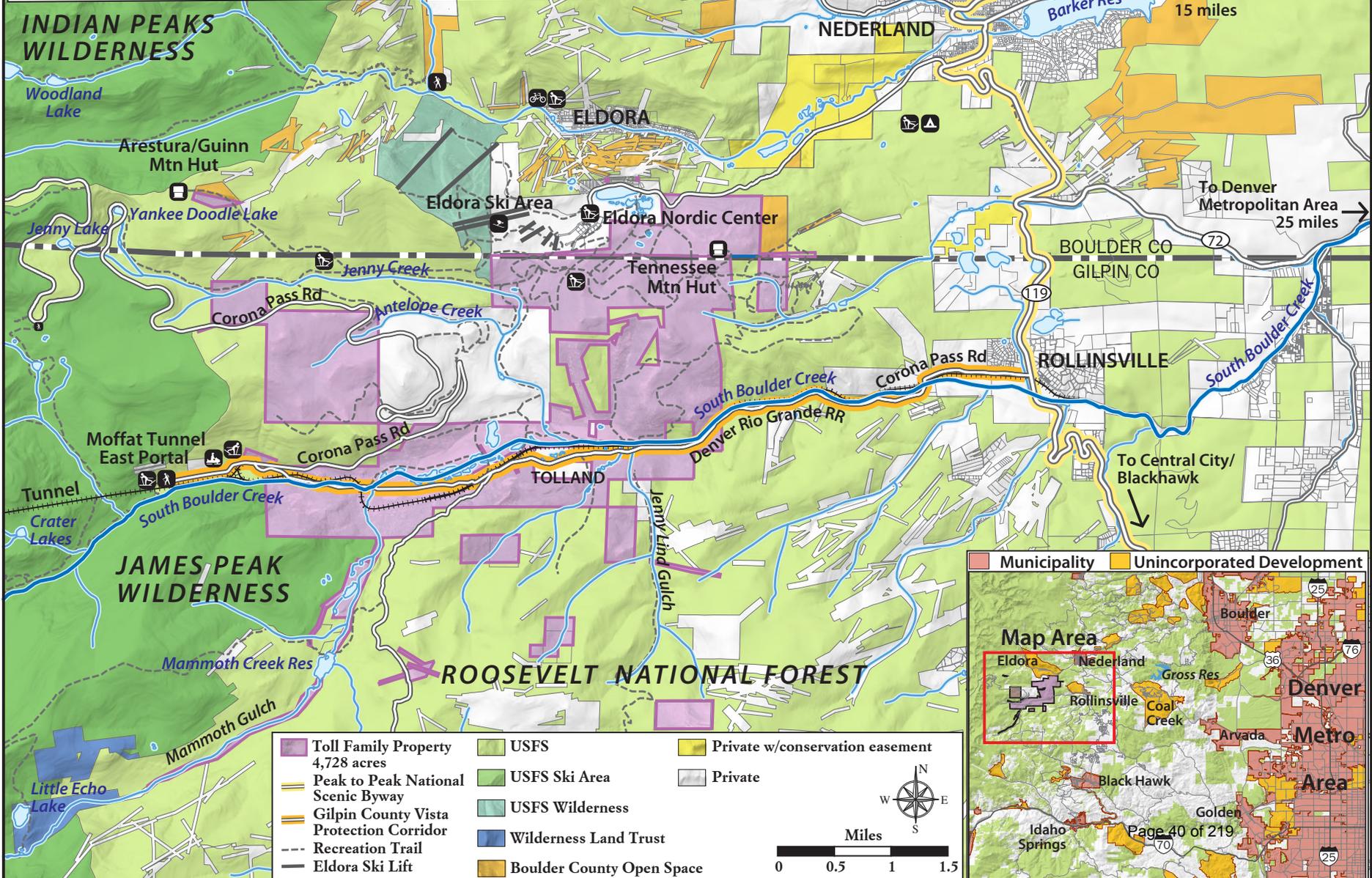
**New Project List, Requires Approval**

**\$69,000,000**

**Grand Total, All Projects:**

**\$69,000,000**

# Toll Family Property: South Boulder Creek Watershed



# Fiscal Year 2013-14 Capital Construction Request

## Colorado State University

*Chemistry Building Addition*

### PROGRAM PLAN STATUS

2009-020

Approved Program Plan?  Yes  No

Date Approved:

### PRIORITY NUMBERS

<u>Prioritized By</u>	<u>Priority</u>
Dept/Inst	1 of 1
CCHE	11 of 20
OSPB	20 of 29

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$44,600,000	\$0	\$0	\$44,600,000
CF	\$0	\$5,400,000	\$0	\$0	\$5,400,000
<b>Total</b>	<b>\$0</b>	<b>\$50,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000,000</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$5,068,394	\$0	\$0	\$5,068,394
Construction	\$0	\$33,483,379	\$0	\$0	\$33,483,379
Equipment	\$0	\$7,131,333	\$0	\$0	\$7,131,333
Miscellaneous	\$0	\$1,935,942	\$0	\$0	\$1,935,942
Contingency	\$0	\$2,380,952	\$0	\$0	\$2,380,952
<b>Total</b>	<b>\$0</b>	<b>\$50,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000,000</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

Colorado State University (CSU) is requesting a combination of state funds and cash funds spending authority to construct a 60,000-GSF addition to the Chemistry Building, located on the main campus. The addition will provide needed laboratory and office space. It will be connected to the existing Chemistry Building on at least one level, but will essentially be a stand-alone structure.

The addition will primarily house synthetic organic and inorganic chemistry programs that make heavy use of fume hoods as part of instruction and research. New laboratory space will be constructed for these programs, in addition to a main lobby space and informal upper level meeting spaces for study and collaboration activities. The project includes about \$5.9 million in equipment purchases, including 136 fume hoods, a high resolution transmission electron microscope, and a scanning electron microscope.

### PROJECT JUSTIFICATION

CSU has identified this project as its highest capital construction priority. According to the university, outdated instructional facilities contribute to diminished program quality at a time when program demand is high. The university says that in order to meet its goal of increasing the number of faculty and researchers in the College of Natural Sciences, it needs a state-of-the-art facility to attract talent and to have sufficient space for faculty to teach

# Fiscal Year 2013-14 Capital Construction Request

## Colorado State University

### *Chemistry Building Addition*

and conduct research. The College of Natural Sciences has proposed adding nine faculty members and expects a corresponding growth in graduate students, undergraduate majors, and external funding. CSU hopes to attract about 450 additional researchers campus-wide, who will provide their own funding.

#### PROGRAM INFORMATION

The building addition will be used by the faculty, research staff, and students of the College of Natural Sciences, including the Chemistry, Biology, Biochemistry and Molecular Biology, and Biocore programs.

#### LEED CERTIFICATION INFORMATION

CSU is dedicating \$1,529,580 of the project's total construction costs of \$33,483,379, or 4.6 percent, to the High Performance Certification Program. The university plans to build the facility to the LEED gold standard, the second highest of four possible certification levels.

#### PROJECT STATUS

This is a new request.

#### SOURCE OF CASH FUNDS

The source of cash funds for this project is bonds, to be repaid from university sources.

#### STAFF QUESTIONS AND ISSUES

All responses to staff questions were incorporated into the project write-up.

#### OPERATING BUDGET

This project has no impact on state operating costs.

#### PROJECT SCHEDULE

	Start Date	Completion Date
Design	June 2013	June 2014
Construction	July 2014	December 2015
Equipment	October 2015	December 2015
Occupancy	November 2015	December 2015

**Colorado State University – Pueblo**  
**Five-Year Projection of Need**  
**FY 2013-14 through FY 2017-18**

Project Title	Fund Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Totals
<i>Current Year Request(s)</i>							
General Classroom Building	CCF	16,179,939	0	0	0	0	\$16,179,939
	CF	0	0	0	0	0	\$0
Psychology Building Renovation	CCF	2,308,268	14,000,315	0	0	0	\$16,308,583
	CF	0	0	0	0	0	\$0
<i>Out Year Request(s)</i>							
Administration Building Renovation	CCF	0	0	2,000,000	13,000,000	0	\$15,000,000
	CF	0	0	0	0	0	\$0
Art/Music Building Renovation	CCF	0	3,000,000	15,000,000	0	0	\$18,000,000
	CF	0	0	0	0	0	\$0
Facilities Management Building Renovation/Addition	CCF	0	0	0	2,000,000	13,000,000	\$15,000,000
	CF	0	0	0	0	0	\$0
Hasan School of Business Renovation and Addition	CCF	0	0	0	2,000,000	13,000,000	\$15,000,000
	CF	0	0	0	0	0	\$0
Technology Building Renovation	CCF	0	2,267,033	13,826,524	0	0	\$16,093,557
	CF	0	0	0	0	0	\$0
<i>Total: State Funds</i>		18,488,207	19,267,348	30,826,524	17,000,000	26,000,000	\$111,582,079
<b>Grand Total</b>		<b>\$18,488,207</b>	<b>\$19,267,348</b>	<b>\$30,826,524</b>	<b>\$17,000,000</b>	<b>\$26,000,000</b>	<b>\$111,582,079</b>

# Fiscal Year 2013-14 Capital Construction Request

## Colorado State University — Pueblo

### *General Classroom Building*

#### PROGRAM PLAN STATUS

2010-024

Approved Program Plan?  Date Approved:

#### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	1 of 2
CCHE	3 of 20
OSPB	12 of 29

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$16,179,939	\$0	\$0	\$16,179,939
<b>Total</b>	<b>\$0</b>	<b>\$16,179,939</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,179,939</b>

#### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$2,503,132	\$0	\$0	\$2,503,132
Construction	\$0	\$11,743,250	\$0	\$0	\$11,743,250
Equipment	\$0	\$963,000	\$0	\$0	\$963,000
Miscellaneous	\$0	\$426,807	\$0	\$0	\$426,807
Contingency	\$0	\$543,750	\$0	\$0	\$543,750
<b>Total</b>	<b>\$0</b>	<b>\$16,179,939</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,179,939</b>

#### PROJECT DESCRIPTION / SCOPE OF WORK

Colorado State University — Pueblo (CSU — Pueblo) is requesting state funds to construct a 45,000-GSF general classroom building on the main campus. The three-story building will include the following:

- 30 faculty and support staff offices;
- 2 large, 135-seat, tiered lecture auditoriums;
- 4 lecture classrooms, seating 50 each;
- 2 general classrooms, seating 75 each;
- 2 computer/resource rooms, seating 75 each; and
- 2 general computer labs.

The building will be in keeping with campus design standards and will blend in with the color tones and motifs of existing buildings in the campus academic corridor. The building will address campus-wide demands for additional classroom, laboratory, meeting, and office space due to increased enrollment.

CSU — Pueblo explains that the building will initially provide temporary academic space during the planned renovation of two existing academic buildings, the Technology and the Psychology buildings, which are used by the College of Education, Engineering, and Professional Studies and the College of Humanities and Social Sciences. When the construction of these buildings is complete, the new building will become a permanent academic and

# Fiscal Year 2013-14 Capital Construction Request

## Colorado State University — Pueblo

### *General Classroom Building*

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academic support space to serve the increased student population.

#### PROJECT JUSTIFICATION

According to the university, the new classroom building will address academic space deficiencies on campus. CSU — Pueblo says enrollment has increased, and it is projected to continue to increase. As a result, there are not enough large lecture classrooms, auditorium classrooms, or specialized computer labs available in existing campus facilities.

CSU — Pueblo further states that its projected space needs require renovation of and additions to the Technology and Psychology buildings. There is no available space on campus in which to relocate classes from these buildings while they are renovated. Therefore, the addition of a new building on campus will provide temporary space for several programs during the renovation of two buildings and also address long-term campus space needs. In particular, the College of Humanities and Social Sciences and the College of Education, Engineering, and Professional Studies will benefit from having a place to teach while their buildings are under renovation. Other departments, such as Art, Business, and Science, may also use the building when the rooms in their buildings are fully scheduled.

#### PROGRAM INFORMATION

After completion, the building will be used for entry-level general education classes taken by all students on campus. CSU — Pueblo is a four-year university that serves over 5,000 students. More than 25 percent of its students are of Hispanic descent, and it is designated as a Hispanic-serving institution by the federal government. The university offers a variety of undergraduate and graduate degree programs in the College of Sciences and Mathematics, the Hasan School of Business, the College of Humanities and Social Sciences, and the College of Education, Engineering, and Professional Studies.

#### LEED CERTIFICATION INFORMATION

CSU — Pueblo is dedicating \$100,000 of the project's total construction costs of \$11,743,250, or 0.1 percent, to the High Performance Certification Program. The university plans to build the facility to the LEED gold standard, the second highest of four possible certification levels.

#### PROJECT STATUS

This is a new request.

#### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

#### STAFF QUESTIONS AND ISSUES

None.

#### OPERATING BUDGET

CSU — Pueblo anticipates additional annual costs of \$180,000 to operate and maintain the building.

**Fiscal Year 2013-14 Capital Construction Request**

**Colorado State University — Pueblo**  
*General Classroom Building*

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**PROJECT SCHEDULE**

	<b>Start Date</b>	<b>Completion Date</b>
<b>Design</b>	July 2013	June 2014
<b>Construction</b>	July 2014	June 2015
<b>Equipment</b>	July 2015	August 2015
<b>Occupancy</b>	July 2015	August 2015

# Fiscal Year 2013-14 Capital Construction Request

## Colorado State University — Pueblo

### *Psychology Building Renovation*

#### PROGRAM PLAN STATUS

2006-050

Approved Program Plan?  Date Approved:

#### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	2 of 2
CCHE	15 of 20
OSPB	24 of 29

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
CCF	\$0	\$2,308,268	\$14,000,315	\$0	\$16,308,583
<b>Total</b>	<b>\$0</b>	<b>\$2,308,268</b>	<b>\$14,000,315</b>	<b>\$0</b>	<b>\$16,308,583</b>

#### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$2,308,268	\$0	\$0	\$2,308,268
Construction	\$0	\$0	\$11,834,441	\$0	\$11,834,441
Equipment	\$0	\$0	\$775,182	\$0	\$775,182
Miscellaneous	\$0	\$0	\$642,344	\$0	\$642,344
Contingency	\$0	\$0	\$748,348	\$0	\$748,348
<b>Total</b>	<b>\$0</b>	<b>\$2,308,268</b>	<b>\$14,000,315</b>	<b>\$0</b>	<b>\$16,308,583</b>

#### PROJECT DESCRIPTION / SCOPE OF WORK

Colorado State University — Pueblo (CSU — Pueblo) is requesting state funds for Phase I of a two-phase project to renovate 45,987 GSF in and construct a 26,460-GSF addition to the Psychology Building. The project will remedy existing deficiencies in space and building conditions and will accommodate predicted enrollment growth. According to the university, the 37-year-old Psychology Building can no longer support current programs effectively, and will not support projected enrollment growth, because of inadequacies in information technology and space availability. The project increases the building's existing GSF by about 58 percent and upgrades the building's electrical and mechanical systems in order to meet current building codes. The project also upgrades information technology systems to better support program delivery and meet academic standards. Included in the addition are two large lecture auditoriums, a computer lab, a language lab, and two large classrooms for general education classes. Existing classrooms, laboratories, administrative and office areas, and support and storage spaces will also be renovated. This year's request for Phase I designs the project, relocates existing programs in the building, and begins renovations. Phase II will complete renovations and construct the building addition.

#### PROJECT JUSTIFICATION

The Psychology Building was constructed in 1975 and is the most heavily used academic building on campus, according to the university. CSU — Pueblo explains that the building is not able to adequately meet the demands of its programs, does not meet the current and future growth needs of the campus, is exceptionally costly to maintain

# Fiscal Year 2013-14 Capital Construction Request

## Colorado State University — Pueblo

### *Psychology Building Renovation*

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due to its age, and cannot meet current safety standards.

A facilities audit report dated September 2006 evaluated the Psychology Building and placed it in a "remodel is needed" category as defined by State of Colorado standards. The audit identified several major deficiencies in the building's electrical and mechanical systems, as well as the presence of asbestos. Most of the plumbing and HVAC systems in the building are original and, due to their age, present ongoing risks and concerns. In addition, the hand rails, guard rails, and stair widths in the building do not meet current codes.

According to the university, academic use of classrooms and instructional space, laboratories, administrative areas, and support/storage spaces has greatly outgrown the existing facility, and existing systems cannot meet the demand of new technologies and increased use. In addition, faculty offices are in short supply; six by six foot closets have been converted and are typically shared by two adjunct faculty members.

#### PROGRAM INFORMATION

CSU — Pueblo is a four-year university that serves over 5,000 students. More than 25 percent of its students are of Hispanic descent, and it is designated as a Hispanic-serving institution by the federal government. The university offers undergraduate and graduate degree programs in the College of Sciences and Mathematics, the Hasan School of Business, the College of Humanities and Social Sciences, and the College of Education, Engineering, and Professional Studies.

#### LEED CERTIFICATION INFORMATION

CSU — Pueblo is dedicating \$100,000 of the project's total construction costs of \$11,834,441, or 0.1 percent, to the High Performance Certification Program. The university plans to build the facility to the LEED gold standard, the second highest of four possible certification levels.

#### PROJECT STATUS

This is a new request.

#### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

#### STAFF QUESTIONS AND ISSUES

None.

#### OPERATING BUDGET

CSU — Pueblo anticipates additional annual costs of \$80,000 to operate and maintain the building.

**Fiscal Year 2013-14 Capital Construction Request**

**Colorado State University — Pueblo**

*Psychology Building Renovation*

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**PROJECT SCHEDULE**

	<b>Start Date</b>	<b>Completion Date</b>
<b>Design</b>	July 2013	June 2014
<b>Construction</b>	June 2014	July 2015
<b>Equipment</b>	July 2014	June 2015
<b>Occupancy</b>	July 2015	November 2015

**Department of Corrections  
Five-Year Projection of Need  
FY 2013-14 through FY 2017-18**

Project Title	Fund Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Totals
<i>Current Year Request(s)</i>							
Centennial Correctional Facility Expansion (formerly CSP II) (COP Project)	CCF	\$18,431,100	\$18,430,950	\$18,430,500	\$18,432,500	\$16,422,250	\$90,147,300
	CERF	0	0	0	0	0	\$0
Correctional Industries – Miscellaneous Small Projects	CCF	0	0	0	0	0	\$0
	CF	660,000	0	0	0	0	\$660,000
Wastewater Pre-Treatment Plant, Arkansas Valley Correctional Facility	CCF	1,448,260	0	0	0	0	\$1,448,260
	CF	0	0	0	0	0	\$0
Wastewater Pre-Treatment Plant, Grease Traps, and Manhole Updates, Colorado Territorial Correctional Facility	CCF	1,648,885	0	0	0	0	\$1,648,885
	CF	0	0	0	0	0	\$0
<i>Out Year Request(s)</i>							
Colorado Correctional Center (Capital Renewal Project)	CCF	0	0	0	0	3,850,000	\$3,850,000
	CF	0	0	0	0	0	\$0
Colorado Territorial Correctional Facility (Capital Renewal Project)	CCF	0	0	0	1,158,030	9,650,242	\$10,808,272
	CF	0	0	0	0	0	\$0
Electrical Infrastructure, East Canon City Prison Complex (Capital Renewal Project)	CCF	0	0	6,392,548	0	0	\$6,392,548
	CF	0	0	0	0	0	\$0
Gymnasium Expansion, Fremont Correctional Facility	CCF	0	0	0	0	0	\$0
	CF	0	0	0	0	2,229,932	\$2,229,932
Inmate Assignments, Sterling Correctional Facility	CCF	0	0	0	0	0	\$0
	CF	0	0	0	997,614	0	\$997,614
Multi-Use Support Building, Youthful Offender System	CCF	0	0	0	0	0	\$0
	CF	0	2,321,724	980,043	0	0	\$3,301,767
Offender Tracking System (Browser-Based DCIS)	CCF	0	0	0	8,631,651	0	\$8,631,651
	CF	0	0	0	0	0	\$0
<i>Total: State Funds</i>		21,528,245	18,430,950	24,823,048	28,222,181	29,922,492	\$122,926,916
<b>Grand Total: All Fund Sources</b>		<b>\$22,188,245</b>	<b>\$20,752,674</b>	<b>\$25,803,091</b>	<b>\$29,219,795</b>	<b>\$32,152,424</b>	<b>\$130,116,229</b>

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

*Centennial Correctional Facility Expansion (formerly CSP II) (COP Project)*

### PROGRAM PLAN STATUS

2008-192

Approved Program Plan?  Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	1 of 4
OSP/B	3 of 29

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$38,846,321	\$0	\$0	\$0	\$38,846,321
CERF	\$8,922,546	\$18,431,100	\$18,430,950	\$53,285,250	\$99,069,846
<b>Total</b>	\$47,768,867	<b>\$18,431,100</b>	\$18,430,950	\$53,285,250	\$137,916,167

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$47,768,867	\$18,431,100	\$18,430,950	\$53,285,250	\$137,916,167
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$47,768,867	<b>\$18,431,100</b>	\$18,430,950	\$53,285,250	\$137,916,167

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Corrections (DOC) is requesting state funds to pay the fifth of 12 annual lease payments for the certificates of participation (COPs) issued for the south campus expansion of the Centennial Correctional Facility (formerly Colorado State Penitentiary II). The project, which is complete, constructed a 948-bed high-custody facility in Canon City, adjacent to an existing 336-bed facility, in order to house the highest risk population of the state's convicted male offenders. The project also constructed a 1,209-GSF gatehouse and a 3,517-GSF warehouse. The facility is currently unoccupied. The decision to close the facility was made in response to a declining male offender population and recent changes regarding how the department classifies high-risk offenders. House Bill 12-1337 authorized the closure of the facility. According to the department, it is actively pursuing options to sell or lease the facility.

**Authorization for COP issuance.** The department received authorization under House Bill 03-1256 to enter into a lease-purchase agreement to construct the prison. In FY 2005-06, the COPs were issued in the principal amount of \$120 million for a period not to exceed 15 years. The first three years of payments were made from capitalized interest fund proceeds. According to the provisions of House Bill 03-1256, the remaining eight payments will be made from state funds from moneys transferred from the General Fund to the Capital Construction Fund. However, if the facility is sold or leased, the payments will be made (or offset) from the proceeds of this sale or lease.

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

*Centennial Correctional Facility Expansion (formerly CSP II) (COP Project)*

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### PROJECT JUSTIFICATION

The DOC says that if no moneys are appropriated for the annual COP payment, the facility can be sold by the COP holders to pay the remaining debt obligation. According to the DOC, the prison expansion was necessary to address increasing deficiencies in adequate state facilities and resources for offenders.

### PROGRAM INFORMATION

The DOC currently supervises about 19,152 adult male offenders in secured prison facilities, as well as community placements for offenders. The department projects that the number of supervised adult male offenders will decline to 17,827, or by 6.9 percent, by FY 2014-15.

### LEED CERTIFICATION INFORMATION

Annual lease payments for COPs are not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### PROJECT STATUS

This is an ongoing request.

### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

### STAFF QUESTIONS AND ISSUES

None.

### OPERATING BUDGET

The closure of the facility has resulted in operational cost savings.

### PROJECT SCHEDULE

This request makes two semi-annual lease payments on September 1, 2013, and March 1, 2014. COP payments for the project will continue for eight more years, through February 2021.

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

*Wastewater Pre-Treatment Plant, Grease Traps, and Manhole Updates, Colorado Territorial Correctional Facility*

### PROGRAM PLAN STATUS

2013-001

Approved Program Plan?  Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	2 of 4
OSPB	8 of 29

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$1,648,885	\$0	\$0	\$1,648,885
<b>Total</b>	<b>\$0</b>	<b>\$1,648,885</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,648,885</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$241,943	\$0	\$0	\$241,943
Construction	\$0	\$918,250	\$0	\$0	\$918,250
Equipment	\$0	\$395,000	\$0	\$0	\$395,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$93,692	\$0	\$0	\$93,692
<b>Total</b>	<b>\$0</b>	<b>\$1,648,885</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,648,885</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Corrections (DOC) is requesting state funds to construct an 800-square-foot wastewater pre-treatment plant and to upgrade related grease traps and sewer manholes at the Colorado Territorial Correctional Facility (CTCF) in Canon City. The project allows the department to comply with the regulations of the Fremont Sanitary District (FSD) and with applicable state and federal laws concerning industrial users of publicly owned water treatment works, and thereby to avoid administrative fines and possible disruptions to the CTCF's sewer service. Language within the current wastewater contribution permit between CTCF and the FSD requires CTCF to construct a useable wastewater pre-treatment plant by February 1, 2013.

The project includes professional services, testing, code review, construction, and equipment for the replacement of an existing grease trap and the installation of new point-of-source grease traps. Currently, the CTCF does not have the facilities to appropriately treat its wastewater, and its grease traps and sewage manholes need to be upgraded or replaced in order to meet FSD requirements. The existing wastewater system consists of a small precast building with a cylindrical vault containing monitoring and sampling equipment. This system is not able to break down solid waste to the size required by the FSD. The new plant will be able to pre-treat and monitor wastewater effluent to ensure that the CTCF meets the regulations of the FSD and applicable state and federal laws, including the regulations of the federal Environmental Protection Agency.

The project will replace the existing grease trap with a new 3,500-gallon trap, and will install point-of-source grease traps in the snack bar. The project will also upgrade or relocate approximately 20 sanitary sewer manholes and related piping within the facility in order to reduce infiltration and to enhance waste collection.

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

*Wastewater Pre-Treatment Plant, Grease Traps, and Manhole Updates, Colorado Territorial Correctional Facility*

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### PROJECT JUSTIFICATION

Currently, the CTCF does not have the facilities to appropriately treat its wastewater, and its grease traps and sewage manholes need to be upgraded or replaced in order to meet FSD requirements. The existing wastewater system is not able to break down solid waste to the size required by the FSD, and oversized material trapped in manholes has required the FSD to pump out the CTCF's sewer out-fall on a monthly basis. The FSD assesses maintenance costs for such services. Language within the current wastewater contribution permit between CTCF and the FSD requires CTCF to construct a useable wastewater pre-treatment plant by February 1, 2013.

The existing grease trap in the facility's food service building is undersized and is deteriorating to the point that it no longer meets FSD's criteria for the removal of fats, oils, and grease. The department also says that upgrades to several sanitary sewer manholes and related piping within the facility are necessary in order to reduce infiltration and to enhance waste collection. According to the department, if the grease traps and sewage manholes are not replaced during the construction of the new wastewater pre-treatment plant, they will inhibit the proper functioning of the plant.

If the project is not funded, the department indicates that the state will be subject to administrative fines and the continuing costs of maintenance and plant disruptions assessed by the FSD. When an industrial user such as the CTCF violates the FSD's regulations, the FSD may assess fines of up to \$1,000 per day per violation. In addition, the state may be subject to enforcement action by the Environmental Protection Agency. Other consequences of a failure to fund the project include the further deterioration of the existing sanitary sewer system, leading to intensive maintenance, and the potential disruption of utility services to the facility. The department says that under the CTCF's wastewater contribution permit, its sewer service could be suspended by the FSD if the department fails to correct known problems. However, the department indicates that the Environmental Protection Agency would probably become involved prior to a suspension of service.

### PROGRAM INFORMATION

The CTCF is a Security Level III facility in Canon City that serves an offender population of up to 816. The facility also contains a 32-bed infirmary and the Canon Transfer Unit, which serves up to 120 offenders who are in transition to other facilities. The CTCF employs a staff of 252 FTE.

### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it is less than 5,000 square feet.

### PROJECT STATUS

This is a new request.

### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

### STAFF QUESTIONS AND ISSUES

None.

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

*Wastewater Pre-Treatment Plant, Grease Traps, and Manhole Updates, Colorado Territorial Correctional Facility*

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### OPERATING BUDGET

According to the department, no additional FTE will be required as a result of this project. The operation of the new facility will result in a projected annual increase of \$19,450 for utility costs and trash removal.

### PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2013	February 2014
Construction	March 2014	December 2014
Equipment	August 2014	December 2014
Occupancy		December 2014

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

*Wastewater Pre-Treatment Plant, Arkansas Valley Correctional Facility*

### PROGRAM PLAN STATUS

2014-007

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	3 of 4
OSPB	10 of 29

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$1,448,260	\$0	\$0	\$1,448,260
<b>Total</b>	<b>\$0</b>	<b>\$1,448,260</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,448,260</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$203,974	\$0	\$0	\$203,974
Construction	\$0	\$926,670	\$0	\$0	\$926,670
Equipment	\$0	\$245,000	\$0	\$0	\$245,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$72,616	\$0	\$0	\$72,616
<b>Total</b>	<b>\$0</b>	<b>\$1,448,260</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,448,260</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Corrections (DOC) is requesting state funds to construct an 800-square-foot wastewater pre-treatment plant at the Arkansas Valley Correctional Facility (AVCF) in Crowley County. The project will allow the department to comply with requirements of the town of Crowley regarding its wastewater treatment facility and with the applicable state and federal laws concerning industrial users of publicly owned water treatment works, and thereby to avoid administrative and civil fines and possible disruptions to the AVCF's sewer service. An April 2010 intergovernmental agreement between the town of Crowley and the AVCF requires the department to construct a usable wastewater pre-treatment plant.

The project includes professional services, testing, code review, construction, and the purchase of equipment related to the pre-treatment of wastewater. Currently, the AVCF does not have the facilities to appropriately treat its wastewater. The new plant will be able to pre-treat and monitor wastewater effluent to ensure that the AVCF meets the requirements of the town of Crowley and applicable state and federal laws, including regulations of the federal Environmental Protection Agency (EPA).

### PROJECT JUSTIFICATION

According to the department, a new facility is the only means to comply with the pre-treatment program required by the town of Crowley. The AVCF does not have the facilities to appropriately treat its wastewater because it is not able to break down solid waste to the size required. Furthermore, the department says that changing its operations

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

### *Wastewater Pre-Treatment Plant, Arkansas Valley Correctional Facility*

or maintenance routines will not adequately address the requirements of the town of Crowley.

The department sought site approval to build its own wastewater treatment facility in the early 1980s, but the permit was denied by the Department of Public Health and Environment (DPHE), Water Quality Control Division. Rather, sewer service to the AVCF has been provided by the town of Crowley, and regulated under various agreements with the town since 1986. A cease and desist order was issued by the DPHE to the town of Crowley related to unpermitted discharges to ground water. The town is required to make upgrades to its wastewater treatment facility, which has led to the requirement that the AVCF construct a pre-treatment facility.

If the project is not funded, the department indicates that the state will be subject to administrative and civil fines assessed by the town of Crowley of up to \$2,500 a year. The town of Crowley may also assess fees for the continuing costs of maintenance and plant disruptions caused by the AVCF. Additionally, the state may be subject to enforcement action by the EPA.

### PROGRAM INFORMATION

The AVCF is a Security Level III facility located in Crowley County. It serves an offender population of about 1,007 and employs a staff of 297 FTE.

### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it is less than 5,000 square feet.

### PROJECT STATUS

This is a new project.

### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

### STAFF QUESTIONS AND ISSUES

1. Does AVCF have an existing wastewater pre-treatment system? If so, please provide some detail about the operation of the existing system.

*AVCF is the primary contributor to the wastewater treatment facility owned and operated by the town of Crowley. AVCF's wastewater is channeled through a maceration station that grinds up oversized materials yet does not provide adequate screening to collect debris that is detrimental to the long term operation of the wastewater treatment plant.*

2. The CC-C narrative states that no additional FTE will be required to operate the newly constructed pre-treatment facility. Will the facility be staffed by inmates or within existing FTE?

*The pre-treatment facility would be staffed with existing AVCF maintenance staff.*

3. Does the intergovernmental agreement between the department and the town of Crowley state when a new wastewater pre-treatment facility must be completed?

*The agreement with the town does not state when the pretreatment facility must be completed; however there are fines associated with not having the pretreatment facility built in concert with the town's wastewater treatment facility improvements which are under construction.*

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

*Wastewater Pre-Treatment Plant, Arkansas Valley Correctional Facility*

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### OPERATING BUDGET

According to the department, no additional FTE will be required as a result of this project. The operation of the new facility will result in a projected annual increase of \$22,050 for utility costs and trash removal.

### PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2013	February 2014
Construction	March 2014	December 2014
Equipment	August 2014	December 2014
Occupancy		December 2014

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

*Correctional Industries – Miscellaneous Small Projects*

### PROGRAM PLAN STATUS

1998-016

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

**Prioritized By**      **Priority**

DeptInst              4 of 4

OSP                    NP of 29              Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$4,198,063	\$660,000	\$0	\$0	\$4,858,063
CFE	\$3,371,000	\$0	\$0	\$0	\$3,371,000
FF	\$806,917	\$0	\$0	\$0	\$806,917
<b>Total</b>	<b>\$8,375,980</b>	<b>\$660,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,035,980</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$268,492	\$42,200	\$0	\$0	\$310,692
Construction	\$7,848,667	\$503,990	\$0	\$0	\$8,352,657
Equipment	\$80,000	\$80,000	\$0	\$0	\$160,000
Miscellaneous	\$14,000	\$0	\$0	\$0	\$14,000
Contingency	\$164,821	\$33,810	\$0	\$0	\$198,631
<b>Total</b>	<b>\$8,375,980</b>	<b>\$660,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,035,980</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Corrections (DOC) is requesting cash funds spending authority for various small projects to support the operation of Colorado Correctional Industries (CCi). This is an ongoing request that allows the department to expand CCi where needed to accommodate new business or to maintain current operations. CCi creates work opportunities for offenders, which in turn offsets the costs of incarceration and provides on-the-job training to foster rehabilitation. One possible project has been identified for FY 2013-14: the renovation of an automobile refurbishing facility at the East Canyon Correctional Complex. The department notes that it will not make a final selection of a project or projects for funding in FY 2013-14 until July 2013. It will delay final selection in order to best respond to production needs in an ever-changing business environment.

### PROJECT JUSTIFICATION

This request furthers the CCi objective to instill a work ethic and train more offenders in usable job skills. According to the department, CCi generates funds to help offset DOC costs. This request also allows CCi to develop future business ventures, says DOC.

The department notes that it has historically listed each of the projects anticipated to be undertaken in its annual capital requests. However, it did not do so this year because it says that market changes continually require that

# Fiscal Year 2013-14 Capital Construction Request

## Corrections

### *Correctional Industries – Miscellaneous Small Projects*

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products be changed, upgraded, discarded, or replaced. Market changes influence the department's decision about which projects to undertake, says DOC.

#### PROGRAM INFORMATION

CCi produces inmate-manufactured goods that are sold to individuals and local, state, and federal agencies and retailers. The revenue generated by CCi is used for the ongoing costs of the program's operation, including personnel, raw materials, inmate pay, and indirect costs. In addition, CCi pays for maintenance and upgrades to the physical plant and for the capital needs of existing and new programs.

#### LEED CERTIFICATION INFORMATION

No state funds were requested for the project, so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

#### PROJECT STATUS

This is an ongoing request. Attachment A details the projects authorized and undertaken during each of the last five fiscal years, from FY 2008-09 through FY 2012-13.

#### SOURCE OF CASH FUNDS

The source of cash funds for the project is revenue generated by CCi manufacturing operations. CCi manufacturing operations are implemented pursuant to Article 24 of Title 17 of the Colorado Revised Statutes. The department projects that the capital construction allocation from CCi sales will be \$660,000 in FY 2012-13, for use in FY 2013-14. Although the department estimates the amount of CCi funds that will be allocated for capital needs each year, these amounts are subject to change if additional operating expenses arise.

#### STAFF QUESTIONS AND ISSUES

All responses to staff questions have been incorporated into the project write-up.

#### OPERATING BUDGET

This project has no impact on state operating costs.

#### PROJECT SCHEDULE

The department plans to identify a project or projects for funding in July 2013. All associated work is projected to be completed within the fiscal year, no later than June 2014.

**CCi Small Projects  
FY 2008-09 through FY 2012-13**

<b>CCi Product or Service</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>
Dairy	Construct a walk-in cold room for milk storage.	Increase capacity of existing dairy lagoons.		Construct water buffalo dairy/milk parlor.	
	Install concrete line for second dairy lagoon.	Construct building to store feed for goat dairy.			
Metal shop	Construct a building to store metal products.				
Fishery	Construct reinforced plastic structures to serve as a greenhouse for fish rearing (poly structures).			Construct additional poly structures.	
Wild Horse Program	Construct additional horse pens.	Construct additional corrals. Improve water recirculation.	Construct drainage control, containment ponds, and other safeguards to ensure that storm water running through animal feeding areas does not reach waterways before being treated.		
Agribusiness			Construct floors and utilities for five agricultural storage buildings.		

# Fiscal Year 2013-14 Capital Construction Request

## Higher Education

*Various Higher Education Projects — November 2008 Issue (COP Project)*

### PROGRAM PLAN STATUS

2009-203

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	1 of 1
CCHE	2 of 20
OSPB	2 of 29

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
CCF	\$4,066,510	\$14,947,338	\$0	\$0	\$19,013,848
CF	\$61,659,587	\$3,640,637	\$18,587,556	\$55,765,539	\$139,653,319
<b>Total</b>	\$65,726,097	<b>\$18,587,975</b>	\$18,587,556	\$55,765,539	\$158,667,167

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$65,726,097	\$18,587,975	\$18,587,556	\$55,765,539	\$158,667,167
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$65,726,097	<b>\$18,587,975</b>	\$18,587,556	\$55,765,539	\$158,667,167

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Higher Education (DHE) is requesting a combination of state funds and cash funds spending authority to pay the sixth of 20 annual lease payments for certificates of participation (COPs) sold on November 6, 2008. The COP issuance financed construction for projects at 12 higher education institutions. The total repayment cost to the state for all the projects, based on a principal amount of \$202.3 million, is \$316.8 million.

**Legislative authorization.** Section 24-82-802 (1)(a), C.R.S., requires that before a lease-purchase agreement can be executed, it must be specifically authorized by a bill other than the annual general appropriations bill or a supplemental appropriations bill. Senate Bill 08-233 authorized the November 6, 2008, COP issuance and granted the Treasurer the authority to enter into lease-purchase agreements to fund projects approved by the General Assembly. SB 08-233 also outlined the prioritization process for higher education capital construction projects to be funded with future Federal Mineral Lease (FML) revenue made available through the passage of Senate Bill 08-218. The higher education capital construction projects to be funded with future FML revenue were identified in House Joint Resolution 08-1042.

**Annual payments.** Senate Bill 08-233 stipulated that the average annual payments not exceed \$16.2 million in the first 10 years of payments, and \$16.8 million in the second 10 years of payments. Thus, the average annual payment over 20 years cannot exceed \$16.5 million.

# Fiscal Year 2013-14 Capital Construction Request

## Higher Education

*Various Higher Education Projects — November 2008 Issue (COP Project)*

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### PROJECT JUSTIFICATION

If no moneys are appropriated for the annual COP payment, the collateral properties used to secure the sale of the COPs may be sold by the COP holders to pay the remaining lease obligation.

### PROGRAM INFORMATION

The projects financed by the COP are listed below.

- University of Northern Colorado, Butler Hancock Interior Renovation;
- Colorado Northwestern Community College, Academic Building, Craig Campus;
- Colorado State University -- Pueblo, Academic Resources Center Remodel;
- Colorado School of Mines, Brown Hall Addition;
- Colorado State University, Clark Building Revitalization;
- Auraria Higher Education Center, Science Building Addition and Renovation;
- Western State Colorado University, Taylor Hall Renovation and Addition;
- Colorado Mesa University, Wubben Hall Expansion and Renovation;
- University of Colorado at Colorado Springs, Renovation of Existing Science Building;
- Morgan Community College, Nursing, Health Technology, and Science Building Addition/Renovation;
- Front Range Community College, Larimer Campus, Science Classroom Addition/Renovation; and
- Fort Lewis College, Berndt Hall Reconstruction - Geology/Physics/Engineering (design only).

### LEED CERTIFICATION INFORMATION

Annual lease payments for COPs are not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program. The individual projects financed by the COP were largely built to LEED standards.

### PROJECT STATUS

This is a new request.

### SOURCE OF CASH FUNDS

The source of cash funds is the Higher Education FML Revenues Fund. It is not anticipated that there will be sufficient cash funds available from this source to make the full FY 2012-13 payment. The principal and interest earnings of the Higher Education FML Revenues Fund may be used to pay for higher education capital construction projects for academic purposes, or the financing of such projects. The fund earns revenue from regular rent paid by mineral and gas companies that lease federal land for mineral development and from royalties paid to the federal government for any minerals that are extracted and sold during production. Pursuant to Section 23-19.9-102 (1)(a), C.R.S., up to \$50 million of FML rent and royalty revenue that exceeds its primary allocations is distributed to the fund annually. As of September 20, 2012, about \$4.9 million is expected to be available for FY 2013-14 for higher education capital construction projects from this FML source. This estimate is based on the September 20, 2012, Legislative Council Staff economic forecast.

The Higher Education Lease-Purchase Cash Fund is used to account for the COP issuance, the annual lease payments, and payments to contractors for project costs. After the department receives cash funds spending authority, it will transfer cash for the lease payment from the Higher Education FML Revenues Fund to the Higher Education Lease Purchase Cash Fund so that the Treasurer can disburse the payment to Wells Fargo Bank, the lessor for the COP.

# Fiscal Year 2013-14 Capital Construction Request

## Higher Education

*Various Higher Education Projects — November 2008 Issue (COP Project)*

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### STAFF QUESTIONS AND ISSUES

None.

### OPERATING BUDGET

This project has no impact on state operating costs.

### PROJECT SCHEDULE

The COP payments will continue for 14 more years, through FY 2027-28.

**History Colorado  
Five-Year Projection of Need  
FY 2013-14 through FY 2017-18**

Project Title	Fund Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Totals
<i>Current Year Request(s)</i>							
Georgetown Loop Business Capitalization Program	CCF	300,000	300,000	300,000	300,000	0	\$1,200,000
	CF	100,000	100,000	100,000	100,000	0	\$400,000
	FF	0	0	0	0	0	\$0
New Colorado History Museum	CCF	0	0	0	0	0	\$0
	CF	3,000,000	0	0	0	0	\$3,000,000
	FF	0	0	0	0	0	\$0
New Colorado History Museum (COP Payments)	CCF	0	0	0	0	0	\$0
	CF	3,021,000	3,021,000	3,021,000	3,021,000	3,021,000	\$15,105,000
	FF	0	0	0	0	0	\$0
Regional Museum Preservation Projects	CCF	0	0	0	0	0	\$0
	CF	700,000	700,000	700,000	700,000	700,000	\$3,500,000
	FF	0	0	0	0	0	\$0
Ute Indian Museum	CCF	2,406,789	0	0	0	0	\$2,406,789
	CF	400,000	0	0	0	0	\$400,000
	FF	0	0	0	0	0	\$0
<i>Out Year Request(s)</i>							
Carriage House, Trinidad History Museum	CCF	0	900,000	0	0	0	\$900,000
	CF	0	100,000	0	0	0	\$100,000
	FF	0	180,000	0	0	0	\$180,000
Fort Garland Dormitory	CCF	0	0	1,400,000	0	0	\$1,400,000
	CF	0	0	100,000	0	0	\$100,000
	FF	0	0	150,000	0	0	\$150,000
Fort Vasquez Community Hall	CCF	0	0	0	0	900,000	\$900,000
	CF	0	0	0	0	50,000	\$50,000
	FF	0	0	0	0	150,000	\$150,000

**History Colorado (Cont.)  
Five-Year Projection of Need  
FY 2013-14 through FY 2017-18**

Project Title	Fund Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Totals
Leadville Visitor Center	CCF	0	0	0	800,000	0	\$800,000
	CF	0	0	0	50,000	0	\$50,000
	FF	0	0	0	150,000	0	\$150,000
<i>Total: State Funds</i>		2,706,789	1,200,000	1,700,000	1,100,000	900,000	\$7,606,789
<b>Grand Total</b>		<b>\$9,927,789</b>	<b>\$5,301,000</b>	<b>\$5,771,000</b>	<b>\$5,121,000</b>	<b>\$4,821,000</b>	<b>\$30,941,789</b>

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

*New Colorado History Museum*

### PROGRAM PLAN STATUS

2009-204

Approved Program Plan?  Yes

Date Approved:

### PRIORITY NUMBERS

**Prioritized By**      **Priority**

Dept/Inst            1 of 5

OSP/B                NP of 29      Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$51,000,000	\$3,000,000	\$0	\$0	\$54,000,000
<b>Total</b>	\$51,000,000	<b>\$3,000,000</b>	\$0	\$0	\$54,000,000

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$8,000,000	\$0	\$0	\$0	\$8,000,000
Professional Services	\$15,539,925	\$334,000	\$0	\$0	\$15,873,925
Construction	\$16,258,810	\$2,525,000	\$0	\$0	\$18,783,810
Equipment	\$2,604,285	\$16,000	\$0	\$0	\$2,620,285
Miscellaneous	\$6,330,337	\$0	\$0	\$0	\$6,330,337
Contingency	\$2,266,643	\$125,000	\$0	\$0	\$2,391,643
<b>Total</b>	\$51,000,000	<b>\$3,000,000</b>	\$0	\$0	\$54,000,000

### PROJECT DESCRIPTION / SCOPE OF WORK

The Colorado Historical Society (History Colorado) is requesting cash funds spending authority for the final phase of a six-phase project to fund costs associated with the construction of the new Colorado History Museum in downtown Denver, which opened to the public in April 2012. The museum's construction costs are being paid through certificates of participation (COP) lease payments, which are annually requested and considered as a separate project. This year's request develops and installs a new, 10,000-SF museum exhibit titled "Dreams and Visions." Attachment A is an example of the initial planning for one portion of this exhibit. Prior year phases addressed the acquisition of the building site, the purchase of warehouse space for storage, professional costs, museum furnishings and equipment, and the development, design, and installation of six visitor exhibits. The construction of a new museum and support space fulfills History Colorado's statutory requirement to collect, preserve, interpret, and make accessible to the public various artifacts related to life and work in Colorado.

### PROJECT JUSTIFICATION

History Colorado explains that successful exhibits in contemporary museums provide an immersive environment utilizing light, video, sound and music, live theatre, and hands-on activities. The Dreams and Visions exhibit will be designed to encompass these elements with the assistance of museum consultants, media producers, and sociologists. Additionally, History Colorado plans to conduct ongoing focus groups and public feedback sessions in order to design an exhibit that appeals to visitors of all ages, backgrounds, and learning styles. History Colorado says the estimated exhibit build-out cost of about \$300 per square foot is comparable to that of other permanent

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

*New Colorado History Museum*

collections at similar museums.

According to History Colorado, if this year's request is not approved, there will be inadequate funds to meet the business needs of the new museum, specifically in providing exhibits and related products to attract museum visitors. History Colorado says that exhibits are critical to meeting the museum's business needs, specifically attracting museum visitors and accruing revenue to support museum operations. History Colorado also says that, in addition to revenue and customer impact, immersive exhibits encourage visitors' learning and appreciation of Colorado history, which in turn furthers a sense of identity and appreciation for the state.

CHS notes that if the new facility does not appropriately present various collections, its credibility among the public and museum peers will be reduced, and accreditation standards will be threatened. The state of Colorado could potentially suffer loss of trust if the CHS cannot meet these expectations.

### PROGRAM INFORMATION

The Colorado Historical Society was founded in 1879. The state museum and library were housed in the State Capitol until 1913, when they were moved to 14th and Sherman (currently, the Legislative Services Building). In 1977, the museum moved to the Colorado Heritage Center at 13th and Broadway. The museum closed in March 2010, in order to make way for the construction of a new justice center and state museum. In 2012, the new Colorado History Museum, located at 12th and Broadway, opened to visitors. The new museum served 76,137 visitors between its opening day on April 28, 2012, and October 15, 2012. This count does not include special events or school group visitations, which began in September 2012.

### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it does not involve the renovation, design, or construction of a physical facility.

### PROJECT STATUS

This is a new request. Construction of the facility is complete and all project costs associated with relocating to and constructing a new museum are fully expended. Additionally, the status of each of the museum exhibits funded through the project to date is outlined below:

- People, Place, and Promise: open to public;
- Destination Colorado: open to public;
- Colorado Stories: open to public;
- Lego-rado: temporary exhibit closed August 2012;
- Denver A-Z: open to public; and
- Nature Matters: scheduled to open November 2013.

The installation of all visitor exhibits is expected to be complete by spring 2015.

### SOURCE OF CASH FUNDS

The source of cash funds is gifts, grants, and donations fundraised as part of a capital campaign.

### STAFF QUESTIONS AND ISSUES

1. Did History Colorado request an additional 3.5 FTE for FY 2012-13 as was indicated in a response to a question posed last year by CDC staff? If so, were the additional FTE approved?

*Yes and yes.*

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

*New Colorado History Museum*

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### OPERATING BUDGET

As more exhibits are completed and opened to visitors, additional costs resulting from increased utility usage and the need for more FTE will be addressed through a line item in the agency's operating budget.

### PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2013	October 2014
Construction	November 2014	April 2015
Equipment		
Occupancy		

*Below is an example of initial planning for the introductory gallery of the Dreams and Visions exhibit:*

Visitors enter a room/corridor that is furnished like an old-fashioned museum. Wainscoting lines the walls. Cabinets full of strange artifacts — a mummified ibis, a set of false teeth, a silver railroad ticket, a tiara, a wooden leg, a silver loving cup, etc. — rest along the sides. Maybe there's a diorama or two scattered around. A grandfather clock sits at one end of the room, and visitors can hear a "tick, tock," and occasional deep chimes. It's a sleepy feeling room, full of dusty memories.

Above and around the cabinets hang 15+ gilt-framed portraits of famous old-timey Coloradans — Horace, August, and Baby Doe Tabor, capitalists John Evans, David Moffat, and Otto Mears, newspaperman William Byers, cattleman John Wesley Iliff, explorer Stephen Long, mountain men Jim Beckwourth and Jim Baker, Ouray, Chipeta, and others. Each has a small brass plaque with a name and identifier (e.g. "Stephen Long, Explorer").

Visitors explore the cabinet contents, finding objects that are associated with people in the portraits. Eventually the portraits begin bickering with each other. Their debate is about what Colorado offers to settlers, and what kinds of people will find success here. For instance:

*Stephen Long:* Nobody will ever find greatness in Colorado. It's a vast desert, unfit for human habitation.

*William Byers:* Nonsense! With the right people, Colorado will become a rich and productive state! It's potential is limitless! All we need is people with vision.

*David Moffat:* All we need is water, you mean. If we could bring water from the mountains to the plains, we'd all be rich, by thunder!

*Horace Tabor:* Fiddlesticks! Silver is where our future lies. We live in the treasure house of the world. All it takes is men with the gumption to seize it.

*Augusta Tabor:* "Men, men, men." That's all I ever hear about. And when you need your laundry washed, or a good home-cooked meal? Who do you turn to? Us women?

*Ouray:* And remember, all silver is in our land. The Ute people have lived a good, sustainable life here for many years. I'm not sure I like where this is going ...

*Jim Baker:* Bah! Too many people will clutter up this country. What we need is elbow room.

Eventually they agree that the visitors need to look back to the past to find what we stand for today. A door behind the grandfather clock opens and visitors step through into ...

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

*New Colorado History Museum (COP Payments)*

### PROGRAM PLAN STATUS

2012-001

Approved Program Plan?  Yes  No      Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	2 of 5	
OSPB	NP of 29	Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
CF	\$5,962,640	\$3,021,000	\$3,021,000	\$9,063,000	\$21,067,640
<b>Total</b>	<b>\$5,962,640</b>	<b>\$3,021,000</b>	<b>\$3,021,000</b>	<b>\$9,063,000</b>	<b>\$21,067,640</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$5,962,640	\$3,021,000	\$3,021,000	\$9,063,000	\$21,067,640
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$5,962,640</b>	<b>\$3,021,000</b>	<b>\$3,021,000</b>	<b>\$9,063,000</b>	<b>\$21,067,640</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Colorado Historical Society (History Colorado) is requesting cash funds spending authority for the third of 34 certificates of participation (COP) annual lease payments for the construction of a new Colorado history museum. The FY 2013-14 payment is due in September 2013. This request only pays the annual lease payment costs associated with the construction of a new museum. The full COP issuance finances both a new museum and a new judicial center. Another project (#2013-008) pays for the portion of the annual lease payments associated with the construction of the new judicial center. The authority to enter into these agreements was provided through Senate Bill 08-206.

The total cost of constructing and equipping the new museum is about \$112 million — of which \$76 million is being financed through COPs. The construction of a new museum fulfills the mission and goals of History Colorado of meeting Colorado's educational needs and improving its stewardship of state historical records and artifacts. The new museum will provide creative and interactive exhibits conducive to engaging visitors of all ages, backgrounds, and learning styles. Another project (#2009-204) develops and installs museum exhibits through 2015. The museum offers on-site interpreters to facilitate visitor interaction with exhibits, and programs such as lectures, adult classes, summer youth camps, and overnights. Further, it also houses History Colorado administrative offices, collections management facilities, the Office of Archaeology and Historic Preservation, and the Stephen H. Hart Library.

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

*New Colorado History Museum (COP Payments)*

### PROJECT JUSTIFICATION

According to History Colorado, if this year's request is not approved, COP default and foreclosure on the building may occur. The key objectives of the overall project are to:

- meet the educational needs of Colorado;
- enhance the facility for public outreach;
- strengthen community identity and partnerships;
- support local economic objectives for tourism;
- improve the facility's efficiency and cost benefits;
- address historic preservation program needs; and
- improve stewardship of the state's collections.

History Colorado says that a number of deficiencies in its former museum made it difficult to meet its statutory responsibilities, which contributed to poor morale among museum workers and an unfavorable impression of the museum among the public. Storage and display space were inefficient and limited due to inadequate structural load-bearing capacity. The layout of the museum presented various inconveniences to staff and visitors. Also, the society's offices for the Office of Archaeology and Historic Preservation and the State Historical Fund were housed in a separate building. Visitor amenities were inadequate, says History Colorado, and the museum had trouble in recent years accommodating large crowds attending popular exhibitions. Finally, the museum explains that some problems with the building's systems hindered the delivery of programs and services. The building lacked humidity controls, so collections were stored in an environment that fluctuated between 20 and 60 percent humidity, instead of the 40 to 50 percent humidity standards of other museums. The fluctuating humidity levels worsened because of water leakage in the building, which also caused mold to grow and damage historic materials.

### PROGRAM INFORMATION

The Colorado Historical Society was founded in 1879. The state museum and library were housed in the State Capitol until 1913, when they were moved to 14th and Sherman (currently, the Legislative Services Building). In 1977, the museum moved to the Colorado Heritage Center at 13th and Broadway. The museum closed in March 2010, in order to make way for the construction of a new justice center and state museum. In 2012, the new Colorado History Museum, located at 12th and Broadway, opened to visitors. The new museum served 76,137 visitors between its opening day on April 28, 2012, and October 15, 2012. This count does not include special events or school group visitations, which began in September 2012.

### LEED CERTIFICATION INFORMATION

Annual lease payments for COPs are not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### PROJECT STATUS

This is an ongoing request. The museum opened to the public in April 2012.

### SOURCE OF CASH FUNDS

The source of cash funds for the project is the State Historical Fund, which accrues revenue from limited stakes gaming. As of August 30, 2012, History Colorado projects the FY 2012-13 year-end balance of the fund will be about \$12.6 million.

### STAFF QUESTIONS AND ISSUES

All responses to staff questions have been incorporated into the project write-up.

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

*New Colorado History Museum (COP Payments)*

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### OPERATING BUDGET

This project has no impact on state operating costs. See Project #2009-204 for information about possible operating cost increases related to opening new visitor exhibits.

### PROJECT SCHEDULE

This request makes an annual lease payment. COP payments for the project will continue for 32 more years, through September 2045.

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society Regional Museum Preservation Projects

### PROGRAM PLAN STATUS

2002-180

Approved Program Plan?  Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	3 of 5
OSP/B	NP of 29

Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
CF	\$3,600,001	\$700,000	\$0	\$0	\$4,300,001
CFE	\$5,958,131	\$0	\$0	\$0	\$5,958,131
FF	\$1,145,878	\$0	\$0	\$0	\$1,145,878
<b>Total</b>	<b>\$10,704,010</b>	<b>\$700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,404,010</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$507,773	\$29,000	\$0	\$0	\$536,773
Construction	\$7,352,392	\$222,400	\$0	\$0	\$7,574,792
Equipment	\$2,346,101	\$385,000	\$0	\$0	\$2,731,101
Miscellaneous	\$155,144	\$0	\$0	\$0	\$155,144
Contingency	\$342,600	\$63,600	\$0	\$0	\$406,200
<b>Total</b>	<b>\$10,704,010</b>	<b>\$700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,404,010</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Colorado Historical Society (History Colorado) is requesting cash funds spending authority to address a number of historical preservation issues at regional museums. History Colorado says that it has statutory responsibility to reconstruct, restore, repair, install, and furnish state monuments to the extent funds are available. For FY 2013-14, funds will be used for the 12 projects listed below:

1. Georgetown Loop Railroad (Georgetown/Silver Plume) — The project purchases additional rolling stock and makes repairs to existing locomotives, passenger cars, kitchen cars, and work cars (\$450,000).
2. Grant-Humphreys Mansion (Denver) — The project makes minor interior and exterior repairs and purchases new furnishings to meet programming and rental demands (\$40,000).
3. Byers-Evans House (Denver) — The project makes interior and exterior repairs on the property (\$20,000).
4. El Pueblo History Museum (Pueblo) — The project upgrades and makes repairs to the landscaping around the museum, reconstructs adobe walls, relocates interior doors to improve security, and analyzes building systems to improve efficiency (\$40,000).

## Fiscal Year 2013-14 Capital Construction Request

### Colorado Historical Society

#### Regional Museum Preservation Projects

5. Fort Garland Museum (Fort Garland) — The project makes repairs to the adobe walls and applies new plaster wash (\$30,000).
6. Fort Vasquez Museum (Platteville) — The project makes repairs to adobe plaster work (\$20,000).
7. Healy House (Leadville) — The project replaces the exterior fence (\$10,000).
8. Pearce-McAllister Cottage (Denver) — The project paints the house (\$20,000).
9. Trinidad History Museum (Trinidad) — The project adds a new layer of mud plaster wash to adobe structures and refreshes exterior landscaping (\$10,000).
10. Ute Indian Museum (Montrose) — The project makes repairs to the gravel walks, maintains planted areas, and patches exterior stucco (\$20,000).
11. McFarlane House (Central City) — The project addresses deferred maintenance needs at the site, including grading, making repairs to the retaining wall, repairing the roof, and stabilizing the porch (\$10,000).
12. Support Centers (Denver and Pueblo) — The project addresses code and safety issues and improves systems for the protection of collections at these storage facilities, relocating collections as necessary for repairs (\$30,000).

#### PROJECT JUSTIFICATION

The society says past studies have detailed various preservation needs of the existing structures included in this year's request. For example, some properties are designated by their landscape or archaeological remains and, as such, require related site interpretation and landscaping (e.g., Fort Vasquez). Other properties are designated historic structures, and work is necessary in order to meet the U.S. Secretary of the Interior's standards for rehabilitation and restoration (e.g., Healy House, Fort Garland, Grant-Humphreys Mansion, Byers-Evans House, and Pearce-McAllister Cottage). In addition, the rolling stock restoration in Georgetown is necessary to preserve historic cars and support operations in order to increase capacity for ridership.

According to History Colorado, any alternative that does not address these issues will endanger the facilities' structural integrity, endanger the general public, reduce museum visits, inflate future preservation needs, and increase the state's liability risk. Additionally, History Colorado says that if the various projects are not funded, it will begin a cycle of deferred maintenance, which will eventually lead to increased costs in order to meet business operation needs.

#### PROGRAM INFORMATION

All historic properties held by the Colorado Historical Society are state monuments, as set forth in the State Monuments Act. The program is authorized by Section 24-80-501, C.R.S.

#### LEED CERTIFICATION INFORMATION

No state funds are requested for the project, so it is not required to comply with the provisions of Senate Bill 07-051, regarding the High Performance Certification Program.

#### PROJECT STATUS

This is an ongoing request. History Colorado did not detail outyear request amounts in its current year request documents, but it indicates that it will continue to submit a request for cash funds spending authority each year for the foreseeable future.

Below is the status of work completed and underway with the FY 2012-13 appropriation.

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

### Regional Museum Preservation Projects

1. Georgetown Loop Railroad (Georgetown/Silver Plume) — Completed projects include replacing railroad ties along the entire track, constructing a new shed, staining decks, modifying excursion cars, and replacing wheel sets.
2. Grant-Humphreys Mansion (Denver) — Bids are being finalized on interior modifications to heating and air conditioning on the third floor of the mansion.
3. Byers-Evans House (Denver) — Bids have been collected for foundation and slope repair to the northwest corner of the building, tree trimming and removal, and repair to the brick wall separating the plaza from the Denver Art Museum's loading dock.
4. El Pueblo History Museum (Pueblo) — A request for bids for adobe work is being prepared.
5. Fort Garland Museum (Fort Garland) — Work on applying a new plaster wash will commence in spring 2013.
6. Fort Vasquez Museum (Platteville) — A cement ledge was removed from the north wall and bricks were reapplied. New plaster has been applied to the entire fort, and the plaza has been power raked and reseeded.
7. Roadside Interpretation Program (statewide) — Staff have identified the most egregious signs slated for replacement, repair, or removal.
8. Healy House (Leadville) — Paint scraping, repainting, and log and chink sealant application were completed in fall 2012.
9. Pearce-McAllister Cottage (Denver) — Repair of south interior basement wall is completed. Bids are being collected to trim trees and address the slope on the south side of the building.
10. Trinidad History Museum (Trinidad) — Bids are being collected to begin the plaster wash process in spring 2013.
11. Ute Indian Museum (Montrose) — Maintenance of planted areas is under contract and ongoing, and bids for concrete work will be collected in winter for a late spring 2013 start.
12. McFarlane House (Central City) — Roof repair bids have been collected.
13. Support Centers — Boiler repair at Lowry warehouse is complete. The rest of the original project is on hold due to the use of the Lowry warehouse for temporary storage while the North facility is repaired.

#### SOURCE OF CASH FUNDS

The source of cash funds for this project is revenue earned from the operation of the Georgetown Loop Railroad (\$100,000 CF) and the State Historical Fund (\$600,000 CF). The State Historical Fund, created in Section 12-47.1-1201, C.R.S., receives revenue generated by limited stakes gaming in Black Hawk, Central City, and Cripple Creek.

#### STAFF QUESTIONS AND ISSUES

All responses to staff questions were incorporated into the project write-up.

#### OPERATING BUDGET

This project has no impact on state operating costs.

#### PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2013	May 2014
Construction	June 2014	June 2016
Equipment		
Occupancy	October 2016	June 2017

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

*Georgetown Loop Business Capitalization Program*

### PROGRAM PLAN STATUS

2014-008

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	4 of 5
OSPB	9 of 29

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
CCF	\$0	\$300,000	\$300,000	\$600,000	\$1,200,000
CF	\$0	\$100,000	\$100,000	\$200,000	\$400,000
<b>Total</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$800,000</b>	<b>\$1,600,000</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$43,996	\$33,700	\$26,000	\$103,696
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$323,640	\$333,000	\$703,640	\$1,360,280
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$32,364	\$33,300	\$70,360	\$136,024
<b>Total</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$800,000</b>	<b>\$1,600,000</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Colorado Historical Society (History Colorado) is requesting a combination of state funds and cash funds spending authority for the first phase of a four-phase project to purchase additional rolling stock (locomotives) and make repairs to the existing rolling stock at the Georgetown Loop Railroad. The project will increase the reliability of the railroad's operations in order to promote local tourism, increase annual ridership, and maintain a positive business reputation in the community and the state. This year's request for Phase I makes improvements to three locomotives and surveys needed repairs for a fourth locomotive. Future phases will continue repairs on other locomotives and purchase additional rolling stock, as needed.

Specifically, this year's request makes the following improvements:

- Locomotive 21 (diesel engine): rebuilds the prime mover (internal combustion engine) (\$25,000);
- Locomotive 1203 (diesel engine): rebuilds two traction motors, replaces small (pinion) gears, installs a block heater, improves air filtering system, turns four wheel sets, and secures rebuilt turbo charger (\$104,000);
- Locomotive 60 (diesel engine): refurbishes locomotive, including wheels, prime mover, electrical equipment, and body (\$210,000); and
- Locomotive 111 (steam engine): surveys and tests for needed repairs to the boiler, running gear (wheels and axels), and tender (\$60,000).

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

### *Georgetown Loop Business Capitalization Program*

#### PROJECT JUSTIFICATION

An inadequately sized and poorly maintained fleet can lead to operational disruptions that may close the railroad. According to History Colorado, disruption in railroad service has a negative impact on the local economy. History Colorado explains that the railroad currently operates one steam locomotive and three diesel locomotives — only one of which is adequately sized for its needed pulling capacity. Ideally, a railroad the size of the Georgetown Loop should operate a fleet of three diesel locomotives and three steam locomotives of appropriate size and pulling capacity, says History Colorado. Additionally, there is a limited inventory of historic narrow gauge locomotives available for purchase worldwide, and History Colorado says the project provides dedicated funds so it can be proactive in acquiring historic rolling stock.

Two local organizations submitted letters of support for the project citing the importance of the railroad to the local economy (see Attachment A). According to the Clear Creek Economic Development Corporation, tourism is the second largest industry in Clear Creek County, and the Georgetown Loop Railroad is the anchor of the local tourist economy. The Georgetown Board of Selectmen say that 325 businesses in the area rely on the draw of the railroad for summer business and that when the railroad is not operational due to maintenance issues, local businesses measure a 20 percent decrease in sales. Additionally, the Georgetown Board of Selectmen explain that the railroad employs 55 seasonal workers and 15 year-round employees.

History Colorado says the railroad is one of most visited and well-known of its properties and that it attracts visitors nationally and internationally. The railroad teaches visitors about mountain railroading and the state's mining heritage. History Colorado says that in order to maintain a positive business reputation, the railroad needs to operate reliably. Finally, History Colorado says the repairs to Locomotive 21 are necessary in order to complete a fire mitigation project on the property, which was separately funded through controlled maintenance dollars.

#### PROGRAM INFORMATION

The Georgetown Loop Railroad is an old-time steam and diesel locomotive that operates between Georgetown and Silver Plume, 45 miles west of Denver. The tracks scale an elevation of 640 feet over mountainous terrain and curves totaling 3.1 miles of narrow gauge track. It includes horseshoe curves, grades of up to 4 percent, and four bridges across Clear Creek. The railroad, which is owned by the state, is operated through a public-private partnership by Historic Rail Adventures, LLC. Except in years with equipment difficulties, ridership of the railroad has been steadily increasing over the last decade. There were 99,000 paid passengers during the 2011 season. History Colorado says it hopes to eventually increase visitation to 140,000 paid passengers annually.

#### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it does not involve the renovation, design, or construction of a physical facility.

#### PROJECT STATUS

This is a new project.

#### SOURCE OF CASH FUNDS

The source of cash funds is \$50,000 in revenues earned from railroad operations and \$50,000 from gifts, grants, and donations to the railroad.

#### STAFF QUESTIONS AND ISSUES

1. If the opportunity presents itself, do you plan to reallocate funds appropriated in FY 2013-14 in order to purchase new rolling stock?

**Fiscal Year 2013-14 Capital Construction Request**

**Colorado Historical Society**

*Georgetown Loop Business Capitalization Program*

*History Colorado might consider reallocating funds to enter into a lease-purchase type scenario for rolling stock, but the total prices for equipment is such that appropriations cannot be reallocated to make a complete purchase. Therefore, requests of this nature as well as requests for grants and donations are made.*

2. The narrative indicates that the railroad currently operates with several locomotives that are not adequately sized for the needed pulling capacity. Why are funds being spent to make improvements to existing stock if their size is inadequate for the needs of the railroad? What is the optimum pulling capacity of the locomotives?

*Ideally a railroad operation of this size would own three diesel and three steam locomotive — all of which could pull up to nine cars. These narrow gauge historic locomotives are rare. The table on the following page represents locomotives owned or identified as currently available for purchase and whether or not they are currently operable. Of the four locomotives that can pull nine cars, only the #1203 (diesel) and #111 (steam) are owned by the State and only the #1203 is currently operable. Until an adequate fleet can be obtained and a proper maintenance schedule implemented, all of the locomotives listed below are necessary to maintain operations.*

**OPERATING BUDGET**

This project has no impact on state operating costs.

**PROJECT SCHEDULE**

	<b>Start Date</b>	<b>Completion Date</b>
<b>Design</b>	July 2013	June 2016
<b>Construction</b>	July 2013	June 2016
<b>Equipment</b>		
<b>Occupancy</b>	April 2017	June 2017

<b>Locomotive #</b>	<b>State Owned</b>	<b>Type</b>	<b>Condition</b>	<b># Cars</b>
9	N	steam	in service/leased	9
111	Y	steam	needs investigation	9
48	N	steam	needs investigation	9
1203	Y	diesel	in service	9
21	Y	diesel	in service	4
25	N	diesel	in service	2
60	Y	diesel	needs refurbishing	5



August 13, 2012

Governor John Hickenlooper  
State Capitol Building  
200 E. Colfax  
Denver, CO 80203

Dear Governor Hickenlooper:

The historic Georgetown Loop Railroad is a treasure for the State of Colorado and Clear Creek County. The economic benefits of this unique destination attraction are not only local but regional and State-wide as well. The Loop has been sorely under-funded for a number of years and their ability to address much needed improvements to the rolling stock and infrastructure has been curtailed. The funding appeal by History Colorado will allow the Loop to run so much more efficiently and improve the reliability dramatically. The Clear Creek Economic Development Corporation wholeheartedly supports this request.

Over 100,000 visitors will ride the Loop in 2012, from May to December. The economic impacts are paramount to the Loop, local businesses, and State. Tourism is the second largest industry to Clear Creek and the Georgetown Loop Railroad is an anchor to this economy. Over the years the Corporation has invested in the Loop operations from its CDBG Revolving Loan Fund, an important source of local funding for businesses. An investment from the State will ensure that the Loop continues to thrive and remains a first class operation.

Thank you in advance for your kind consideration of this funding request. If you have any further questions please feel free to contact me.

Sincerely,

Peggy Stokstad, President/CEO

P.O. Box 2030 . Georgetown . Colorado . 303.569.2133. [pstokstad@clearcreekecd.org](mailto:pstokstad@clearcreekecd.org)

August 14, 2012

Colorado Governor John Hickenlooper  
State Capitol Building, Room 136  
200 E. Colfax  
Denver, CO 80203

Dear Governor Hickenlooper:

We are writing in support of possible funding for the historical Georgetown Loop Railroad. The historical Georgetown Loop Railroad is a major contribution to our National Landmark Historic designation and is an integral part of our town's economic base. We are grateful that after some hard years, the historic Georgetown Loop Railroad is starting to make a rebound in both operations and customer confidence.

However, it is understood that the railroad is still struggling to meet their motive needs especially in light of its increasing popularity due, in part, to the current operator's outstanding efforts to expand its services. The town appreciates the operator's efforts and knows that without the maintenance of and procurement of essential motive power, the visitor experience to one of our state's historical gems and our town's fragile economy would both be in jeopardy.

Some interesting facts that demonstrate the importance of maintaining this historical railroad gem:

- The railroad provides approximately 70 employment opportunities during the railroad season, 15 year round and many of our residents rely on this summer employment. In these times, our community cannot afford to lose a single job.
- Approximately 325 businesses in the area, including businesses in neighboring Silver Plume, Empire, and Idaho Springs rely heavily on the draw of the railroad for our summer business.
- In 2011, there were 99,000 riders on the railroad, many of which spent additional dollars shopping in our local area shops and restaurants. 60% of these riders boarded in Georgetown.
- When the railroad is not operational due to maintenance issues, the local businesses measured a 20% decrease in sales.
- In addition to being a premier visitor destination to our area, the railroad invests "buy local" dollars and also consistently invests invaluable time and effort on local marketing and policy boards.

In consideration of the fact that the Georgetown Historic Loop Railroad has become an essential economic engine in our town and is an integral contribution to our town's historic designation, we hope

that you will extend whatever resources are available to protect, maintain and ultimately, share its unique historical value with the public. We appreciate your full and positive consideration. Thank you.

Sincerely,

GEORGETOWN BOARD OF SELECTMEN  
GEORGETOWN POLICE JUDGE, EX OFFICIO MAYOR

MATTHEW SKEEN, WARD 1 SELECTMAN

HENRY ERGHOTT, WARD 1 SELECTMAN

BOB SMITH, WARD 2 SELECTMAN

LYNETTE KELSEY, WARD 2 SELECTMAN

MARY PAT YOUNG, WARD 3 SELECTMAN

KATHERINE ABRAHAMSON, WARD 3 SELECTMAN

KERRY ANN MCHUGH, POLICE JUDGE, EX-OFFICIO MAYOR

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society *Ute Indian Museum Expansion*

### PROGRAM PLAN STATUS

2014-009

Approved Program Plan?  Yes  No      Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	5 of 5
OSPB	11 of 29

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$2,406,789	\$0	\$0	\$2,406,789
CF	\$0	\$400,000	\$0	\$0	\$400,000
<b>Total</b>	<b>\$0</b>	<b>\$2,806,789</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,806,789</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$176,865	\$0	\$0	\$176,865
Construction	\$0	\$2,034,436	\$0	\$0	\$2,034,436
Equipment	\$0	\$33,786	\$0	\$0	\$33,786
Miscellaneous	\$0	\$445,752	\$0	\$0	\$445,752
Contingency	\$0	\$115,950	\$0	\$0	\$115,950
<b>Total</b>	<b>\$0</b>	<b>\$2,806,789</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,806,789</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Colorado Historical Society (History Colorado) is requesting a combination of state funds and cash funds spending authority for a project to expand and improve the Ute Indian Museum in Montrose. The project rehabilitates existing space and constructs additional space to improve exhibits, classrooms, support facilities, public orientation, and security functions at the museum. Project design was initiated several years ago under a separate project, but the funds were rescinded due to an economic downturn. History Colorado says it has gathered additional information about the museum's needs since then and once it receives funding, it will update the project design.

The project adds 5,440 ASF to the existing 4,657-ASF facility. The museum currently uses a single, small room for classes, community gatherings, traveling exhibits, and revenue-generating event rentals. The project proposes building new classrooms, additional exhibit and storage space, additional restrooms, and expanded kitchen and retail areas. The whole interior of the museum will be modified as part of the project.

### PROJECT JUSTIFICATION

The Ute Indian Museum is History Colorado's only regional museum on the Western Slope, and History Colorado notes that this project is one of only a few capital construction requests for facilities on the Western Slope. History Colorado also explains that the existing museum facility has reached its capacity, offering inadequate space for

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

### *Ute Indian Museum Expansion*

events and visitors. Since the museum was last renovated in 1998, visitation has increased from 6,410 annual visits to over 12,000 visitors using the facility and visiting the surrounding park in FY 2011-12. Annual revenue has increased from \$20,465 in 1998 to \$122,468 in FY 2011-12, an increase of nearly 500 percent.

History Colorado says that the facility has lost revenue because its small community room could not accommodate a number of meetings and events, and it anticipates that the project could lead to a tenfold increase in rental income. History Colorado says the museum also lacks sufficient storage space and needs increased, more modern gallery spaces to improve exhibit layouts and better protect the museum's collections.

According to History Colorado, the project addresses a variety of program needs, including:

- expanding classrooms to meet community demand for educational programs and visitor amenities;
- adding exhibition space to enhance access to the state's historical collections;
- improving exhibit design and technology to enhance public safety and security;
- adding storage and kitchen space to meet code requirements and provide better operational support for the museum; and
- expanding event space to diversify the museum's revenue-generating base.

Additionally, History Colorado says that if this year's request is not approved, the museum's learning objectives, health and safety needs, and programming goals will be delayed or impaired. Furthermore, such impairments could erode partnerships with the Ute tribes, Montrose County, municipal governments, and stakeholder organizations. When completed, the project will allow the museum to better protect and preserve the state's historical artifacts.

## PROGRAM INFORMATION

The museum is located on 8.65 acres of the original 500-acre ranch deeded to Chief Ouray and his wife, Chipeta, in the heart of traditional Ute territory. Its grounds include the Ouray memorial park and monument, Chipeta's crypt, the gravesite of Chipeta's brother, Chief John McCook, and the Dominguez and Escalante Monument. The museum itself displays an important collection of Ute ethnographic objects, providing a resource for learning about the Ute people in Colorado, and it provides public meeting and programming space to the Western Slope community. The renovated museum will reflect the heritage of the Ute people and serve as a landmark to anchor the Montrose area's planning efforts regarding public facilities, parks, open spaces, education, and tourism.

## LEED CERTIFICATION INFORMATION

History Colorado is dedicating \$40,200 of the project's total construction costs of \$2,034,436, or about 2 percent, to the High Performance Certification Program.

## PROJECT STATUS

This is a new project.

**Funding history.** An associated project to renovate the museum first received funding in FY 2003-04. The museum has since requested and received state funding and cash and federal funds spending authority in multiple fiscal years. However, most of the project's state funding was rescinded during economic downturns. The museum dedicated the remaining funds to landscape and parking lot improvements. This year's request is being recorded as a new project.

## SOURCE OF CASH FUNDS

The source of cash funds is gifts, grants, and donations. History Colorado says it will apply for grants and appropriate cash matches once state funding is made available, noting that it has had success requesting grants in the past. The cash funds raised will dictate the sophistication of exhibits within the building.

# Fiscal Year 2013-14 Capital Construction Request

## Colorado Historical Society

### *Ute Indian Museum Expansion*

#### STAFF QUESTIONS AND ISSUES

1. Does the project still include a geothermal heating and cooling system, as originally envisioned?

*As funding allows, yes.*

2. When was the facility plan completed? Has it been modified?

*Originally the program plan was completed in FY 2008-09. Much information has been gathered, but not officially added to the document itself. Design documents were completed with Chamberlin Architects before funding was rescinded. That design will need to be revisited at this point, to rethink previous assumptions and balance that budget with current costs.*

#### OPERATING BUDGET

The request increases facility operational costs by \$15,000 annually in order to manage the additional museum space.

#### PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2013	April 2014
Construction	May 2014	June 2015
Equipment		
Occupancy	February 2015	March 2015

# Fiscal Year 2013-14 Capital Construction Request

## Judicial

*Ralph L. Carr Justice Center (COP Project)*

### PROGRAM PLAN STATUS

2013-008

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	1 of 1

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$49,056,329	\$21,634,566	\$21,627,507	\$64,714,737	\$157,033,139
<b>Total</b>	\$49,056,329	<b>\$21,634,566</b>	\$21,627,507	\$64,714,737	\$157,033,139

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$49,056,329	\$21,634,566	\$21,627,507	\$64,715,037	\$157,033,439
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$49,056,329	<b>\$21,634,566</b>	\$21,627,507	\$64,715,037	\$157,033,439

### PROJECT DESCRIPTION / SCOPE OF WORK

The Judicial Branch (Judicial) is requesting cash funds spending authority for the second of 33 certificates of participation (COP) annual lease payments for the construction of a new judicial center, including a new court building, office tower, and parking garage. The first half of the FY 2013-14 payment is due in September 2013. This request only pays the annual lease payment costs associated with the construction of a new, 620,000-GSF judicial center. The full COP issuance finances both a new judicial center and a new history museum. Another project (#2012-001) pays for the portion of the annual lease payments associated with the construction of the new museum. The authority to enter into these agreements was provided through Senate Bill 08-206.

Judicial explains that the new center will house the Colorado Supreme Court, the Court of Appeals, the State Court Administrator's Office, the Office of the Public Defender, the Office of the Child's Representative, the Alternate Defense Counsel, the Independent Ethics Commission, and the Attorney General's Office. The north side of the facility will house the courts and associated offices, as well as the law library, and an educational center. There will be limited underground parking beneath the court building. The south side of the facility is a 12-story office tower that will house other administrative functions associated with the Judicial Branch and Department of Law, a conference center, and a training center. About 50,000 GSF will be made available in the office tower for lease to state or private entities. The building linking the court building and the office tower will house food services, conference and meeting rooms, and some offices. The project also constructs a stand-alone parking garage one block south of the office tower. Judicial estimates that about 1,200 state employees will work in the complex.

**Supplemental spending authority.** Senate Bill 08-206 authorized the transfer of up to \$25 million from the Justice Center Cash Fund to the State Museum Cash Fund to pay the costs associated with assuming ownership of the

# Fiscal Year 2013-14 Capital Construction Request

## Judicial

*Ralph L. Carr Justice Center (COP Project)*

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property at the corner of Broadway and 14th Street, which was the site of the former state history museum. In addition, Judicial received FY 2011-12 supplemental spending authority in the amount of \$33.1 million in October 2011 in order to make payments for expenses related to the construction of the Justice Center and a parking garage. According to the department, the cash funds amount reflected in that request was commensurate with the amount originally budgeted for the project.

The total project cost, including the principal and interest amount financed through the sale of COPs, and the additional cash funds dedicated to the project as detailed above, is about \$544.3 million.

### PROJECT JUSTIFICATION

Judicial explains that spending authority is needed in order to access the cash funds to make the annual lease payment. If no moneys are appropriated for the annual COP payment, the facility may be sold by COP holders to pay the remaining obligation.

### PROGRAM INFORMATION

See Program Description / Scope of Work

### LEED CERTIFICATION INFORMATION

Annual lease payments for COPs are not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### PROJECT STATUS

This is a new request.

### SOURCE OF CASH FUNDS

The source of cash funds is the Justice Center Cash Fund created in Section 13-32-101 (7), C.R.S. Moneys to the fund accrue from civil docket filing fees and may be used for the judicial center project, including annual lease payments, and future operating and maintenance costs. According to Judicial, the projected FY 2013-14 earnings for the fund are \$23.7 million.

### STAFF QUESTIONS AND ISSUES

All responses to staff questions have been incorporated into the project write up.

### OPERATING BUDGET

This project has no impact on state operating costs. Operating costs for the completed building will be paid from the Justice Center Cash Fund.

# Fiscal Year 2013-14 Capital Construction Request

## Judicial

*Ralph L. Carr Justice Center (COP Project)*

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### PROJECT SCHEDULE

Construction of the judicial center is currently underway and projected to be complete in January 2013. This request makes two semi-annual lease payments in September 2013 and February 2014. COP payments for the project will continue for 33 more years, through September 2046.

**Department of Natural Resources, Colorado Parks and Wildlife**  
**Five-Year Projection of Need**  
**FY 2013-14 through FY 2017-18**

Project Title	Fund Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Totals
<i>Current Year Request(s)</i>							
Asset Development or Improvements	CCF	0	0	0	0	0	\$0
	CF	150,000	1,100,000	1,100,000	1,100,000	1,100,000	\$4,550,000
	FF	0	0	0	0	0	\$0
Beaver Park Dam Rehabilitation	CCF	0	0	0	0	0	\$0
	CF	15,050,000	0	0	0	0	\$15,050,000
	FF	0	0	0	0	0	\$0
Infrastructure and Real Property Maintenance, Wildlife Areas	CCF	0	0	0	0	0	\$0
	CF	300,000	1,100,000	1,100,000	1,100,000	1,100,000	\$4,700,000
	FF	0	0	0	0	0	\$0
Land and Water Acquisitions, State Parks	CCF	0	0	0	0	0	\$0
	CF	950,000	2,450,000	2,450,000	2,450,000	2,450,000	\$10,750,000
	FF	0	0	0	0	0	\$0
Land and Water Acquisitions, Wildlife Areas	CCF	0	0	0	0	0	\$0
	CF	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	\$32,500,000
	FF	0	0	0	0	0	\$0
Park Infrastructure and Facilities	CCF	0	0	0	0	0	\$0
	CF	10,451,950	17,800,000	17,800,000	17,800,000	17,800,000	\$81,651,950
	FF	1,507,250	690,000	690,000	690,000	690,000	\$4,267,250
<i>Out Year Request(s)</i>							
Motorboat Access on Lakes and Streams	CCF	0	0	0	0	0	\$0
	CF	0	75,000	75,000	75,000	75,000	\$300,000
	FF	0	225,000	225,000	225,000	225,000	\$900,000
New Park Development	CCF	0	0	0	0	0	\$0
	CF	0	0	6,700,000	0	0	\$6,700,000
	FF	0	0	0	0	0	\$0
<i>Total: State Funds</i>		0	0	0	0	0	\$0
<b>Grand Total</b>		<b>\$34,909,200</b>	<b>\$29,940,000</b>	<b>\$36,640,000</b>	<b>\$29,940,000</b>	<b>\$29,940,000</b>	<b>\$161,369,200</b>

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Land and Water Acquisitions, Wildlife Areas*

### PROGRAM PLAN STATUS

1995-042

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

Prioritized By      Priority

Dept/Inst            1 of 6

OSPB                NP of 29            Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$26,500,000	\$6,500,000	\$6,500,000	\$19,500,000	\$59,000,000
CFE	\$33,500,000	\$0	\$0	\$0	\$33,500,000
<b>Total</b>	\$60,000,000	<b>\$6,500,000</b>	\$6,500,000	\$19,500,000	\$92,500,000

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$54,000,000	\$6,500,000	\$6,500,000	\$19,500,000	\$86,500,000
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$6,000,000	\$0	\$0	\$0	\$6,000,000
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$60,000,000	<b>\$6,500,000</b>	\$6,500,000	\$19,500,000	\$92,500,000

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW), is requesting cash funds spending authority to acquire interests in real property through a competitive bidding process. The purpose of the ongoing request is to protect, enhance, and restore critical habitat to ensure the survival and stability of a variety of wildlife species, and to secure public access to wildlife. The request also allows CPW to option land and water in order to hold property until it can be acquired through the statutorily authorized process or through a separate bill. Under Parks and Wildlife Commission policy, the purchase of easement is preferred over fee title purchases when CPW acquires land.

Priorities for acquiring interest in property are guided by CPW's Strategic Plan and its Real Estate Plan. CPW indicates that priorities for this year's request include acquiring sagebrush habitat, critical deer and elk winter range and migration corridors, wetlands, riparian lands, and habitat to protect species that are threatened and endangered or species of special concern. Specific acquisitions have not yet been identified.

CPW invites property owners to submit proposals through a request for proposals (RFP) process to convey property to CPW. CPW identifies the locations and types of properties in which it is interested. Proposals are then reviewed by the Habitat Stamp Committee because these proposals involve the use of Habitat Stamp funds. The Parks and Wildlife Commission reviews the proposals and decides which proposals should be pursued. Before entering into a contract for purchases costing more than \$100,000, the Parks and Wildlife Commission is statutorily required to

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Land and Water Acquisitions, Wildlife Areas*

present the proposal to the Capital Development Committee (CDC) for its review and comment. The Parks and Wildlife Commission may not complete the transaction without considering the recommendations of the CDC, as long as the CDC comments within 30 days of receiving the proposal.

**Request to waive six-month encumbrance deadline.** This project includes a request to waive the six-month encumbrance deadline. DOW explains that the request for proposal (RFP) process includes legislative and commission approvals that cannot be easily obtained within six months.

### PROJECT JUSTIFICATION

CPW says changes in Colorado's demographics and population growth, with associated impacts caused by development, have and will continue to present CPW with difficult challenges in managing wildlife and wildlife habitats. Growth in energy exploration and development has added to these challenges. Protecting, enhancing, and restoring critical habitats for a variety of wildlife species are important strategies to ensure that wildlife populations survive and remain stable, says CPW. It also says that protecting, enhancing, and restoring wildlife habitat will ultimately allow the agency to provide quality recreational opportunities to the public, such as watching wildlife, hunting, and fishing.

**Project alternatives.** CPW lists the following alternatives to the project:

(1) Eliminating funding for the project. According to CPW, the long-term failure to acquire properties and protect wildlife habitats may result in the decline of game, non-game, and endangered species in the state. Decline of species could have an impact on tourism and the economic benefits of hunting and fishing. CPW says if additional species are listed under the federal Endangered Species Act, it may result in more restrictive land and water use policies; and

(2) Acquiring property through other means. Habitat can be protected, enhanced, or restored through operating leases, management agreements, and landowner incentive programs, all of which CPW says it uses. In some cases, though, these alternatives are not as cost-effective as acquiring a permanent easement or fee title to a property. The CPW also notes that property can be acquired through special legislation, but this can result in delays that significantly impact CPW's ability to negotiate a purchase.

### PROGRAM INFORMATION

CPW seeks to acquire land to protect, preserve, and restore critical habitats for wildlife species. For wildlife purposes, the division currently controls a total of 397,380 acres by fee title, 175,191 acres by perpetual conservation easement, 83,028 acres by perpetual public access easement, 168,450 acres by third-party perpetual conservation easement, and 182,386 acres by leasehold interests. In addition, the division leases 485,129 acres from the State Land Board for hunting and fishing access. These figures do not reflect areas operated as state parks.

### LEED CERTIFICATION INFORMATION

No state funds were requested for the project so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### PROJECT STATUS

This is an ongoing request. In FY 2011-12 and FY 2012-13, CPW closed on the following 9 properties as of November 15, 2012:

- Bedford Ranch Perpetual Conservation Easement (\$1,610,000 for 1,240 acres);
- Brush Mountain Ranch Perpetual Conservation Easement (\$2,311,500 for 3,097 acres);
- Coyte Ranch State Habitat Area (SHA) (\$1,500,000 for 2,240 acres);

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Land and Water Acquisitions, Wildlife Areas*

- Karney Land and Cattle Company, Inc. Perpetual Public Access Easement (\$774,200 for 13, 578 acres);
- Miller Creek Ranch Perpetual Conservation Easement and Perpetual Hunting Access Easement (\$2,892,599 for 3,115 acres);
- Smith Rancho SHA (\$1,780,000 for 3,582 acres);
- Matheson Ranch Perpetual Conservation and Hunting Access Easements (\$2,471,000 for 2,324 acres);
- Tuttle Ranch Perpetual Conservation Easement (\$4,243,680 for 15,076 acres); and
- Wolf Mountain Ranch SHA - Phase 5 (\$8,722,935 for 8,658 acres).

**Annual expenditures report.** In accordance with Section 24-30-1303, C.R.S., CPW submitted its annual report of capital project expenditures to the committee on September 15, 2012. This report addresses all spending during FY 2011-12 and spans several fiscal year appropriations. The report is included in the Department of Natural Resources section of the FY 2013-14 requests binder.

### SOURCE OF CASH FUNDS

The source of cash funds for the project is the Wildlife Cash Fund, created in Section 33-1-112 (1)(a), C.R.S. Revenues to the fund are generated through the sale of licenses, including hunting and fishing licenses and Habitat Stamps. According to the division, the source of cash funds for the FY 2013-14 request is mostly from fees earned through the sale of Habitat Stamps. The current fee for this stamp is \$10. The fund balance at the end of FY 2011-12 was \$12.5 million, and the fund is projected to have a balance of \$11.4 million at the end of FY 2012-13. As of November 15, 2012, CPW has collected a total of \$30.4 million in Habitat Stamp sales since its inception.

### STAFF QUESTIONS AND ISSUES

All responses to staff questions were incorporated into the project write-up.

### OPERATING BUDGET

The division says any significant additional operating impacts will be addressed through its operating budget request. The division notes that it usually absorbs minor operating expenses, and no decision item related to increased operating costs associated with land and water acquisitions has been submitted in recent history.

### PROJECT SCHEDULE

	Start Date	Completion Date
Planning	July 2012- June 2014	The completion of land and water transactions will vary depending on the outcome of the negotiations for each individual parcel.
Acquisition	July 2013 - June 2016	

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Beaver Park Dam Rehabilitation*

#### PROGRAM PLAN STATUS

2014-010

Approved Program Plan?

Date Approved:

#### PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	2 of 6	
OSPB	NP of 29	Not prioritized. Recommended for funding from cash sources.

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
CF	\$0	\$15,050,000	\$0	\$0	\$15,050,000
<b>Total</b>	<b>\$0</b>	<b>\$15,050,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,050,000</b>

#### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$1,050,000	\$0	\$0	\$1,050,000
Construction	\$0	\$14,000,000	\$0	\$0	\$14,000,000
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$15,050,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,050,000</b>

#### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW), is requesting cash funds spending authority to make repairs to the Beaver Park Dam in Rio Grande County. The dam is classified as "high hazard" by the Division of Water Resources, within the Department of Natural Resources, and is currently under a water storage restriction due to a sinkhole on its downstream side. The associated reservoir serves as the department's primary water rights storage vessel in the area, as well as an important recreational site. The scope of work for this project includes design and installation of a filter to manage seepage, upgrade of the outlet valves and operators, and repair of the principal spillway to meet current engineering standards.

#### PROJECT JUSTIFICATION

CPW explains that a sink hole in the downstream slope of the dam was discovered in 2010. The dam lies upstream of the town of South Fork, which is why the dam is classified as "high hazard" by the division. Failure of a high-hazard dam can cause loss of life and significant loss of property in the downstream area. Due to the concerns raised by the Division of Water Resources about the dam's safety, the amount of water that can be stored in the dam has been restricted as a precaution against possible failure. The dam may only store about half of its 4,758 acre-feet (AF) capacity, or approximately 2,500 AF of allowed storage. An acre-foot is the amount of water that will cover an acre of land under one foot of water or 325,851 gallons.

CPW says that visitation at the reservoir is down significantly because the boat ramp is no longer usable as a result

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Beaver Park Dam Rehabilitation*

of the low water level. Also, it has stopped stocking the reservoir with fish in anticipation of draining it to make the requested repairs. Most of the water stored in the reservoir (4,434 AF) is senior to the Rio Grande Compact that allocates water from this river between Colorado, New Mexico, and Texas. This means that the reservoir can continue to store and deliver water when post-compact reservoirs are prohibited from storing water or required to deliver water to the downstream states. Pre-compact water rights are especially valuable in this state. According to CPW, failure to continue to use its full water rights in the reservoir may cause the Water Court to determine that the department has abandoned these water rights. If so, the department would no longer be able to use these water rights.

Due to its location and the seniority of its water rights, the reservoir is CPW's primary water rights management vessel in the area. The reservoir is also an important recreational resource for the local community and tourists. CPW is partnering with the San Luis Valley Irrigation District, federal agencies, and other water users in the basin to store, exchange, and release water that will benefit the environment and the other water users. This plan, called the Rio Grande Cooperative Project, will enable CPW to share storage in Beaver Park Reservoir in exchange for water that is stored in the Rio Grande Reservoir, which is located in the northern part of the upper Rio Grande Basin. CPW said that it will not be required to transfer any of its water rights to participate in the project. Water from the reservoirs will be available to support wildlife habitat including:

- wetlands in the Rio Grande, Higel, and Russell Lake state wildlife areas (SWAs);
- Home Lake SWA fisheries east of Monte Vista; and
- wetlands and aquatic life in the Rio Grande River, including maintaining minimum water flows and levels; and augmenting of well and hatchery water supplies for the Native Aquatic Species Hatchery in Alamosa and the Russell Lake SWA.

**Project alternatives.** CPW contracted with a private firm to conduct an alternatives analysis to generate options for addressing the problems at the Beaver Park Dam. CPW says the current request was the least costly alternative identified in the analysis. The other available alternatives were: (1) to replace the dam at a cost more than double that of the current request (\$45 million); and (2) to build a left abutment cut-off wall to manage the seepage, with an estimate cost of \$ 40.6 million. Without the requested repair, the dam will continue to age, and continued seepage, sink-holes, or other deterioration could further impair the dam and potentially result in further restrictions on the storage capacity.

#### PROGRAM INFORMATION

Beaver Park Reservoir and dam is located on the South Fork of the Rio Grande Basin in the San Luis Valley.

#### LEED CERTIFICATION INFORMATION

No state funds were requested for the project so it is not required to comply with the provisions of Senate Bill 07-051 regarding LEED certification.

#### PROJECT STATUS

This is a new project. CPW recently made emergency repairs to the dam using Capital Infrastructure and Maintenance funds for dam maintenance statewide and to contract for an alternative analysis to generate options for addressing the problems with the Beaver Park Dam.

#### SOURCE OF CASH FUNDS

The source of cash funds for the project is the Wildlife Cash Fund (\$5,050,000), created in Section 33-1-112(1)(a), C.R.S., and a no-interest loan from the Colorado Water Conservation Board Construction Fund (\$10,000,000). The loan will be repaid using Wildlife Cash Funds over a 10-year period at an annual rate of \$333,333.

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

### Beaver Park Dam Rehabilitation

#### STAFF QUESTIONS AND ISSUES

1. In an average year, how many persons use the Beaver Park Reservoir for recreational purposes?

*The division does not specifically track the number of persons that use Beaver Park Reservoir as state wildlife areas do not require an annual or daily registration. However, Beaver Park Reservoir is one of the highest use reservoirs in Area 17 (Upper Rio Grande River Basin). In 2005 and 2006, the division conducted creel surveys at the reservoir and the survey result estimated approximately 9,200 angler user days with total harvest of approximately 33,000 fish (mostly rainbow trout). The creel survey only measures anglers and fish, so other recreational values at the reservoir, such as boating, hiking, watchable wildlife viewing, hunting, and general outdoor activities are not included in these numbers.*

2. According to the department, the project will cost \$15.05 million to store an additional 2,500 acre feet of water in the reservoir or \$6,020 for each acre-foot of water. Has the division explored potentially less expansive alternatives for obtaining water and related wildlife recreation benefits? For example, could the division purchase a water right from another user in the basin or obtain a right of access for fishing on a private reservoir in the basin?

*The division already owns a substantial amount of water rights for the reservoir. CPW purchased the reservoir and its water rights in 1965. In 1985, based on sales of record at that time, the average value of the water rights alone (4,434 acre feet) was approximately \$18.1 million. Using the Denver-Boulder Consumer Price Index as an inflationary factor, the 2012 average value of the water rights in Beaver Park Reservoir is estimated to be at least \$37 million, more than twice the cost of the dam rehabilitation project. This is a conservative estimate as the value of water rights in Colorado has most likely out-paced inflation. The division does not believe that purchasing additional water rights is a feasible alternative. Additional water rights, if they were available, would most likely have a lower seniority level, be post-compact, and would still have to have a storage vessel, i.e. Beaver Park Reservoir or some other reservoir - which is not currently available. The division believes that repair of the dam is the most cost effective manner by which water for fish, wildlife and recreation can be obtained. By completing this project, CPW will be able to store and utilize water under the water rights that the agency has already purchased and has historically put to beneficial use and the purchase of additional water rights is not necessary.*

3. As a condition of the loan, did CPW grant the Colorado Water Conservation Board any ownership or other interest in the division's water rights in the Beaver Park Reservoir?

No.

4. Does the Beaver Park Reservoir store water rights that are not owned by the division? If so, has the division identified potential partners to help pay for the rehabilitation project?

*Under most circumstances, the answer to this question is no. However, there have been times in the past when CPW has stored water in Beaver Park Reservoir for other water users in the San Luis Valley. Further, when the reservoir is restored to full function as a result of this project and the structure becomes a component of the overall Rio Grande Cooperative Project or as a potential source/storage alternative of/for augmentation water for groundwater sub-districts, it is conceivable that the reservoir might have multiple uses/users. While CPW has not identified specific partners at this point in time, it is possible that when used as described above, Beaver Park Reservoir storage space could generate some revenue for the agency.*

5. Does the reservoir provide indirect benefits, such as flood control, to other water users in the basin? If so, has the division identified indirect beneficiaries to help pay for the rehabilitation project?

*While the reservoir is not large enough nor will it ever be drawn down enough for it to have any meaningful flood control benefits, it will (as described above) have the potential to indirectly benefit other San Luis Valley water users. As stated above, specific beneficiaries or partners have not been identified at this point in time.*

6. Does the reservoir provide water for endangered species? If so, has the division determined if any federal grants are available to help pay for the project?

*Yes, but in an indirect fashion. As the primary storage structure for managing CPW water rights in Area 17 (Upper*

**Fiscal Year 2013-14 Capital Construction Request**

**Natural Resources — Parks and Wildlife**

*Beaver Park Dam Rehabilitation*

Rio Grande River Basin), Beaver Park Reservoir provides water through storage, release and/or exchange that is used on CPW state wildlife areas that support the endangered Southwest Willow Fly Catcher. CPW also has agreements with the Bureau of Land Management providing water for the Blanca Wetlands that provides habitat for other sensitive bird species. Without Beaver Park Reservoir functioning properly these and other efforts are hampered severely. No specific federal grants have been identified to help pay for the project.

7. Are all division-owned water rights in the Beaver Park Reservoir “pre-compact?”

No. The primary water right for Beaver Park Reservoir is a pre-compact reservoir storage water right. This water right is for 4,434 acre feet decreed for irrigation uses (adjudicated in 1916). There is a second decree for Beaver Park Reservoir that is for 324.4 acre feet; this decree is a post-compact water right decreed for irrigation, recreation and fishery purposes (adjudicated in 1960). This second decree's use would be available for use only if the enlargement aspect of the project is completed.

8. Will the division be required to transfer any of its water rights to another entity in order to participate in the Rio Grande Cooperative Project? If so, how will the division be compensated for this transfer?

No, participation in the Rio Grande Cooperative Project will not require the division to transfer any of its water rights.

**OPERATING BUDGET**

The division explains that it will absorb any impact on its operating budget within its current operating appropriation.

**PROJECT SCHEDULE**

	<b>Start Date</b>	<b>Completion Date</b>
<b>Design</b>	July 2012	April 2013
<b>Construction</b>	July 2013	November 2014
<b>Equipment</b>		
<b>Occupancy</b>		

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Park Infrastructure and Facilities*

#### PROGRAM PLAN STATUS

2011-023

Approved Program Plan?

Date Approved:

#### PRIORITY NUMBERS

**Prioritized By**

**Priority**

Dept/Inst

3 of 6

OSP/B

NP of 29

Not prioritized. Recommended for funding from cash sources.

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$33,684,498	\$10,151,950	\$17,800,000	\$53,400,000	\$115,036,448
FF	\$9,276,087	\$1,507,250	\$690,000	\$2,070,000	\$13,543,337
HUTF	\$300,000	\$300,000	\$0	\$0	\$600,000
<b>Total</b>	<b>\$43,260,585</b>	<b>\$11,959,200</b>	<b>\$18,490,000</b>	<b>\$55,470,000</b>	<b>\$129,179,785</b>

#### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$8,027,500	\$758,869	\$2,350,000	\$7,050,000	\$18,186,369
Construction	\$32,061,085	\$10,365,968	\$14,850,000	\$44,550,000	\$101,827,053
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$3,172,000	\$834,363	\$1,290,000	\$3,870,000	\$9,166,363
<b>Total</b>	<b>\$43,260,585</b>	<b>\$11,959,200</b>	<b>\$18,490,000</b>	<b>\$55,470,000</b>	<b>\$129,179,785</b>

#### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW), is requesting cash and federal funds spending authority to maintain, restore, and improve its park facilities and infrastructure. The projects included in this request have been divided into the following categories:

**Roads.** The division is requesting funds to repair roads at several parks including Lake Pueblo, Lake Trinidad, Mueller, and Golden Gate Canyon (\$7,185,200).

**Infrastructure.** The division is requesting \$3,744,000 for twelve infrastructure projects, including installing a campground septic system at Lathrop State Park (\$425,000); renovating sewer lift stations at Boyd Lake State Park (\$258,500); building an ADA-accessible restroom at Barr Lake State Park's nature center (\$615,500); replacing lift stations at Navajo State Park (\$430,000); replacing a fishing pier at John Martin Reservoir (\$236,500); redeveloping Highline State Park (\$200,000); redeveloping Stagecoach State Park (\$200,000); renovation planning at Steamboat State Park (\$60,000); installing an irrigation pipeline at St. Vrain State Park (\$324,000); renovating Hecla Junction campground at the Arkansas Headwaters (\$346,000); replacing vault toilets at James M. Robb-Colorado River State Park (\$256,000); and renovating and replacing shade shelters at James M. Robb-Colorado River State Park (\$422,500).

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Park Infrastructure and Facilities*

**Small projects.** The division is requesting funds for other miscellaneous and unanticipated repair, improvement, and construction projects that typically cost between \$50,000 and \$150,000 to address emergency and emergent maintenance issues such as making small repairs or renovations to meet health, safety, and accessibility standards (\$1,000,000).

The division typically requests funding under this line item for dam maintenance and safety; health and safety-related capital projects, such as improving drinking water facilities; and professional services for infrastructure planning, but no such projects were identified for FY 2013-14.

### PROJECT JUSTIFICATION

The project addresses the division's infrastructure needs statewide. The division owns and maintains more than 950 individual structures at its various state parks, many of which are heavily used and require repair or replacement. It also maintains about 185 miles of paved roads at state parks. The division says it is necessary to keep its recreational facilities well-maintained in order to meet its statutory charge to promote outdoor recreation, and to protect public health and safety. According to CPW, components of its system are over 50 years old and in need of ongoing repair, renovation, and replacement. Furthermore, CPW says that it needs to add new and diverse features to the existing system in order to improve the aesthetic appeal of many state parks and to increase visitation. CPW says it depends on the revenue earned from visitors to pay its operating expenses. The projects included in this request will address the following:

- poor roads posing traffic problems and safety issues, as well as erosion, vehicle damage, and other associated issues;
- sewage and septic issues. Failure of such systems may result in park closures or health issues;
- potential failure of fishing piers;
- a failing irrigation system;
- deteriorated parking lots and vault toilets;
- renovation of a campground to make it safer and more attractive;
- renovating an unusable boat ramp;
- park redevelopment planning to address potentially diminished revenues, as well as health and safety issues; and
- regulatory compliance.

### PROGRAM INFORMATION

See Project Description / Scope of Work.

### LEED CERTIFICATION INFORMATION

No state funds were requested for the project, so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### PROJECT STATUS

This is an ongoing request. An update on the status of projects funded under this line item for the past three years is available upon request from Legislative Council Staff.

### SOURCE OF CASH FUNDS

The sources of cash funds for the projects are lottery funds (\$5,560,000) and Great Outdoors Colorado (GOCO) funds (\$4,591,950), as authorized by Article XXVII of the Colorado Constitution; federal funds (\$1,507,250); and the Highway Users Tax Fund (\$300,000).

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

Park Infrastructure and Facilities

### STAFF QUESTIONS AND ISSUES

1. Why were no requests made for FY 2013-14 under the “Health and Safety” and “Professional Services” objectives for this project?

*The division is no longer categorizing projects using the “Health and Safety” and “Professional Services” categories previously used in the capital budget requests because many of the capital projects requested could logically fall in more than one category. For example, the need for “road improvement projects” is primarily driven by public health and safety concerns, and in many cases might require the division to also engage external professional engineering services for design, feasibility analysis, etc. More generally, aging infrastructure can present a public health and safety risk. Instead of trying to draw the lines between various categories, the division’s FY 2013-14 request uses more broad categories and then refers to the public health and safety concerns as applicable in the project descriptions and justifications within the capital request narrative.*

### OPERATING BUDGET

The division says it intends to absorb any potential operating impacts within its current operating budget, and some of the projects listed are expected to reduce future operating costs.

### PROJECT SCHEDULE

	Start Date	Completion Date
Design	The division provided a detailed schedule for each of the projects included in this year's request, which is appended as Attachment A.	
Construction		
Equipment		
Occupancy		

<b>ESTIMATED PROJECT TIME TABLE</b>		
<b>Steps to be completed</b>	<b>Start Date</b>	<b>Completion Date</b>
Lake Pueblo State Park Juniper Road Improvements	7/2013	6/2014
Lathrop State Park Pinon Campground Septic System	11/2013	2/2014
Boyd Lake State Park Sewage Lift Stations Renovation	8/2013	3/2015
Barr Lake State Park Nature Center ADA Accessible Restrooms	7/2013	9/2014
Navajo State Park Lift Station Replacement	7/2013	6/2014
John Martin Reservoir Fishing Pier	7/2013	10/2014
Highline State Park Redevelopment Plan	7/2013	6/2014
Stagecoach State Park Redevelopment Plan	7/2013	6/2014
Steamboat Lake State Park Sage Flats Renovation	7/2013	6/2014
St Vrain State Park Irrigation Pipeline	9/2013	6/2014
Eleven Mile State Park Coyote Ridge Road Improvements	7/2013	6/2014
Lake Trinidad State Park South Side Road Improvements Phase II	7/2013	5/2014
Arkansas River Headwaters Hecla Junction Campground Renovations	7/2013	6/2014
Eleven Mile State Park South Side Road Improvements	7/2013	6/2014
Lake Trinidad State Park Reilly Canyon Road Improvements	7/2013	5/2014
James M. Robb-Colorado River State Park Vault Toilet Replacement	9/2013	10/2014
James M. Robb-Colorado River State Park Island Acres "A" Loop Shade Shelters	7/2013	6/2014
Mueller State Park Road Improvements Phase II	9/2013	5/2014
Golden Gate Canyon State Park Road and Parking Lot	9/2013	9/2016

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Asset Development or Improvements*

### PROGRAM PLAN STATUS

2011-025

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

**Prioritized By**      **Priority**

Dept/Inst              4 of 6

OSPB                    NP of 29              Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$3,425,364	\$150,000	\$1,100,000	\$3,300,000	\$7,975,364
<b>Total</b>	<b>\$3,425,364</b>	<b>\$150,000</b>	<b>\$1,100,000</b>	<b>\$3,300,000</b>	<b>\$7,975,364</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$108,400	\$0	\$0	\$0	\$108,400
Construction	\$3,134,354	\$150,000	\$1,100,000	\$3,300,000	\$7,684,354
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$182,610	\$0	\$0	\$0	\$182,610
<b>Total</b>	<b>\$3,425,364</b>	<b>\$150,000</b>	<b>\$1,100,000</b>	<b>\$3,300,000</b>	<b>\$7,975,364</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW), is requesting cash funds spending authority to address projects that improve or create division assets. Examples of projects funded under the Asset Development and Improvement line item include the construction of new facilities; the erection or repair of fencing; building or making repairs to public access roads and parking lots; the development of water resources; posting signs; and the manipulation of habitat and vegetation.

This year's request constructs a shooting range at the West Rifle Creek State Wildlife Area. The project consists of constructing berms, eight shooting lanes (six pistol and two rifle), and an access road, and moving an existing road for safety reasons.

According to CPW, the Assets Development or Improvements line item addresses the following key objectives:

- develop or improve assets in order to preserve or increase value;
- ensure that wildlife habitat is developed or improved to optimal condition;
- meet needs for customer service as well as public use of land and facilities;
- enhance wildlife recreation opportunities on public lands;
- update customer service centers to provide better public services and to provide adequate office space and facilities for division operations;
- protect and enhance the quality of aquatic habitats and aquatic resources;

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Asset Development or Improvements*

- increase angling opportunities and angler satisfaction; and
- improve access to fishing.

#### PROJECT JUSTIFICATION

The division states that these projects are necessary for the division to meet its goal of providing hunting and fishing recreation opportunities in Colorado. Hunting and fishing activities in the state provide a total economic impact of about \$1.8 billion, and the economic impact of wildlife viewing is about \$1.2 billion, according to a September 26, 2008 report published by BBC Research and Consulting. The division says not funding projects under this line item may result in increased safety hazards, and a reduction in customer service leading to reduced hunting and fishing recreation statewide. Reduced recreation could result in fewer economic and tourism benefits associated with recreation activities. The division notes that one of its goals is providing optimal recreation benefits and opportunities, which may be harder to attain without funding these projects.

#### PROGRAM INFORMATION

The division manages more than 300 State Wildlife Areas (SWAs), totaling more than 550,000 acres. SWAs provide the public with a variety of wildlife-related recreation activities. Different SWAs offer different recreational opportunities, including hunting, fishing, and wildlife viewing. The division also manages 16 properties that house hatcheries or fish-rearing operations, known as State Fish Units. In addition to rearing fish, these properties also provide educational materials and tours to the public.

#### LEED CERTIFICATION INFORMATION

No state funds were requested for the project, so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

#### PROJECT STATUS

This is an ongoing request. In FY 2012-13, this line item was appropriated \$1.6 million.

**Annual expenditures report.** In accordance with Section 24-30-1303, C.R.S., CPW submitted its annual report of capital project expenditures to the committee on September 15, 2012. This report addresses all spending during FY 2011-12 and spans several fiscal year appropriations. Of the three projects requested in FY 2011-12, the only expenditure reported is \$89 out of the \$21,600 appropriated for the Rifle Gap Reservoir Downstream Fish Barrier for design work.

#### SOURCE OF CASH FUNDS

The source of cash funds is the Wildlife Cash Fund, created in Section 33-1-112 (1)(a), C.R.S. Revenues accrue to the fund primarily from the sale of wildlife hunting and fishing licenses and the Habitat Stamp. The year-end balance for the fund for FY 2011-12 was \$12.5 million, and the projected year-end balance for the fund for FY 2012-13 is \$11.4 million. The division notes that the FY 2013-14 request is substantially reduced from previous years as a temporary measure to manage expenditures from the Wildlife Cash Fund within current revenue streams, increase the fund's reserve, and improve the division's financial sustainability.

#### STAFF QUESTIONS AND ISSUES

1. In FY 2009-10, over 30 projects were submitted under this request item, in FY 2010-11 there were three, last year there were 20, and this year there is one. What accounts for the large variation in the number of projects submitted under this request item?

*Projects are selected each year based on an assessment of overall division priorities. As a result the number, size,*

**Fiscal Year 2013-14 Capital Construction Request**

**Natural Resources — Parks and Wildlife**

*Asset Development or Improvements*

and line item mix of projects may vary considerably from year to year. The type of the project determines the Long Bill Line Item to which it is assigned. For example, a new hard surface parking lot project would fall under Asset Development or Improvement whereas a project that resurfaces an existing parking lot would be classified within the Infrastructure and Real Property Maintenance Line Item.

**OPERATING BUDGET**

The division says there are no FTE or operating budget impacts anticipated for the project requested for FY 2013-14.

**PROJECT SCHEDULE**

	<b>Start Date</b>	<b>Completion Date</b>
<b>Design</b>	July 2013	Varies
<b>Construction</b>	July 2014	Varies
<b>Equipment</b>		
<b>Occupancy</b>		

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Infrastructure and Real Property Maintenance, Wildlife Areas*

### PROGRAM PLAN STATUS

2011-026

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

**Prioritized By**      **Priority**

Dept/Inst            5 of 6

OSP/B                NP of 29            Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$3,153,457	\$300,000	\$1,100,000	\$3,300,000	\$7,853,457
<b>Total</b>	<b>\$3,153,457</b>	<b>\$300,000</b>	<b>\$1,100,000</b>	<b>\$3,300,000</b>	<b>\$7,853,457</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$874,415	\$0	\$0	\$0	\$874,415
Construction	\$2,078,047	\$300,000	\$1,100,000	\$3,300,000	\$6,778,047
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$200,995	\$0	\$0	\$0	\$200,995
<b>Total</b>	<b>\$3,153,457</b>	<b>\$300,000</b>	<b>\$1,100,000</b>	<b>\$3,300,000</b>	<b>\$7,853,457</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW) is requesting cash funds spending authority to address projects that improve or replace existing facilities statewide, and for improvements that are not continual and thus are not included in the division's controlled maintenance program. Examples of projects funded include maintenance of division-owned dams, maintaining and repairing irrigation canals, maintaining roads, replacing old potable water systems, and replacing fish hatchery water supply lines.

This year's request will fund dam maintenance activities statewide. These activities include removing growth from dams, funding seepage monitoring equipment, minor repairs, video inspections of dam conduits, and construction to maintain facilities.

CPW says the following are the key objectives that will be addressed by the projects included in this request:

- maintain or improve assets in order to preserve or increase value;
- ensure a safe physical environment for customers and employees;
- meet customer service demand for land and facilities use;
- update customer service centers to provide better public service and adequate office space and facilities for division operations; and
- increase angling opportunities and angler satisfaction.

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Infrastructure and Real Property Maintenance, Wildlife Areas*

### PROJECT JUSTIFICATION

According to the division, funding for ongoing maintenance needs at its facilities statewide is essential to meet critical goals, such as providing hunting and fishing recreation in Colorado. The division also emphasizes that delays in funding these projects could result in further deterioration and increased safety hazards. Specifically, the failure to repair or improve dams may necessitate lower water storage levels. Lower water levels could impact the fisheries and recreational opportunities at the reservoirs. Those structures determined to be dangerous may be required to be drained and the dam breached, which would lead to a loss of key fisheries, wildlife, and aquatic habitat. Further, breaching a dam is often more expensive than maintaining it.

The division explains that habitat improvement projects are needed not only to meet customer expectations, but new properties purchased for recreational access may not be fully operational or publicly accessible without habitat improvements. Failure to fund these projects may lead to a loss in property value and reduced hunting and fishing recreation, which CPW says would not only reduce revenues, but may impact state and local economic tourism benefits associated with these activities. Hunting and fishing activities provide a total economic impact to the state of approximately \$1.8 billion and wildlife viewing an additional \$1.2 billion impact, according to a September 26, 2008 report published by BBC Research and Consulting.

### PROGRAM INFORMATION

According to the division, the projects included in this request are selected based on the the nature of the work, the impact of delaying the work or not repairing the structure, and how the project aligns with the division's long-term strategic objectives. The division also considers whether the project will affect an existing facility and whether the work is ongoing and better suited to its controlled maintenance program. This year's request funds maintenance of the division's 104 dams. The division notes that most of the dams it owns are 50 years old and several are over 100 years old. Inspections are performed yearly on high-hazard dams and every three years on significant-hazard dams.

### LEED CERTIFICATION INFORMATION

No state funds were requested for the project, so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### PROJECT STATUS

This is an ongoing request. In FY 2012-13, this line item was appropriated \$2.0 million.

**Annual expenditures report.** In accordance with Section 24-30-1303, C.R.S., CPW submitted its annual report of capital project expenditures to the committee on September 15, 2012. This report addresses all spending during FY 2011-12 and spans several fiscal year appropriations. The division has expended \$394,165 of \$628,489 appropriated, or 62.7 percent. The full report is appended to the CPW section of the FY 2013-14 requests binder.

### SOURCE OF CASH FUNDS

The source of cash funds for the project is the Wildlife Cash Fund, created in Section 33-1-112 (1)(a), C.R.S. Revenues accrue to the fund primarily from the sale of wildlife hunting and fishing licenses and the Habitat Stamp. The fund balance at the end of FY 2011-12 was \$12.5 million, and the fund is projected to have a balance of \$11.4 million at the end of FY 2012-13. The division notes that the FY 2013-14 request is substantially reduced from previous years as a temporary measure to manage expenditures from the Wildlife Cash Fund within current revenue streams, increase the fund's reserve, and improve the division's financial sustainability.

### STAFF QUESTIONS AND ISSUES

1. The division is requesting \$300,000 for dam maintenance statewide in FY 2013-14 under this line item, but has

**Fiscal Year 2013-14 Capital Construction Request**

**Natural Resources — Parks and Wildlife**

*Infrastructure and Real Property Maintenance, Wildlife Areas*

not identified any specific dams that will be maintained with the appropriation. Will this appropriation be used as an emergency fund for state-owned dams?

*No, this appropriation is not an emergency fund for state-owned dams. This request funds on-going dam maintenance activities to help ensure the safety of the dams and to avoid more costly repairs in the future. This is basically the same as maintenance performed on buildings and building systems, that is undertaken to preserve the life, safety, and value of the building or system, except it is for dams. Additionally, it is unlikely that the amount requested would be adequate to address a dam emergency, such as the failure of a dam structure.*

**OPERATING BUDGET**

This project has no impact on state operating costs.

**PROJECT SCHEDULE**

	Start Date	Completion Date
Design	July 2012	Varies
Construction	July 2013	Varies
Equipment		
Occupancy		

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Land and Water Acquisitions, State Parks*

### PROGRAM PLAN STATUS

2011-024

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

**Prioritized By**      **Priority**

Dept/Inst              6 of 6

OSP/B                  NP of 29              Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$5,850,000	\$950,000	\$2,450,000	\$7,350,000	\$16,600,000
<b>Total</b>	<b>\$5,850,000</b>	<b>\$950,000</b>	<b>\$2,450,000</b>	<b>\$7,350,000</b>	<b>\$16,600,000</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$5,850,000	\$950,000	\$2,450,000	\$7,350,000	\$16,600,000
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$5,850,000</b>	<b>\$950,000</b>	<b>\$2,450,000</b>	<b>\$7,350,000</b>	<b>\$16,600,000</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW) is requesting cash funds spending authority to purchase lands adjacent to state parks to provide a buffer between park lands and new development, to acquire water for recreational purposes at various state parks, and to purchase lands for new parks. The FY 2013-14 request addresses acquisitions for two programs: the Water Resources Program (\$600,000) and the Property Acquisitions Program (\$350,000). The division is not requesting funding for the New Park Acquisition and Major Inholding Program for FY 2013-14.

**Water Resources Program.** The Water Resources Program addresses water management plans at 42 state parks. The division acquires water through conventional water purchases, water options and leases, cooperative agreements, and the lease or purchase of storage space in reservoirs. CPW is requesting \$600,000 for the Water Resources Program for FY 2013-14, including \$240,000 in lottery funds and \$360,000 in Great Outdoors Colorado (GOCO) funds. The spending priorities for these moneys were identified and ranked according to park users' demand for water-dependent recreation and the respective parks' master plans. CPW has identified the following water acquisition priorities for FY 2013-14, listed by state park:

- Cherry Creek – 500 acre-feet (AF), to be leased from Aurora Water for \$25,000;
- St. Vrain – 750 AF, to be leased from the city of Longmont for \$150,000;
- Arkansas Head Water – 1,000 AF to be leased from Pueblo Board of Water Works for \$150,000;
- John Martin Reservoir – 3,000 AF to be leased from Colorado Springs Utilities and Aurora Water for \$225,000;

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Land and Water Acquisitions, State Parks*

and

- Other parks as needed – \$50,000 to lease or purchase a volume of water to be determined.

**Property Acquisitions Program.** The Property Acquisitions Program allows CPW to identify and acquire lands of critical resource value that buffer state parks from residential and commercial development. CPW is requesting \$350,000 in GOCO funds for the Property Acquisitions Program in FY 2013-14. According to the division, it evaluates properties adjacent to existing state parks as they become available for sale or easement based on cost, property value, zoning, and the availability of matching funds.

### PROJECT JUSTIFICATION

CPW says that it engages in an ongoing, annual effort to acquire water for recreational purposes at certain parks. The division says it is essential to keep sufficient water for recreational purposes in order to meet the demand of park visitors. According to CPW, about 75 percent of state parks have either a reservoir or river as their feature attraction. CPW maintains there is a direct link between adequate water levels for recreation and the amount of revenue earned from park visitors, making maintenance of water levels a high priority for the division. The division says if it does not address water needs on an ongoing basis, then the water levels in state-managed reservoirs and streams may drop significantly and water quality may be degraded, which would negatively impact wildlife habitat, recreational experiences, and CPW revenues.

CPW explains that it is necessary to purchase land adjacent to existing park property in order to create a buffer between park lands and new development, and to protect wildlife habitat. According to the division, many state parks were purchased with the funds available, which resulted in an incomplete land base that is insufficient for resource protection. The division says population growth experienced by Colorado over the past ten years, combined with projected state population growth of 15 percent by 2020, makes buffer acquisitions critical to maintaining the outdoor recreation infrastructure necessary to serve the citizenry. The division also says that if this project is not funded it could result in damage to wildlife habitat and a decrease in revenue earned from park visitors.

### PROGRAM INFORMATION

CPW has maintained an active Property Acquisition Program since the 1980s. The following properties have been purchased from this line item over the past three years:

- Goodwin Property (\$583,100) – Roxborough State Park – 2011;
- Southdowns Property Lot (\$6,000) – Roxborough State Park – 2010; and
- River Rim Estates (2) tracts (\$35,000) – Arkansas Headwaters Recreation Area – 2010.

The Water Resources Program was established in 1984 to provide a means to protect water levels at Cherry Creek Reservoir. Since then, the program has grown to include water management plans for 42 state parks. In addition to acquiring water through leases under the program, the division also pursues permanent water right purchases to augment water levels in state parks.

### LEED CERTIFICATION INFORMATION

No state funds were requested for the project, so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### PROJECT STATUS

This is an ongoing request. See Program Information for details about recent acquisitions.

# Fiscal Year 2013-14 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Land and Water Acquisitions, State Parks*

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### SOURCE OF CASH FUNDS

The source of cash funds is \$240,000 from lottery funds and \$710,000 from GOCO moneys, as authorized by Article XXVII of the Colorado Constitution.

### STAFF QUESTIONS AND ISSUES

All responses to staff questions were incorporated into the project write-up.

### OPERATING BUDGET

This project has no impact on state operating costs.

### PROJECT SCHEDULE

	Start Date	Completion Date
Search for Properties	July 2013	June 2014
Appraisals, Environmental Reviews	July 2013	June 2014
Close Sale	July 2013	June 2014
Purchase Water Rights	July 2013	June 2014

# Fiscal Year 2013-14 Capital Construction Request

## Personnel and Administration

### Tax Processing Pipeline

#### PROGRAM PLAN STATUS

2014-014

Approved Program Plan?  Date Approved:

#### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	1 of 2
OSPB	6 of 29

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$1,468,566	\$0	\$0	\$1,468,566
<b>Total</b>	<b>\$0</b>	<b>\$1,468,566</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,468,566</b>

#### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$453,634	\$0	\$0	\$453,634
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$945,000	\$0	\$0	\$945,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$69,932	\$0	\$0	\$69,932
<b>Total</b>	<b>\$0</b>	<b>\$1,468,566</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,468,566</b>

#### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Personnel and Administration (DPA) is requesting state funds to purchase equipment and software in order to automate tasks associated with processing the nearly seven million tax documents collected annually by the Department of Revenue (DOR). The series of steps taken by state employees to process tax documents is referred to as the "tax processing pipeline" (tax pipeline). This request streamlines some of the steps in the tax pipeline through the acquisition and programming of two high-speed scanners. It also consolidates the scanning functions of the DOR within the DPA, and decreases the amount of corresponding data entry required by DOR. Specifically, the project purchases two high speed scanners capable of accurately processing a high volume of documents. The scanners will be installed at Integrated Document Solutions (IDS) in Pueblo, which manages state printing operations. The IDS unit is part of the Division of Central Services within the DPA. The project also customizes software for the purchased scanners to ensure that it is optimized to read and scan the state's tax documents. One of the two scanners will be dedicated to processing DOR tax documents and the other will primarily function to scan documents for other state agencies, but will be available as a back-up in the event of a temporary failure of the other scanner or receipt of an exceptionally high volume of tax documents. The department expects the project will be overseen by the Governor's Office of Information Technology.

**Existing practice.** DPA currently scans only a portion of the tax documents collected by DOR, about 6.2 million pages a year. These tax documents are initially processed at a DOR facility in Denver and then transported to IDS. The documents are then returned to Denver so DOR personnel can manually record data from the tax documents. The documents are then returned to the IDS facility for eventual disposal.

# Fiscal Year 2013-14 Capital Construction Request

## Personnel and Administration

### *Tax Processing Pipeline*

Once the project is complete, most tax documents will be transported directly to the IDS facility in Pueblo, including correspondence that includes payments in the form of a check. The documents will be read and scanned at the IDS facility, and in lieu of returning the documents to the Denver DOR facility, DOR personnel will process information from scanned images rather than from paper copies. The documents will remain at the Pueblo facility until such time as they can be destroyed. The departments expect that this project will also allow IDS to scan and archive tax documents on behalf of DOR that historically have not been digitally recorded, including W-2 forms. Under this agreement, DPA is expected to process between 18.0 and 19.6 million pages of tax documents annually.

**Operating budget request.** In order to fully implement the new processes proposed in this request, DPA also anticipates purchasing some equipment through its operating budget, including:

- two high-speed mail openers, including maintenance contracts;
- 25 software licenses for individual users;
- software maintenance contracts; and
- expanded document destruction capability.

The department explains that the increase in operating expenses is requested from reappropriated funds because the new costs will be built into the rate charged by IDS and recovered from service fees paid by various state agencies.

## PROJECT JUSTIFICATION

The tax revenue collected through the tax pipeline is the principal source of revenue for state government operations. According to the DPA, automating tax pipeline processes will substantially increase productivity and allow the DOR to migrate a large portion of its manual data entry to an automated process, thus realizing substantial operating cost savings. The project will also reduce the amount of time involved in the physical transport of tax documents to and from the IDS facility in Pueblo. DPA says a recent state audit of the tax pipeline process cited the physical transport of tax documents as an unnecessary liability because the documents could be compromised during transport, such as in the event of an accident.

The department cites both a September 2011 state audit and a lean study conducted with the cooperation of the Governor's Lean Program Management Office, within the Office of State Planning and Budgeting, as the impetus for this request. The September 2011 findings stated that the existing tax pipeline relied on outdated manual processes and infrastructure. Furthermore, the audit cited a lack of coordination between the DPA and DOR and a failure to capitalize on either department's expertise. The lean study recommended the development of a streamlined method for the DPA to manage the vast volume of scanning and data entry requested annually by the DOR.

## PROGRAM INFORMATION

The **Department of Revenue** is responsible for tax administration and collecting tax revenues for the state. This involves the receipt, extraction, scan and capture, processing, editing, and archiving of a number of different types of documents. The steps of the tax pipeline processing system include:

1. *form development and management*;
2. *cashier*;
3. *mail room*;
4. *registration control*. Employees in this section maintain business tax account registration information and create tax processing documents for loose checks;
5. *business tax and income tax clearance*. Employees in this section validate tax documents and assign a unique identification number to each;
6. *remittance processing*. Employees in this section encode, endorse, and digitally image all checks received through the mail;
7. *data entry*;
8. *error resolution area and problem resolution unit*. Employees in this section review and correct tax documents that do not pass a series of computer edits that are designed to detect taxpayer and data entry errors;

# Fiscal Year 2013-14 Capital Construction Request

## Personnel and Administration

### Tax Processing Pipeline

9. *tax files*. Employees in this section archive any tax documents that were not digitally imaged during remittance processing; and
10. *mail services*. Employees in this section are responsible for mailing all department correspondence, including tax forms, delinquent notices, and refund warrants.

This project streamlines work related to steps 3, 4, 5, 7, and 9. The project also eliminates a 1.0 FTE manager position within DOR.

**Integrated Document Solutions** provides the following services to state agencies:

- commercial print operations;
- mail operations;
- data entry services;
- imaging services, such as scanning and archiving materials; and
- online services, such as creating business cards and rubber stamps.

The IDS operations are split between a north region office located in Denver and a south region office located in Pueblo. Statute directs that all state agencies, with the exception of higher education institutions, use the services provided by the Division of Central Services, including those services provided by IDS, unless the division cannot provide a service at a lower cost than a private sector entity. DPA rules provide for a waiver when a state agency can procure a service at a net cost savings to the state.

### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it purchases equipment and software and does not involve the renovation, design, or construction of a physical facility.

### PROJECT STATUS

The is a new project. The department issued a request for proposals on November 1, 2012, and plans to select a vendor in early 2013.

### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

### STAFF QUESTIONS AND ISSUES

1. What are some examples of high volume scanning completed by IDS for agencies other than DOR?

*The following agencies have high-volume projects with the IDS scanning program:*

*Labor & Employment: 775,000 images (empl. Claims, oil & public safety)*

*Pueblo County: 1,300,000 images (Medicaid files, assistance progs)*

*Public Health: 600,000 images (medical marijuana)*

*DORA: 631,000 images (multiple projects)*

*DOC: 500,000 images (offender medical records)*

*DHS: 500,000 images (Youth Corrections, Child & Support)*

*While these agencies represent those with large volumes of scanning, this is but a portion of the total. The total non-DOR scanning volume is 5,200,000.*

2. The operating budget requests submitted by DOR and DPA cite a combined reduction of about 39 FTE for both

## Fiscal Year 2013-14 Capital Construction Request

### Personnel and Administration

#### Tax Processing Pipeline

departments by FY 2013-14. How many of the affected FTE are full-time employees?

*DPA has not identified the specific positions that will be eliminated as a result of this process. However, it believes that all of the positions that will be eliminated will be full time positions. The fact that the first year reduction is only 7.2 FTE reflects 6 months (or half) of the 15 full time positions (or 7.5 FTE) plus the 0.3 FTE needed for document destruction. Please note that the methodology used to determine the savings associated with FTE calculated the savings based upon aggregate workload, but did not assign the reduction in workload to specific positions. Instead, DPA aggregated the decrease in workload and used actual performance metrics to determine the FTE reduction.*

*The Department of Revenue relayed to DPA that all of the positions that are going to be eliminated as a result of their operating request will be full-time positions.*

3. Will the IDS facility need to be adapted in any way to accommodate the additional equipment purchased under this project?

*DPA will need to transition from the current scanners to the new scanners, which will require the modification of the existing configuration, but will not require modification of the buildings or structures that will house the equipment. However, it is possible that the RFP responses identify a process that requires equipment other than the equipment identified in the request. If this occurs, there may be costs with modifying the building and its structures to accommodate that equipment.*

4. Will DOR's payments to IDS increase once additional tax pipeline functions shift to DPA? If so, why aren't these costs noted in the operating budget request? If not, please provide an explanation as to why not.

*At this time, DPA does not believe that the net billings to DOR will increase, but there are a number of unknowns that complicate this analysis. The project that has been proposed within the request will allow DPA - IDS to process documents more quickly and efficiently. The number of documents that are scanned by DPA will increase considerably, which will drive an increase in the amount DOR needs for scanning, but the new scanner will have fewer error exceptions, which will drive down the cost that DOR pays to DPA for manual document and data entry. The savings generated by the reduction in manual data entry is expected to exceed the cost of the additional scans.*

*However, DPA – IDS will also conduct mail opening and document destruction activities for the pipeline which DPA has not done before and will increase the billings from DPA – IDS to DOR. In addition, an area that might drive additional expense is the identification of additional costs from the Office of Information Technology. Due to the timing of the request and the possibility that the RFP generates a solution other than the one proposed herein, the OIT was not able to formulate an estimate of cost associated with this project. To the extent that the cost for OIT support exceeds the savings generated through the process in the paragraph above, the billings from DPA to DOR may increase.*

*Finally, if the RFP response chosen by the departments requires a different structure than the current proposal, the issue of the relative magnitude of the billings may need to be revisited.*

### OPERATING BUDGET

Both DPA and DOR anticipate a decrease in operating costs realized through savings in personnel expenses. By FY 2014-15, the departments anticipate a combined reduction of about 39 FTE. See also Project Description/Scope of Work for additional information about changes to the operating budget.

**Fiscal Year 2013-14 Capital Construction Request**

**Personnel and Administration**

*Tax Processing Pipeline*

**PROJECT SCHEDULE**

	<b>Start Date</b>	<b>Completion Date</b>
<b>Request for Proposal/Contract Negotiation</b>	November 2012	July 2013
<b>Development and Implementation</b>	July 2013	November 2013
<b>Independent Verification and Validation</b>	November 2013	January 2014
<b>System Testing</b>	November 2013	January 2014
<b>Roll Out</b>		January 2014

# Fiscal Year 2013-14 Capital Construction Request

## Personnel and Administration

*State Capitol Dome Renovation*

### PROGRAM PLAN STATUS

2009-003

Approved Program Plan?  Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	2 of 2	
OSPB	NP of 29	Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
CF	\$11,602,688	\$5,000,000	\$0	\$0	\$16,602,688
<b>Total</b>	<b>\$11,602,688</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,602,688</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$960,500	\$48,708	\$0	\$0	\$1,009,208
Construction	\$9,522,188	\$3,689,988	\$0	\$0	\$13,212,176
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$1,120,000	\$1,261,304	\$0	\$0	\$2,381,304
<b>Total</b>	<b>\$11,602,688</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,602,688</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Personnel and Administration (DPA) is requesting cash funds spending authority for the fourth phase of a four-phase project to renovate the cast iron structure of the State Capitol dome, along with its associated components. Due to years of weather exposure, the dome's supporting components and façade have experienced extreme deterioration from water infiltration. The project's phases largely correspond with the levels of the dome structure, from base to top — pedestal, lower drum, upper drum, tension ring and dome, and lantern. This year's request for Phase IV continues the work from the previous phases, including sandblasting the cast iron and repairing and repainting the upper drum. It also includes work on the cast iron lantern and the pedestal level, as well as replacing the copper and gilding the tension ring and dome. Phase I, which is nearing completion, designed the project, assessed the actual damage, and erected some scaffolding. The department anticipates that no additional funding will be required for maintenance of the dome for 15 years after completion of the project. Specific work being performed under the project includes:

- replacing cast iron fasteners and anchors with stainless steel fasteners;
- repairing cracks, holes, and other deteriorated portions of the cast iron enclosure;
- repairing railways;
- restoring windows;
- replacing the copper above the cast iron and gilding the new copper;
- restoring and repairing dome gutters;
- repairing and restoring the dome's interior balcony area, including flooring and finishes;

# Fiscal Year 2013-14 Capital Construction Request

## Personnel and Administration

### *State Capitol Dome Renovation*

- repairing or replacing dome gutters and downspouts; and
- removing and replacing all cast iron coatings on the exterior lantern, dome, and drum enclosure.

During construction, access to the dome and the parking lot east of the Capitol building are restricted. Costs for parking relocation are covered within the project's contingency budget.

**Additional project funding.** The project, as originally approved, was anticipated to be completed in three phases. Phase I of the project conducted a forensic investigation of the actual condition of the dome. Based on the findings of this investigation, the Office of the State Architect determined that additional funding would be required to address the deteriorated condition of the dome cast iron structure. Based on the recommendation of the Office of the State Architect, the Capital Development Committee approved the revised project scope and recommended legislation to transfer up to an additional \$5.0 million from the State Historical Fund to the Capitol Dome Restoration Fund for FY 2013-14. The bill, House Bill 11-1310, also extended authorization for the fund-raising program on behalf of the dome project until December 31, 2014. Pursuant to this and earlier legislation, any moneys raised from the private fund-raising effort can be used to offset the transfer amount from the State Historical Fund. In addition to extending funding for the project, the Capital Development Committee voted in April 2011, to extend the project scope in order to replace the gold as part of the overall renovation, rather than replacing it as a separate project at a later date, which would likely drive additional costs for professional services and erection of scaffolding.

## PROJECT JUSTIFICATION

According to DPA, Colorado weather conditions have necessitated numerous minor repairs to the Capitol building in the last 100 years due to corrosion and seasonal freeze and thaw cycles. In 2006, a section of cast iron (18 by 4 inches) fell onto an exterior observation level of the dome enclosure when the fasteners of a section of cast iron at the lower entablature gave way. The short-term solution, funded from an emergency controlled maintenance appropriation, was to close the dome observation deck and install a temporary netting system to minimize damage and ensure the safety of Capitol employees and visitors.

A dome assessment was submitted by Wiss, Janney, Elstner Associates, Inc. in September 2006, and concluded that the condition of the cast iron in the dome enclosure is consistent with cast iron of this vintage and exhibits some corrosion. An April 2009 review by Fentress Architects recommended that "immediate action be taken to remedy the dire conditions of the dome," noting that degradation of the dome is continuing rapidly. The forensic investigation completed as part of Phase I of the project found that the cast iron anchors securing the dome are continuing to corrode, and in some instances, the corrosion is accelerating.

The cast iron components of the Capitol building include the lantern at the top of the dome and a two-tier drum below the dome. Steel anchors connect the cast iron components. Based on a visual inspection, it was determined that the cast iron in the dome enclosure exhibits the most common forms of deterioration such as oxidation, corrosion, and cracking. A major concern is the failure of the anchors used in the dome enclosure, which are susceptible to corrosion. The horizontal anchors are of special concern because water can collect at these points, resulting in corrosion. The soffits in the dome enclosure have no support redundancy. If the anchors are compromised, there is nothing but layers of paint holding the soffits in place, and pieces of the façade may fall. Not only is this a safety risk for Capitol employees and visitors, but it would lead to additional repair and restoration expenses.

The department says delay of any phase of the project could ultimately result in greater expense should dome conditions worsen. In addition, the scaffolding will need to remain in place until the project is completed.

## PROGRAM INFORMATION

The State Capitol Building was built beginning in 1886, and is considered by DPA to be the most historically significant building in the Capitol Complex and perhaps the state. The Capitol houses the Governor's offices and the major functions of the legislature. In addition to serving as the central seat of the government, Colorado citizens, including school groups and tourists, are regular visitors to the building.

# Fiscal Year 2013-14 Capital Construction Request

## Personnel and Administration

### State Capitol Dome Renovation

#### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it is a capital renewal project. However, the department says it will comply with the requirements of SB 07-051 wherever possible.

#### PROJECT STATUS

The forensic investigation has been completed, and permanent scaffolding, extending to the cast iron upper dome, has been erected and wrapped. The cast iron sandblasting of the lead-based paint on the lower drum has been completed and the first coat of paint applied. Sandblasting of the lead-based paint on the upper drum is now in progress. All windows on the drum areas have been removed for restoration as well.

#### SOURCE OF CASH FUNDS

The source of cash funds is the Capitol Dome Restoration Fund (restoration fund) and the Capitol Dome Restoration Trust Fund (trust fund). Moneys to the restoration fund are transferred from the State Historical Fund pursuant to Senate Bill 10-192 and House Bill 11-1310, and derive from limited gaming revenue. Moneys to the trust fund are donated annually from a private fund-raising campaign sponsored by Colorado Preservation, Inc. (CPI), as authorized by House Bill 10-1402. The amount of cash funds transferred from each source is determined by the amount donated to CPI at the end of the prior fiscal year. The amount transferred by CPI to the trust fund is used to offset the transfer required from the State Historical Fund to the restoration fund. About \$82,000 was transferred to the state from CPI for the project at the end of FY 2011-12 for the FY 2012-13 request (Phase III). The amount available for the FY 2013-14 request (Phase IV) will not be identified until June 2013.

The Colorado Historical Society is required to report annually to the committee on the status of the State Historical Fund and possible grants or transfers for the duration of the project.

#### STAFF QUESTIONS AND ISSUES

All responses to staff questions were incorporated into the project write-up.

#### OPERATING BUDGET

This project has no impact on state operating costs.

#### PROJECT SCHEDULE

	Start Date	Completion Date
Design	September 2010	September 2011
Construction	October 2011	September 2014
Equipment		
Occupancy		September 2014

**Department of Public Health and Environment  
Five-Year Projection of Need  
FY 2013-14 through FY 2017-18**

Project Title	Fund Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Totals
<i>Current Year Request(s)</i>							
Brownfields Cleanup Program (aka HB 00-1306 Site Cleanups)	CCF	0	0	0	0	0	\$0
	CF	250,000	250,000	250,000	250,000	250,000	\$1,250,000
Water Nutrients Treatment Grant Program	CCF	15,000,000	0	0	0	0	\$15,000,000
	CF	0	0	0	0	0	\$0
Water Quality Improvement Projects	CCF	0	0	0	0	0	\$0
	CF	600,000	600,000	600,000	600,000	600,000	\$3,000,000
<i>Out Year Request(s)</i>							
Laboratory Expansion	CCF	0	0	0	0	3,000,000	\$3,000,000
	CF	0	0	100,000	0	0	\$100,000
<i>Total: State Funds</i>		15,000,000	0	0	0	3,000,000	\$18,000,000
<b>Grand Total</b>		<b>\$15,850,000</b>	<b>\$850,000</b>	<b>\$950,000</b>	<b>\$850,000</b>	<b>\$3,850,000</b>	<b>\$22,350,000</b>

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment

*Brownfields Cleanup Program (aka HB 00-1306 Site Cleanups)*

### PROGRAM PLAN STATUS

2001-208

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

**Prioritized By**      **Priority**

DeptInst              1 of 3

OSPB                  NP of 29              Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$2,000,000	\$250,000	\$250,000	\$750,000	\$3,250,000
CFE	\$1,250,000	\$0	\$0	\$0	\$1,250,000
FF	\$2,925,000	\$0	\$0	\$0	\$2,925,000
<b>Total</b>	\$6,175,000	<b>\$250,000</b>	\$250,000	\$750,000	\$7,425,000

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$6,175,000	\$250,000	\$250,000	\$750,000	\$7,425,000
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$6,175,000	<b>\$250,000</b>	\$250,000	\$750,000	\$7,425,000

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Public Health and Environment is requesting cash funds spending authority for the Brownfields Cleanup Program. House Bill 00-1306 authorized the program, and provided for an annual appropriation of \$250,000 from the state Hazardous Substance Response Fund to perform cleanup on properties: (1) that do not have a responsible party to perform remediation; (2) that have been determined to present a threat to human health or the environment; and (3) where remediation will facilitate redevelopment of the property for the public good. Funding under the program is generally allocated to local governments. Remediation costs are highly variable, with some clean up at some sites costing as little as \$20,000, and as much as \$450,000 at others. The department says this year's request will allow it to fund planned projects and complete projects already underway.

The department has set up an evaluation process to screen potential sites. The department's evaluation focuses on impacts to human health and the environment, and potential for site redevelopment. The department has identified ten sites across the state as potential projects suitable for receiving FY 2013-14 funding:

1) *Hinsdale County*. The project cleans up mining and milling waste at the former Ute Ulay Mill and townsite to help restore a historic site and promote tourism.

2) *Silver Cliff*. The project cleans up heavy metals left in the soil from a cement plant operation. The site will be

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment

### *Brownfields Cleanup Program (aka HB 00-1306 Site Cleanups)*

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developed for multi-purpose use, including a regional U.S. Forest Service fire crew emergency response center.

3) *Rocky Ford*. The project cleans up of a former wire factory to abate asbestos and heavy metals, and address groundwater contamination. The site will be developed for use as a light industrial business park.

4) *Sterling*. The project cleans up soil and groundwater contaminated with polyaromatic hydrocarbons from a former manufactured gas plant. The site will be developed for parking at a community mental health facility.

5) *City and County of Denver*. The project cleans up solvents in soil and groundwater at the site of a former dry cleaning business. After the remediation is complete, affordable housing will be constructed on the site.

6) *La Junta*. The project cleans up contaminated soil at the former Grain Mill Block property. The property is contaminated with petroleum, unregulated petroleum tanks, and asbestos. The site will be developed for commercial uses.

7) *La Junta*. The project abates asbestos in the Plaza building so it can be used for community meeting space and as a museum.

8) *Elizabeth*. The project remediates asbestos in soil of a former trailer park. After the remediation is complete, affordable housing will be constructed on the site.

9) *Creede Floodplain*. The project remediates mine waste to permit site redevelopment. The site is the valley entrance to the town.

10) *Eye of the Heart Wildlife Refuge*. The project removes hazardous materials.

## PROJECT JUSTIFICATION

According to the department, the purpose of the Brownfields Program is to fund cleanup projects that otherwise could not be funded. If the request is not approved, persons living close to the sites, as well as terrestrial and aquatic organisms, risk continued exposure to hazardous contaminants. In addition, failure to redevelop these sites may result in lost revenue, jobs, and public amenities associated with new uses under redevelopment, says the department.

## PROGRAM INFORMATION

The Brownfields Cleanup Program generally serves local governments seeking to eliminate contamination in their communities and to redevelop sites to produce public amenities or income. The program operates within the three-year window of the capital construction spending authority to screen sites, and to plan and implement cleanups. However, projects typically take more time to put a cleanup package together, due to various issues with landowners and local governments. A scoring process is used to evaluate and select brownfield sites. This evaluation tool focuses on impacts to human health and environment and has a redevelopment factor that accounts for about 25 percent of the overall site score. Projects that have been completed or are in progress under the program have:

- supplied potable drinking water;
- cleaned polluted streams;
- provided revitalization for housing and commerce;
- prevented mine waste from contaminating streams; and
- allowed for the development of public parks and the expansion of public facilities.

## LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment

*Brownfields Cleanup Program (aka HB 00-1306 Site Cleanups)*

Certification Program because it does not involve the construction or renovation of a physical facility.

### PROJECT STATUS

This is an ongoing project. Since the program's inception, 24 sites have been remediated. Projects completed to date include a former mine site, a contaminated creek, a former tree farm contaminated with pesticides, a former shooting range, a fishery, and households with contaminated wells.

**18-month encumbrance deadline.** Senate Bill 08-037 changed the encumbrance deadline for this project from 6 months to 18 months. If funds are not encumbered within the first 18 months, the department will request a waiver at that time.

### SOURCE OF CASH FUNDS

The source of cash funds for the project is the Hazardous Substance Response Fund, created in Section 25-14-104.6 (1)(a), C.R.S. The fund is financed through a fee on municipal solid waste landfills. The fund balance at the end of September 2012 was about \$14.2 million.

### STAFF QUESTIONS AND ISSUES

1. The following sites were listed as potential remediation sites in the FY 2012-13 request: Las Animas High School, Estes Park Habitat for Humanity, Silver Cliff cement plant, Nucla School, Meeker church, and Elizabeth Trailer Park. Has the remediation been performed at these sites?

*Remediation is currently underway at the Las Animas High School. The other sites were not ready to proceed. It is difficult to predict which sites will actually begin cleanup in a given year because the projects are dependent on a variety of factors including the economy and the property owner's readiness to move forward. Some projects (e.g. Silver Cliff cement plant) require that the local government acquire the property interest which can cause delays. Additional projects that were not anticipated at the time of the Brownfields Cleanup spending authority request but were funded or approved for funding in FY 2012-13 include:*

- Cortez Community Radio Station;
- Park County Consolidated Office Building;
- Genoa Asbestos;
- Colorado State Fairgrounds;
- Ute-Ulay Townsite;
- Grand Junction White Hall; and
- Curtis Park Community Center.

### OPERATING BUDGET

The division explains that it will absorb any impact on its operating budget within its current operating appropriation.

**Fiscal Year 2013-14 Capital Construction Request**

**Public Health and Environment**

*Brownfields Cleanup Program (aka HB 00-1306 Site Cleanups)*

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**PROJECT SCHEDULE**

	<b>Start Date</b>	<b>Completion Date</b>
<b>Design</b> <b>Construction</b> <b>Equipment</b> <b>Occupancy</b>	A project schedule is not applicable to this request. Each site is at a different stage. Some sites are ready for the actual cleanup to start; while at other sites, the cleanup plan is still being determined, funding is still being secured, or the department is working with the community to plan the site's final use.	

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment

### *Water Quality Improvement Projects*

#### PROGRAM PLAN STATUS

2013-011

Approved Program Plan?  Date Approved:

#### PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	2 of 3	
OSPB	NP of 29	Not prioritized. Recommended for funding from cash sources.

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$600,000	\$600,000	\$600,000	\$1,800,000	\$3,600,000
<b>Total</b>	<b>\$600,000</b>	<b>\$600,000</b>	\$600,000	\$1,800,000	\$3,600,000

#### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$600,000	\$600,000	\$600,000	\$1,800,000	\$3,600,000
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$600,000</b>	<b>\$600,000</b>	\$600,000	\$1,800,000	\$3,600,000

#### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Public Health and Environment (DPHE) is requesting cash funds spending authority to fund water quality projects using fines for water quality violations that accrue to the Water Quality Improvement Fund. State law requires the department to use moneys in the fund to improve statewide water quality. To meet this charge, DPHE provides grant funding to local entities for water projects in a manner similar to the department's grant funding for hazardous contaminant remediation under the Brownfields Cleanup Program. The department says funded projects will improve drinking water, municipal stormwater, watershed, and processed wastewater quality.

The Water Quality Control Commission has promulgated rules establishing prioritization criteria for distribution of grant funds. Entities eligible to receive funding under the program include: governmental agencies; publicly owned water systems; private, not-for-profit public water systems; not-for-profit watershed groups; not-for-profit stormwater administrators and training providers; and private landowners impacted by water quality violations. Examples of past projects include partial grant funding for the construction of a wastewater collection line expansion to eliminate health hazards from failed septic systems, and partial grant funding to construct wastewater treatment plant improvements that minimize increasing levels of nitrates in groundwater. The department says it has not yet identified specific projects to be funded in FY 2013-14. The Water Quality Control Division will begin accepting applications for the next round of grant funding for water quality projects in April 2013.

In addition, the department says water quality projects on the current Revolving Loan Fund Project Eligibility List are eligible for funding from the Water Quality Improvement Fund. The 2012 list, approved by the Water Quality Control Commission, identifies 555 such projects with over \$3.1 billion in wastewater infrastructure needs, including

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment

### *Water Quality Improvement Projects*

253 high-priority projects with a total cost of \$1.57 billion.

#### PROJECT JUSTIFICATION

The wastewater infrastructure needs documented by the Water Quality Control Commission include failing septic systems and wastewater treatment plants, which the department says pose a potential public health hazard. According to the department, there is a significant need to fund projects such as connecting homes with failing septic systems to centralized wastewater treatment plants, or constructing storm water drainage systems. The department says failure to fund these types of projects could result in stream pollution and contamination of drinking water wells, and increase health risks to local communities.

#### PROGRAM INFORMATION

Under Section 25-8-608 (1.7), C.R.S., moneys in the Water Quality Improvement Fund must be spent for the following purposes:

- improving the water quality in a community impacted by a water quality violation;
- providing grants for stormwater projects or assisting with planning, design, construction, or repair of domestic wastewater treatment works;
- providing the non-federal match funding for non-point source projects; and
- providing grants for stormwater management and best practice training to prevent or reduce the pollution of state waters.

#### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it does not involve the construction or renovation of a physical facility.

#### PROJECT STATUS

This is an ongoing request. The Water Quality Improvement Fund rules authorize spending for four categories of projects. **Category 1** spending is for stormwater management training and best management practice training. A brief summary of funding for category 2, 3, and 4 projects from the FY 2012-13 appropriation follows.

Up to \$60,000 is available for **Category 2** projects that improve water quality in a community or water body that has been impacted by a water quality violation. The department has approved spending \$60,000 for one Category 2 project (Forest View Acres Water District Backwash Pond Rehabilitation).

Up to \$360,000 is available for **Category 3** projects that plan, design, construct or repair stormwater and wastewater facilities identified on the current fiscal year Water Pollution Control Revolving Fund Intended Use Plan. Approved projects include:

- Mountain Water and Sanitation District (\$90,000). The project consists of improvements to a wastewater treatment plant for ammonia;
- Town of Cokedale (\$90,000). The project improves stormwater drainage to decrease sediment transport to Reilly Creek, which is a tributary to Purgatoire River;
- Widefield Water and Sanitation District (\$80,000). The project rehabilitates a severely degraded discharge pond;
- City of Steamboat Springs (\$47,000). The project installs mechanized stormwater treatment devices to remove significant amounts of pollutants commonly found in urban stormwater runoff; and
- City and County of Denver (\$53,000). The project constructs a regional water pond to capture urban run-off.

Up to \$180,000 is available for **Category 4** projects that use non-federal match funds for nonpoint source projects as approved by the Water Quality Control Commission. Approved projects include:

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment

### Water Quality Improvement Projects

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- Trout Unlimited (\$60,038);
- Department of Natural Resources, Division of Reclamation, Mining and Safety (\$60,500); and
- Colorado State University (\$59,462).

#### SOURCE OF CASH FUNDS

The source of cash funds for the project is the Water Quality Improvement Fund, created in Section 25-8-608 (1.5), C.R.S. Revenue accrues to the fund from fines collected as a result of water quality violations. The fund was created by House Bill 06-1337. The department projects a fund balance of \$1.1 million at the end of FY 2012-13.

#### STAFF QUESTIONS AND ISSUES

All responses to staff questions have been incorporated into the project write-up.

#### OPERATING BUDGET

The division explains that it will absorb any impact on its operating budget within its current operating appropriation.

#### PROJECT SCHEDULE

	Start Date	Completion Date
Construction	July 2013	June 2016
The department explains that the water quality projects funded under this program may take multiple years to complete, but all projects funded in FY 2013-2014 will be completed by June 30, 2016.		

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment *Water Nutrients Treatment Grant Program*

### PROGRAM PLAN STATUS

2014-013

Approved Program Plan?  Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
DeptInst	3 of 3
OSPB	7 of 29

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
CCF	\$0	\$15,000,000	\$0	\$0	\$15,000,000
<b>Total</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,000,000</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2013-14	FY 2014-15	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$15,000,000	\$0	\$0	\$15,000,000
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,000,000</b>

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Public Health and Environment (DPHE) is requesting state funds to award grants for improvements to domestic wastewater treatment plants. These improvements are required in order to comply with a new nutrients management control regulation (Regulation 85) adopted by the Water Quality Control Commission (WQCC) within the DPHE in June 2012. Regulation 85 requires the implementation of new technologies to control and limit the amount of nutrients discharged by domestic wastewater treatment plants and other wastewater dischargers. According to the WQCC, the improvements required by Regulation 85 apply to approximately 26 percent of the domestic facilities in the state. This project provides grants to install better controls or improve operations in as many as 29 water treatment facilities in order to reduce the amount of phosphorus and nitrogen released in waters. Grants will be offered for preliminary engineering work, facility and process design, construction, or other one-time costs incurred by facilities in order to implement Regulation 85.

This project will distribute matching grants to public entities in order to offset the costs of implementing the new Regulation 85. DPHE has identified the total cost of improvements for facilities eligible for grant funding as \$746.6 million. Based on this amount, DPHE says the grant awards will offset 2 percent of the estimated costs of implementation.

**Background.** The federal Clean Water Act requires states to develop water quality standards and review and update these standards every three years. Unlike toxic pollutant water quality standards, which must be numeric if possible, the act does not specifically require states to develop numeric nutrient water quality standards, giving states the discretion to use either narrative or numeric standards. Numeric criteria establish specific limitations on

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment

### *Water Nutrients Treatment Grant Program*

pollutants, such as nitrogen and phosphorus, in water bodies, while narrative standards use descriptive language to convey an unacceptable water quality condition. The federal Environmental Protection Agency (EPA) has been encouraging states to develop numerical nutrient criteria for nitrogen and phosphorus since 1998 through a series of policy memoranda. The WQCC has been developing numeric nutrient criteria for nitrogen and phosphorus since the EPA first encouraged states to do so in 1998. Regulation 31, which was revised by the WQCC in June 2012, increased the stringency of the numeric nutrient criteria for nitrogen and phosphorus. The revised numerical criteria will take full effect in 2022. The EPA requires that Colorado work toward the adoption of nutrient criteria for fresh waters as a condition of receiving federal grant moneys.

**Request for legislation.** This request is for state funds to be deposited in the Water Quality Improvement Fund, created in Section 25-8-608 (1.5), C.R.S. The fund is used for an existing grant program for small water improvement projects (see Project #2013-011). The department is seeking legislation to create a subaccount within this fund for purposes of administering the new water nutrients treatment grant program.

**Request to waive six-month encumbrance deadline.** This project includes a request to waive the six-month encumbrance deadline. In accordance with state law and an agreement between the Office of the State Controller and the committee, the total amount appropriated for projects without significant professional services contracts related to project design, such as this project, must be encumbered within the six-month deadline. DPHE will not begin to award grants under the project until the end of the six-month period; therefore, the project funds will not be fully encumbered until after the deadline.

## PROJECT JUSTIFICATION

The department says the grants program is needed in order to offset the costs associated with implementing a new nutrients management control regulation at domestic wastewater treatment facilities. The new regulation addresses concerns with elevated nutrient levels in surface waters leading, in part, to the development of algae in rivers and streams. DPHE explains that nutrients in the context of water quality standards refer to nitrogen and phosphorus. High levels of nitrogen and phosphorus in water can produce algal blooms that result in "dead zones" in water bodies where dissolved oxygen levels are so low that most aquatic life cannot survive. According to the EPA, over the last 50 years, the amount of nitrogen and phosphorus pollution entering water bodies has escalated dramatically. DPHE says algae in the domestic water supply creates an unpleasant taste and odor. Additionally, when the compounds found in algae are chlorinated, they form disinfection by-products, which are carcinogenic. Also, the department says that algae in rivers and streams is a nuisance because it smells, is slippery, and is unattractive.

According to the WQCC, controlling the release of nutrients in Colorado's water bodies will proceed faster if efforts over the next decade are focused on the technology-based approach set forth in Regulation 85, rather than only applying numerical standards to limit the release of phosphorus and nitrogen. The department says the most significant levels of escalated nutrients are found in highly urbanized areas such as the Front Range and in or downstream of the most urbanized areas of the Western Slope. Also of concern are areas where existing water quality is good, and there are existing population centers that are predicted to experience significant growth.

According to the department, it will work with stakeholders to establish a prioritization process for grant awards once funding for the project is secured. Furthermore, the department has already solicited information from the affected facilities, which it plans to incorporate into the grant award process.

**Project alternative.** The department says that if grant funding is not awarded to the eligible facilities, the operators will have to seek other funding sources, including a potential substantial increase in user fees.

## PROGRAM INFORMATION

Pursuant to Section 25-8-204 (2)(e), C.R.S., the Colorado Water Quality Control Act requires that the WQCC to ". . . develop and maintain a comprehensive and effective program for prevention, control, and abatement of water pollution and for water quality protection throughout the entire state and, to ensure provision of continuously safe drinking water by public water systems." This law also authorizes the WQCC to promulgate rules for water quality standards for phosphates, nitrates, and other dissolved nutrients, among other pollutants.

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment

### Water Nutrients Treatment Grant Program

#### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it does not involve the construction or renovation of a physical facility.

#### PROJECT STATUS

This is a new project.

#### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

#### STAFF QUESTIONS AND ISSUES

1. The request documents indicate that a statutory change will be needed to create a sub-account in the Water Quality Improvement Fund. Is the department requesting that the CDC sponsor this legislation?

*Yes. The department is requesting that CDC sponsor this legislation.*

2. Is this request in addition to the \$600,000 spending authority from the WQIF already requested for waste water improvement projects? Does it affect the other request?

*This request is in addition to and separate from the \$600,000 cash fund request for the WQIF, which is an annual request.*

3. Is this a one-time request or does the department anticipate additional out year requests to help implement the nutrient control regulation?

*This is a one time request.*

4. What is the status of the EPA's review of Section 17 of Regulation 31 concerning nutrients? Would the EPA's rejection or modification of Regulation 31 affect this request?

*The EPA has not yet approved Regulation 31. Even if the EPA disapproves Regulation 31, (which is the regulation identifying statewide pollution level criteria) this will not affect the need for this funding request. The nutrient treatment levels for which certain wastewater treatment plants are required to meet are found in Regulation 85 (where specific nitrogen and phosphorous limits are identified), which was also promulgated by the Water Quality Control Commission. Regulation 85 does not require approval by EPA and would remain in effect.*

5. What criteria will the Water Quality Control Commission use to select the grant recipients?

*The department anticipates starting the prioritization guidelines using the existing Water Pollution Control Revolving Fund Prioritization Criteria approved by the Water Quality Control Commission in the 2013 Intended Use Plan. However, these guidelines will likely be modified using stakeholder input to frame the changes.*

*CDC Staff Note: The department provided the Water Pollution Control Revolving Fund Prioritization Criteria approved by the Water Quality Control Commission in the 2013 Intended Use Plan. These criteria are available upon request to Legislative Council Staff.*

6. The cost benefit study of the proposed nutrient regulations was completed in November 2011, prior to the adoption of the final regulation in June 2012. Staff understands that the cost benefit study over estimated the cost of complying with Regulation 85 because it did not consider cost saving measures that were included in the final regulation, e.g. exemptions for disadvantaged communities and exemptions for smaller dischargers. Is there an updated estimate of the cost of complying with the final Regulation 85?

# Fiscal Year 2013-14 Capital Construction Request

## Public Health and Environment

### Water Nutrients Treatment Grant Program

No. The cost/benefit analysis for the disadvantaged communities has not been updated because of lack of funding. The cost/benefit analysis estimated costs for all of the facilities. However, the \$1.5 billion dollar number quoted in the request reflects only the forty-five (45) facilities impacted by Regulation 85 as adopted by the commission.

7. Has the department identified other sources of funding to help pay for this program? For example, has it requested additional moneys from the EPA?

No. There have not been additional sources of grant funds identified to help pay for these required changes to wastewater treatment plants. EPA has not been specifically contacted regarding additional moneys because the federal State Revolving Fund is the historic sole source of capital construction funding for wastewater treatment facilities.

### OPERATING BUDGET

DPHE says it will require additional staff for the duration of the program to administer and monitor the grants. The department plans to request funds to support the additional personnel through separate legislation.

### PROJECT SCHEDULE

	Start Date	Completion Date
Request Grant Applications	March 2013	August 2013
Prioritize Grant Applications	August 2013	October 2013
Award Contracts	October 2013	February 2014
Implement and Monitor Contracts	February 2014	May 2016

# Fiscal Year 2013-14 Capital Construction Request

## Public Safety

*Business System Replacement, Ports of Entry*

### PROGRAM PLAN STATUS

2014-011

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

Prioritized By      Priority

DeptInst            1 of 1

OSPB                NP of 29      Not prioritized. Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$0	\$0	\$1,500,000	\$0	\$1,500,000
HUTF	\$0	\$1,500,000	\$0	\$0	\$1,500,000
<b>Total</b>	\$0	<b>\$1,500,000</b>	\$1,500,000	\$0	\$3,000,000

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$1,490,000	\$1,500,000	\$0	\$2,990,000
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$10,000	\$0	\$0	\$10,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	<b>\$1,500,000</b>	\$1,500,000	\$0	\$3,000,000

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Public Safety (DPS) is requesting cash funds spending authority for the first phase of a two-phase project to purchase a new electronic business system for the Port of Entry Unit. Pursuant to House Bill 12-1019, management of the ports shifted from the Department of Revenue (DOR) to the DPS at the beginning of FY 2012-13. The new system will provide increased efficiencies, capabilities, and reliability and reduce data entry through automation.

This year's request for Phase I funds procurement of the system and begins development of the system. Phase II will fund continue to develop and test the system, train personnel in its use, and complete system implementation.

The project focuses on developing:

- a new port of entry interface accessible at all ports to screen vehicles and perform port business;
- new databases for storing and recalling data generated by ports;
- interfaces for exchanging information with multiple systems within the Colorado State Patrol (CSP) and other state agencies; and
- reporting tools for review, analysis, and financial reconciliation.

The CSP anticipates that it will use a modified commercial off-the-shelf (COTS) system; however, if that is not

# Fiscal Year 2013-14 Capital Construction Request

## Public Safety

### *Business System Replacement, Ports of Entry*

feasible, the CSP plans to develop a system from the ground up.

The state has 17 port-of-entry facilities. Ports of entry perform a number of functions statewide that will be administered by the new system, including:

- checking commercial vehicle registrations and commercial driver licenses;
- operating commercial safety programs that include inspections of vehicles transporting hazardous and nuclear materials;
- enforcing size and weight requirements; and
- collecting revenue, including international fuel and Public Utilities Commission permits and fees.

The department explains that funding for Phase II has been requested from federal funds through a Commercial Vehicle Information Systems and Networks (CVISN) grant. It anticipates that the grant will be awarded in November 2012.

## PROJECT JUSTIFICATION

The Ports of Entry are responsible for screening motor carriers, vehicles, and drivers and issuing citations, permits, and distraint warrants. Due to an increase in truck traffic and staffing limitations, the CSP requires improved screening tools to operate ports more efficiently and improve commercial vehicle safety. Due to outdated software, the current system crashes approximately once a month, which impacts all ten ports and may result in hundreds of vehicles being cleared without proper screening. The current system does not have the ability to automatically query a vehicle and carrier's safety and credentialing data. The DPS cites the following concerns with the existing system:

**An outdated and inefficient system.** According to DPS, the existing system requires port officers to use up to seven different systems and windows to view vehicle and driver information. This results in port officers spending up to 75 percent of their time entering data on vehicles and drivers into different systems. According to the department, the current system limits the port officers' time and ability to thoroughly inspect driver permits and credentials and to identify unsafe drivers and vehicles. The current system also requires significant data entry and switching between multiple screens. This can result in substantial wait times for vehicles to clear the port.

The department indicates that implementing an automated license plate reading system in conjunction with the new system will reduce vehicle wait time by almost half.

**An imminent risk of failure.** According to the department, the current system is unsupported and is at the end of its useful, practical life cycle. As a result, valuable and sensitive data stored in the current system is at risk of being corrupted.

DPS indicates that if the project is not funded, the ports of entry may not be able to clear up to six million trucks that annually pass through the ports. If the current system fails and is not replaced it could result in overweight or oversized trucks on highways, which would likely damage the state highway infrastructure. There would also be a potential loss of federal funding if system failure interferes with compliance with the Federal Highway Administration Size and Weight Enforcement Plan. Additionally, more congestion at and around the ports could affect the safety of other vehicles on the highway.

According to the department, the new system will allow for crossover data with DOR. For example, when a port officer is entering data about a carrier or vehicle, the new system will query DOR and verify information on the carrier and vehicle and determine if there are unresolved payments or credential checks. The new system would also provide for the mining of data and populating of data fields in other state systems.

## PROGRAM INFORMATION

The existing system has been in operation for over 15 years. The system is used to screen carriers, vehicles, and drivers. According to the department, the current system is unsupported and is at the end of its useful, practical life cycle.

# Fiscal Year 2013-14 Capital Construction Request

## Public Safety

### *Business System Replacement, Ports of Entry*

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#### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it is an information technology project and does not involve the renovation, design, or construction of a physical facility.

#### PROJECT STATUS

This is a new request. The department was awarded a federal Commercial Vehicle Information Systems and Networks program grant of \$765,000 in FY 2011-12. To date, the following steps of the project have been completed:

- identification of needs for the new system;
- assessment of resources available for screening and port operations;
- development of a concept of operations that defines how the new system will operate;
- development of the implementation plan; and
- development of procurement documents.

The department anticipates that system development and testing will be completed by April 2015 and that the system will be fully implemented by September 2015.

#### SOURCE OF CASH FUNDS

The source of cash funds for this project is \$1.572 million off-the-top money from the Highway Users Tax Fund (HUTF). HUTF off-the-top appropriations fund capital and operating expenses associated with the highway-related administrative functions of the Department of Public Safety for the Colorado State Patrol, including ports of entry. Off-the-top appropriations are made prior to distributions to the state and local governments for highway construction, and growth is limited to 6 percent over the prior year's appropriation. Legislative Council Staff projects that amount available from this source for FY 2013-14 is \$125.1 million. See Attachment A for additional information about the HUTF fund balance.

#### STAFF QUESTIONS AND ISSUES

1. What is the expected useful life of the new system?

*The expected useful life of the new system will be a minimum of five years, limited primarily by the expected lifecycle for hardware and software.*

#### OPERATING BUDGET

The DPS expects that operating costs at the ports will increase by \$20,000 in FY 2014-15 and \$445,000 in FY 2015-16. The increase is related to network charges and required maintenance.

# Fiscal Year 2013-14 Capital Construction Request

## Public Safety

*Business System Replacement, Ports of Entry*

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### PROJECT SCHEDULE

	Start Date	Completion Date
Request for Proposal/Contract Negotiation		
Development and Implementation	February 2012	June 2013
Independent Verification and Validation	July 2013	October 2014
System Testing	October 2014	April 2015
System Implementation	April 2015	

## FY 2013-14 Highway Users Trust Fund (HUTF) Overview

	FY 2012-13 Appropriation	FY 2013-14 Request
1 <b>HUTF BASE</b>	\$112,247,504	\$118,064,012
2 Allowable Growth (6%)	1.06	1.06
3 <b>APPROPRIATIONS LIMIT</b>	<b>\$118,982,354</b>	<b>\$125,147,853</b>
4 <b>OPERATING</b>		
5 <i>Department of Public Safety Subtotal</i>	115,800,794	123,295,447
6 <i>Department of Revenue Subtotal*</i>	-	N/A
7 <b>TOTAL OPERATING</b>	<b>115,800,794</b>	<b>123,295,447</b>
8 <b>CAPITAL CONSTRUCTION</b>		
9 <i>Department of Public Safety</i>		
10 Business System Replacement, Ports of Entry		1,500,000
11 <i>Department of Revenue</i>		
12 Northbound Scale Pit Repair, Monument Port of Entry	270,832	
13 Lot Pavement Repair/Replacement, Fort Collins Port of Entry	1,192,851	
14 Eastbound Lane and Scale Pit Repair, Fort Morgan, Port of Entry	255,094	
15 Southbound Building, Monument Port of Entry	544,441	
16 <b>TOTAL CAPITAL</b>	<b>2,263,218</b>	<b>1,500,000</b>
17 <b>TOTAL - OPERATING AND CAPITAL</b>	<b>118,064,012</b>	<b>\$124,795,447</b>
18 <b>OVER (UNDER) HUTF OFF-THE-TOP APPROPRIATIONS LIMIT</b>	<b>(\$918,342)</b>	<b>(\$352,406)</b>

*This projection is based on the assumption that the FY 2012-13 HUTF off-the-top balance will be spent in full. If no further appropriations are made during the regular supplemental process from the remaining FY 2012-13 HUTF off-the-top balance, the FY 2013-14 appropriations limit will be \$124,174,410.*

*\*Pursuant to House Bill 12-1019, management of the ports was transferred from the Department of Revenue to the Department of Public Safety at the beginning of FY 2012-13.*