

COVER PAGE

Department of Agriculture

FY 2016-17 CAPITAL CONSTRUCTION REQUEST

RECOMMENDED FOR FUNDING BY OSPB:

- Biochemistry Laboratory Facility Pesticide Laboratory Equipment (*new*)

TOTAL: FY 2016-17 CAPITAL CONSTRUCTION STATE-FUNDED REQUEST AMOUNT = \$0

FY 2016-17 CONTROLLED MAINTENANCE REQUEST (1)

NOT RECOMMENDED FOR FUNDING BY OSPB:

LEVEL II:

- Repair/Replace Water, Sanitary, and Storm Water Infrastructure, State Fairgrounds, Ph 2 of 3 (\$1,013,203)

HISTORY OF STATE FUNDING

- **\$2.7 million** has been appropriated on behalf of capital projects at the department since FY 2011-12. This represents **0.3 percent** of the total amount appropriated on behalf of all capital construction and controlled maintenance projects during this period.
- **\$0.0 million** was appropriated in **FY 2015-16**.

INVENTORY OF GENERAL FUND SUPPORTED FACILITIES

- The General Fund supported inventory of department facilities totals **880,173 GSF**. This total represents **1.9 percent** of the entire General Fund supported inventory of state buildings.

RECENT CDC VISITS

- Headquarters Building, Broomfield (August 2014)
- Branding Board (October 2013)
- Inspection and Consumer Services Lab, Denver (October 2013)
- State Fairgrounds, Pueblo (July 2013)

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Agriculture

Biochemistry Laboratory Facility Pesticide Laboratory Equipment

PROGRAM PLAN STATUS

2017-032

Approved Program Plan?

Date Approved:

PRIORITY NUMBERS

Prioritized By **Priority**

Dept/Inst 1 of 1

OSP/B N/A of 46 Recommended for funding from cash sources.

PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$0	\$860,000	\$0	\$0	\$860,000
Total	\$0	\$860,000	\$0	\$0	\$860,000

ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2016-17</u>	<u>FY 2017-18</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	\$860,000	\$0	\$0	\$860,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
Software Acquisition	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$860,000	\$0	\$0	\$860,000

PROJECT STATUS

This is a new, never-before-requested project.

PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Agriculture (CDA) is requesting cash funds spending authority to purchase testing equipment for its pesticide laboratory in order to accommodate an increased demand for testing pesticide residue on marijuana plants.

The project purchases a new nitrogen gas storage and delivery system and additional laboratory testing equipment, including two types of liquid chromatographs.

Inspection and Consumer Services Division. The pesticide laboratory is part of the department's Inspection and Consumer Services Division (ICS). The division is housed in a building in the Denver Highlands neighborhood. Although the department originally planned to sell the building to offset the cost of certificates of participation issued in 2013 to finance the purchase of a new building, the growing demand for laboratory services provided by the division has delayed this sale and the planned relocation of the ICS. The department says it still plans to relocate the ICS in the near future.

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The project request originally included some renovations to the existing lab building. However, after discussion with the department, these costs have been removed from the project total because there is little interest in renovating a building planned for eventual sale. The equipment purchased under the request is moveable.

Cost assumption. The cost assumption is based on the price of the needed equipment as of July 2015, with an assumption that this equipment will be purchased beginning in spring 2016. The project is not required to meet the requirements of the Art in Public Places or High Performance Certification Programs.

PROJECT JUSTIFICATION

According to the department, the number of complaints about pesticide misapplication — and thus the need for testing — has increased significantly since marijuana agriculture was legalized in the state. The department says the purchase of a new nitrogen gas storage and delivery system and additional testing equipment will reduce the amount of time it takes to test marijuana samples. The new nitrogen gas storage and delivery system will allow ICS to operate more equipment simultaneously, thus increasing its testing capacity. Current capacity only allows two instruments to run at the same time. The current testing time ranges from several weeks to several months. After the new equipment is purchased and installed, the department anticipates that it will see a 50 percent reduction in testing turnaround time within 30 days of implementation. CDA believes it will reach its target testing turnaround time of 14 to 30 days within three months of installation. This goal matches the turnaround time of most commercial laboratories. According to the department, timely testing is needed in order to better enforce violations related to pesticide misuse and misapplication. Furthermore, a delay in testing can impact the quality of the samples tested.

PROGRAM INFORMATION

The Biochemistry Laboratory is part of the CDA pesticide program within ICS and provides laboratory analysis of pesticide residues on agricultural produces to determine if a misapplication or misuse of a pesticide has occurred. CDA currently tests pesticide use on behalf of 950 marijuana and hemp clients.

PROJECT SCHEDULE

	Start Date	Completion Date
Design		
Construction		
Equipment	May 2016	June 2017
Occupancy		

HIGH PERFORMANCE CERTIFICATION PROGRAM

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

SOURCE OF CASH FUNDS

The source of cash funds is the Marijuana Tax Cash Fund created in Section 39-28.5-501, C.R.S. The fund accrues revenue from taxes on the sale of retail and medical marijuana.

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OPERATING BUDGET

The department anticipates an increase in operating costs for maintenance agreements on the new laboratory equipment. These costs will be paid from increased fee collections resulting from an increase in testing capacity.

STAFF QUESTIONS AND ISSUES

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