

Schedule 13

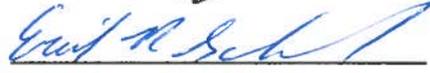
Funding Request for the FY 2015-16 Budget Cycle

Department of Health Care Policy and Financing

PB Request Number SBA-12

Request Titles

S-12 Leased Space True-Up
BA-12 Leased Space True-Up

Dept. Approval By:	Josh Block 	<u> </u>	X	Supplemental FY 2014-15
		<u> </u>		Change Request FY 2015-16
		<u> </u>		Base Reduction FY 2015-16
OSPB Approval By:		<u> </u>	X	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Original Appropriation	Supplemental Request	Base Request	Governor's Revised Request	Budget Amendment
	Total	\$10,969,071	\$872,302	\$9,139,283	\$428,185	\$728,856
	FTE	-	-	-	-	-
Total of All Line Items	GF	\$4,395,609	\$453,982	\$3,495,646	\$169,675	\$290,854
	CF	\$932,831	(\$17,830)	\$951,976	\$44,417	\$73,574
	RF	\$23,910	\$0	\$23,910	\$0	\$0
	FF	\$5,616,721	\$436,150	\$4,667,751	\$214,093	\$364,428

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Original Appropriation	Supplemental Request	Base Request	Governor's Revised Request	Budget Amendment
	Total	\$3,345,159	\$922,083	\$1,946,037	\$12,360	\$12,360
	CF	\$62,577	\$0	\$62,577	\$0	\$0
01. Executive Director's Office - Operating Expenses	FF	\$1,681,676	\$461,041	\$976,139	\$6,180	\$6,180
	GF	\$1,576,996	\$461,042	\$883,411	\$6,180	\$6,180
	RF	\$23,910	\$0	\$23,910	\$0	\$0

	Total	\$1,472,104	(\$183,868)	\$1,711,738	\$415,825	\$716,496
	CF	\$142,754	(\$17,830)	\$161,899	\$44,417	\$73,574
01. Executive Director's Office - Leased Space	FF	\$736,052	(\$91,934)	\$855,869	\$207,913	\$358,248
	GF	\$593,298	(\$74,104)	\$693,970	\$163,495	\$284,674

	Total	\$6,151,808	\$134,087	\$5,481,508	\$0	\$0
01. Executive	CF	\$727,500	\$0	\$727,500	\$0	\$0
Director's Office -	FF	\$3,198,993	\$67,043	\$2,835,743	\$0	\$0
General Professional	GF	\$2,225,315	\$67,044	\$1,918,265	\$0	\$0
Services and Special						
Projects						

Letternote Text Revision Required?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	If Yes, describe the Letternote Text Revision:
For FY 2014-15					
^a Of this amount, \$3,466,183 \$3,448,353 shall be from the Hospital Provider Fee Cash Fund...					
For FY 2015-16					
^a Of this amount, \$3,466,183 \$3,510,600 shall be from the Hospital Provider Fee Cash Fund...					
Cash or Federal Fund Name and CORE Fund Number: FF: Title XIX CF: Hospital Provider Fee (24A0)					
Reappropriated Funds Source, by Department and Line Item Name:					N/A
Approval by OIT?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Not Required: <input type="checkbox"/>
Schedule 13s from Affected Departments:			OIT	<input type="checkbox"/>	<input type="checkbox"/>
Other Information:			N/A		



Cost and FTE

- The Department requests \$872,302 total funds, \$453,982 General Fund, in FY 2014-15 to true up funding appropriated for its Leased Space line item and to acquire and build out additional leased space.
- The Department requests \$428,185 total funds, \$169,675 General Fund, in FY 2015-16 to fund the leased space costs on the additional space.

Current Program

- In March 2015, several of the Department's leases at 225 E. 16th Avenue will expire.
- The Department was appropriated additional funds for its Leased Space line as part of FY 2014-15 S-6/BA-6 "Leased Space True-Up" in anticipation of a projected increase in rental costs when it enters into new leased space agreements in April 2015.
- The Department was also appropriated funds to build out leased space in the locations of the new leased space agreements.

Problem or Opportunity

- The Department was able to negotiate lease terms for the 11th and 12th floors of 303 E. 17th Avenue which resulted in a substantially reduced funding need in FY 2014-15.
- Based on the Department's recent experience with building out the 7th floor of 303 E. 17th Avenue, the Department does not have sufficient funding to build out the 11th and 12th floors of the building.
- The build out of the 12th floor will take longer than expected, and the Department will not be able to move staff on to the floor for three to six months after the leases at 225 E. 16th Avenue expire.
- The Department determined that the 11th and 12th floors do not have sufficient space for all employees who are currently placed at 225 E. 16th Avenue. The Department has an opportunity to lease an additional floor at 303 E. 17th Avenue and would need to renew its lease on one floor at 225 E. 16th Avenue during the transition period. The Department would also need funding to build out the additional floor at 303 E. 17th Avenue.

Consequences of Problem

- If this request is not approved, the Department would have excess funding included in its Leased Space line item in FY 2014-15, which would be unspent and revert at the end of the fiscal year. The Department would have insufficient funding in its Operating Expenses and General Professional Services lines to build out newly acquired spaces.
- The Department would lack the needed funding in FY 2015-16 to acquire additional space at 303 E. 17th Avenue and renew its lease on two floors at 225 E. 16th Avenue.

Proposed Solution

- In order to true up previously appropriated funding, the Department requests a reduction of funding for its Leased Space line and an increase in funding for its Operating Expenses and General Professional Services lines in FY 2014-15.
- The Department also requests an increase in funding in FY 2014-15 to build out an additional space.
- For FY 2015-16, the Department requests an increase in funding to lease the additional space.



COLORADO

Department of Health Care
Policy & Financing

FY 2014-15 and FY 2015-16 Funding Request | January 2, 2015

John W. Hickenlooper
Governor

Susan E. Birch
Executive Director

Department Priority: S-12, BA-12
Request Detail: Leased Space True-Up

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
Leased Space True-Up	\$872,302	\$453,982

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Leased Space True-Up	\$428,185	\$169,675

Problem or Opportunity:

The Department was appropriated additional funds for its Leased Space line as part of FY 2014-15 S-6/BA-6 “Leased Space True-Up”. The increase in funding was based on a projected increase in rental costs when several of its current leases at 225 E. 16th Avenue expire in March 2015. Since then, the Department entered into a lease for a new location, the 11th and 12th floors of 303 E. 17th Avenue, which commences in April 2015. The Department negotiated an abated rent period for the first five months of the lease, resulting in a substantial reduction in the amount needed for its Leased Space line item in FY 2014-15.

The Department was also appropriated funds to build out the new location upon expiration of its leases. Based on the Department’s recent experience building out the 7th floor of 303 E. 17th Avenue, the Department does not have sufficient funding to build out the 11th and 12th floors. The Department underestimated the funding needed to purchase networking equipment for each floor, which includes the wiring, switches, routers, and wireless capability. In addition, the Department underestimated the amount needed for conference room equipment, such as TVs, brackets, projectors, and cords. The Department also did not include funding to reimburse the Governor’s Office of Information Technology (OIT) for its time building out the space.

Based on discussions with the engineers working on the 11th and 12th floor layouts, the build out of the floors will need to be implemented on a staggered timeline, with the 11th floor completed by the end of March and the 12th floor completed three to six months after that. The Department would need to renew its lease on one floor at 225 E. 16th Avenue for six months to account for the delay in moving staff to the 12th floor.

Since its previously submitted request, the Department determined that the 11th and 12th floors at 303 E. 17th Avenue are not sufficient for all employees who are currently placed at 225 E. 16th Avenue. The Department learned that less workspaces will be able to fit into the two floors than anticipated, as much of the space is designated for lobby and elevator space. The Department has an opportunity to acquire space on the 10th floor at 303 E. 17th Avenue, the majority of which will be available by May 2015. This would help move the Department towards two consolidated locations – 1570 Grant Street and 303 E. 17th Avenue. The Department would also need to renew its lease on one floor of 225 E. 16th Avenue for the transitional period while the 10th floor is built out. The Department does not have sufficient funding in FY 2015-16 to fund the additional space and renew its lease on one floor at 225 E. 16th Avenue. If funding for the additional space is approved, the Department would need funding to build out the 10th floor of 303 E. 17th Avenue as it acquires the space.

Proposed Solution:

The Department requests a reduction of \$183,868 total funds, \$74,104 General Fund to true up previously appropriated funding for the Leased Space line item for FY 2014-15. This includes the negotiated abated rent for the 11th and 12th floors of 303 E. 17th Avenue, as well as acquiring space on the 10th floor of that building. These floors, combined with the space already leased at 303 E. 17th Avenue and 1570 Grant Street, would provide enough space for the Department's staff. The Department also requests to temporarily renew the lease on the 6th floor of 225 E. 16th Avenue due to a delay in the timeline to build out the 12th floor, as well as to renew the lease on the 9th floor until the build-out phase of the 10th floor is complete.

The Department requests an increase of \$1,056,170 total funds, \$528,086 General Fund to its Operating Expenses and General Professional Services line items for FY 2014-15. This incorporates updated estimates of the funding needed to build out the 11th and 12th floors and the new funding needed to build out the 10th floor.

The Department anticipates that the construction on the 10th floor would begin in May 2015, when the majority of the space is available. The Department is requesting funding for the build out in FY 2014-15; however, the timeline for the completion of the build out is uncertain. Therefore, the Department also requests roll forward authority into FY 2015-16 for any funding that remains unspent in the event that the project cannot be completed by the end of June.

For FY 2015-16, the Department requests an increase in funding of \$428,185 total funds, \$169,675 General Fund, to continue to lease the additional space on the 10th floor of 303 E. 17th Avenue and to fund the temporary leases on two floors at 225 E. 16th Avenue. The Department requests continuation funding of \$728,856 total funds, \$290,854 General Fund, for FY 2016-17.

Anticipated Outcomes:

The approval of this request would prevent a significant reversion from the Department's Leased Space line item in FY 2014-15, and would provide the necessary funding for the Department to complete its build out of newly acquired space at 303 E. 17th Avenue. It would allow the Department to acquire and build out an

additional floor, which would ensure the Department has adequate space to continue to administer its programs.

Assumptions and Calculations:

A detailed description of the Department's calculations for this request can be found in Appendix A.

Leased Space Costs

To estimate the funding need for this request, estimated rental rates are assumed based on the Department's existing leases. Leased space operating expenses at currently leased locations are estimated based on historical operating expenses actually incurred by the Department for those floors. The Department assumes that the operating expenses for these locations will increase by 19.47% each year, which is the average rate of increase between CY 2013 and CY 2014. For leased space at 303 E. 17th Avenue, the Department assumes that it would pay operating expenses at an average rate of 10% of the monthly rent, starting after the first year of the lease term. This is a preliminary estimate as the Department is still working with the building landlord and the Office of the State Architect to develop final plans and costs. If the costs are significantly different than estimated, the Department may request the difference through the regular budget process.

The Department assumes that the majority of the staff currently located at 225 E. 16th Avenue will move to the 11th and 12th floors of 303 E. 17th Avenue when the leases expire, with the exception of people located on the 6th, 9th, and basement floors. The Department assumes that staff currently located on the 6th floor would move once the build out of the 12th floor is complete, and staff located on the 9th floor would move once the build out of the 10th floor is complete. The Department projects that the build out of the 10th floor would be finished by the end of June 2015, but may take longer, as described in detail below. The lease for the basement floor does not expire until 2018.

Build-Out Costs

The Department based cost estimates for equipment and furnishings for the 11th and 12th floors of 303 E. 17th Avenue on quotes from the vendors that built out the 7th floor of the building in FY 2013-14. The revised estimates based on these quotes are outlined in detail in Appendix A. The Department assumes that it would need funding for additional wattage on the equipment for the floors, based on a recommendation from OIT on the capacity constraints of the Department's current equipment. The Department also assumes that it would need funding to remove and dispose of the furnishings on the floors of 225 E. 16th Avenue that will be vacated.

Unlike in previous requests, the Department assumes it would need to reimburse OIT for all resource hours spent on the build-out project. The number of hours by employee type and hourly rate as projected by OIT are provided in Appendix A. These are new costs that were not previously requested, as the Department was not aware that OIT's resource hours would need to be compensated separately from common policy.

The Department assumes that it would need additional funding for equipment and furnishings if it acquires the 10th floor of 303 E. 17th Avenue, and that the costs would be comparable to the need for the 11th and

12th floors. The Department assumes that it would need funding to build out cubicles and to move employees to the new space. To estimate the number of work spaces that would fit on the 10th floor, the Department divided the square feet available on the 10th floor by the square feet per work space in the current layout of the 7th floor. Similarly to the 11th and 12th floors, the Department assumes it would need to compensate OIT for any hours spent on the project. The calculations for the 10th floor build-out costs are detailed in Appendix A.

The majority of the leased space on the 10th floor will be available by May 2015. The Department's initial projections indicate that the build out of the 10th floor would be completed in June 2015, in which case the Department would need the full amount of funding for the build out in FY 2014-15. However, it may take longer than anticipated if any unforeseen issues arise during construction. Because the timeline cannot be precisely estimated, and because the Department would not know about construction delays until after the legislative session ends, the Department is requesting roll-forward authority into FY 2015-16 for the funding needed to build out the 10th floor.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

This request is due to new information on the Department's rental costs for FY 2014-15 and the space needed in FY 2015-16 and ongoing, as well as an updated timeline on the build out of newly leased floors. It is also based on revised quotes for the costs to build out the newly leased floors.

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

Table 1.1							
FY 2014-15 Summary of Request							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	Leased Space	(\$183,868)	(\$74,104)	(\$17,830)	(\$91,934)	50.00%	Table 2.1, Row E
B	Operating Expenses	\$922,083	\$461,042	\$0	\$461,041	50.00%	Table 2.2, Row E
C	General Professional Services and Special Projects	\$134,087	\$67,044	\$0	\$67,043	50.00%	Table 2.3, Row C
D	Total Request Amount	\$872,302	\$453,982	(\$17,830)	\$436,150	50.00%	Row A + Row B + Row C

Table 1.2							
FY 2015-16 Summary of Request							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	Leased Space	\$415,825	\$163,495	\$44,417	\$207,913	50.00%	Table 3.1, Row E
B	Operating Expenses	\$12,360	\$6,180	\$0	\$6,180	50.00%	Table 3.2, Row C
C	Total Request Amount	\$428,185	\$169,675	\$44,417	\$214,093	50.00%	Row A + Row B

Table 1.3							
FY 2016-17 Summary of Request							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	Leased Space	\$716,496	\$284,674	\$73,574	\$358,248	50.00%	Table 4.1, Row C
B	Operating Expenses	\$12,360	\$6,180	\$0	\$6,180	50.00%	Table 4.2, Row C
C	Total Request Amount	\$728,856	\$290,854	\$73,574	\$364,428	50.00%	Row A + Row B

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

Table 2.1 FY 2014-15 Request Amount for Leased Space							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	HB 14-1336 FY 2014-15 Long Bill	\$1,472,104	\$593,298	\$142,754	\$736,052	50.00%	Long bill amount
B	FY 2013-14 R-5 "MMIS Reprocurement"	\$127,429	\$11,382	\$2,318	\$113,729	89.25%	Amount requested and approved for leased space
C	FY 2014-15 Spending Authority for Leased Space	\$1,599,533	\$604,680	\$145,072	\$849,781	53.13%	Row A + Row B
D	Leased Space Need	\$1,415,665	\$530,576	\$127,242	\$757,847	53.53%	Table 5.1, Grand Total
E	Request Amount	(\$183,868)	(\$74,104)	(\$17,830)	(\$91,934)	50.00%	Row D - Row C

Table 2.2 FY 2014-15 Request Amount for Operating							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	Spending Authority for Equipment and Furnishings, Buildout, and Moving Costs	\$1,420,402	\$710,201	\$0	\$710,201	50.00%	Amount requested and approved in FY 2014-15 S-6/BA-6 "Leased Space True-Up"
B	Equipment and Furnishings, Build Out, and Moving Costs Need	\$2,342,485	\$1,171,243	\$0	\$1,171,242	50.00%	Table 6.1.1, Row G
C	Request Amount	\$922,083	\$461,042	\$0	\$461,041	50.00%	Row B - Row A

Table 2.3 FY 2014-15 Request Amount for General Professional Services							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	Spending Authority for OIT Project Support	\$0	\$0	\$0	\$0	50.00%	
B	OIT Project Support Need	\$134,087	\$67,044	\$0	\$67,043	50.00%	Table 6.1.2, Row C
C	Request Amount	\$134,087	\$67,044	\$0	\$67,043	50.00%	Row B - Row A

Table 3.1 FY 2015-16 Request Amount for Leased Space							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	FY 2015-16 Continuation Amount	\$1,599,533	\$604,680	\$145,072	\$849,781	53.13%	Table 2.1, Row C
B	Annualization of FY 2014-15 S-6, BA-6 "Leased Space"	\$239,634	\$100,672	\$19,145	\$119,817	50.00%	Annualization of amount requested and approved
C	FY 2015-16 Spending Authority for Leased Space	\$1,839,167	\$705,352	\$164,217	\$969,598	52.72%	Row A + Row B
D	Leased Space Need	\$2,254,992	\$868,847	\$208,634	\$1,177,511	52.22%	Table 5.2, Grand Total
E	Request Amount	\$415,825	\$163,495	\$44,417	\$207,913	50.00%	Row D - Row C

Table 3.2 FY 2015-16 Request Amount for Operating							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	Spending Authority for Equipment and Furnishings, Buildout, and Moving Costs	\$25,820	\$12,910	\$0	\$12,910	50.00%	Amount requested and approved in FY 2014-15 S-6/BA-6 "Leased Space True-Up"
B	Equipment and Furnishings, Build Out, and Moving Costs Need	\$38,180	\$19,090	\$0	\$19,090	50.00%	Table 6.2, Row C
C	Request Amount	\$12,360	\$6,180	\$0	\$6,180	50.00%	Row B - Row A

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

Table 4.1							
FY 2016-17 Request Amount for Leased Space							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	FY 2015-16 Continuation Amount	\$1,839,167	\$705,352	\$164,217	\$969,598	52.72%	Table 3.1, Row C
B	Leased Space Need	\$2,555,663	\$990,026	\$237,791	\$1,327,846	51.96%	Table 5.3, Grand Total
C	Request Amount	\$716,496	\$284,674	\$73,574	\$358,248	50.00%	Row B - Row A

Table 4.2							
FY 2016-17 Request Amount for Operating							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP Rate	Description
A	Continuation Amount for Equipment and Furnishings, Buildout, and Moving Costs	\$25,820	\$12,910	\$0	\$12,910	50.00%	Amount requested and approved in FY 2014-15 S-6/BA-6 "Leased Space True-Up"
B	Equipment and Furnishings, Build Out, and Moving Costs Need	\$38,180	\$19,090	\$0	\$19,090	50.00%	Table 6.3, Row C
C	Request Amount	\$12,360	\$6,180	\$0	\$6,180	50.00%	Row B - Row A

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

Table 5.1: FY 2014-15 Leased Space Need by Floor										
Space	Square Feet	July through March				April through June				Total Cost
		Monthly Rent	Number of Months Paid	Total Cost of Rent	Estimated Operating Expenses ¹	Monthly Rent	Number of Months Paid	Total Cost of Rent	Estimated Operating Expenses ¹	
225 E. 16th 1st Floor	7,239	\$10,683.56	9	\$96,152	\$0	\$0.00	0	\$0	\$0	\$96,152
225 E. 16th 2nd Floor	5,817	\$8,584.92	9	\$77,264	\$0	\$0.00	0	\$0	\$0	\$77,264
225 E. 16th 3rd Floor	1,770	\$2,696.30	9	\$24,267	\$0	\$0.00	0	\$0	\$0	\$24,267
225 E. 16th 6th Floor	8,347	\$12,318.78	9	\$110,869	\$0	\$12,318.78	3	\$36,956	\$0	\$147,825
225 E. 16th 6th Floor Suite 690	2,440	\$3,601.03	9	\$32,409	\$599	\$3,601.03	3	\$10,803	\$224	\$44,035
225 E. 16th 9th Floor	10,846	\$17,136.69	9	\$154,230	\$12,626	\$17,136.69	3	\$51,410	\$4,721	\$222,987
225 E. 16th 10th Floor	2,676	\$4,076.44	9	\$36,688	\$5,175	\$0.00	0	\$0	\$0	\$41,863
225 E. 16th Basement Training Room	765	\$746.51	9	\$6,719	\$891	\$746.51	3	\$2,240	\$333	\$10,183
225 E. 16th Basement Suite B52	2,791	\$3,421.30	9	\$30,792	\$513	\$3,421.30	3	\$10,264	\$192	\$41,761
225 E. 16th Storage	80	\$80.00	9	\$720	\$0	\$80.00	3	\$240	\$0	\$960
Total for Currently Leased Floors at 225 E. 16th Ave.	42,771	\$63,345.53	-	\$570,110	\$19,804	\$37,304.31	-	\$111,913	\$5,470	\$707,297
303 E. 17th 3rd Floor LEAN Conference Room ²	847	\$1,514.01	8	\$12,112	\$303	\$1,514.01	3	\$4,542	\$454	\$17,411
303 E. 17th 7th Floor ²	25,935	\$46,358.81	8	\$370,870	\$9,272	\$46,358.81	3	\$139,076	\$13,908	\$533,126
303 E. 17th 11th and 12th Floors ³	50,599	\$0.00	0	\$0	\$0	\$97,403.00	0	\$0	\$0	\$0
Total for Currently Leased Floors at 303 E. 17th Ave.	77,381	\$47,872.82	-	\$382,982	\$9,575	\$145,275.82	-	\$143,618	\$14,362	\$550,537
303 E. 17th 10th Floor Suite 1020	5,264	\$6,711.60	1	\$6,712	\$0	\$6,711.60	3	\$20,135	\$0	\$26,848
303 E. 17th 10th Floor Suite 1000	10,279	\$0.00	0	\$0	\$0	\$13,105.73	2	\$26,211	\$0	\$26,211
303 E. 17th 10th Floor Suite 1080	3,150	\$0.00	0	\$0	\$0	\$0.00	0	\$0	\$0	\$0
Total for New Leased Space at 303 E. 17th Ave.	18,693	\$6,711.60	-	\$6,712	\$0	\$19,817.33	-	\$46,346	\$0	\$53,059
1120 Lincoln Suite 125	4,978	\$8,731.15	9	\$78,580	\$0	\$8,731.15	3	\$26,193	\$0	\$104,773
Total for Currently Leased Floors at 1120 Lincoln St.	4,978	\$8,731.15	-	\$78,580	\$0	\$8,731.15	-	\$26,193	\$0	\$104,773
Grand Total for All Floors	143,823	\$126,661.10	-	\$1,038,384	\$29,379	\$211,128.61	-	\$328,070	\$19,832	\$1,415,665

¹ For floors leased at 225 E. 16th Ave., operating expenses are estimated based on those actually incurred and are assumed to increase by 19.47% from CY 2014 to CY 2015. For floors leased at 303 E. 17th Ave., the Department assumes that it would pay operating expenses at an average rate of 10% of the monthly rent, starting after the first year of the lease term.

² The leases for 303 E 17th 3rd Floor Conference Room and 303 E 17th 7th Floor commenced in February 2014, but the Department will not begin paying rent for them until August 2014.

³ The lease for 303 E 17th 11th and 12th floors will commence in April 2015, but the Department will not begin paying rent for them until September 2015.

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

Table 5.2: FY 2015-16 Leased Space Need by Floor						
Space	July through June					Total Cost
	Square Feet	Monthly Rent	Number of Months Paid	Total Cost of Rent	Estimated Operating Expenses¹	
225 E. 16th 1st Floor	7,239	\$0.00	0	\$0	\$0	\$0
225 E. 16th 2nd Floor	5,817	\$0.00	0	\$0	\$0	\$0
225 E. 16th 3rd Floor	1,770	\$0.00	0	\$0	\$0	\$0
225 E. 16th 6th Floor	8,347	\$12,318.78	3	\$36,956	\$0	\$36,956
225 E. 16th 6th Floor Suite 690	2,440	\$3,601.03	3	\$10,803	\$246	\$11,049
225 E. 16th 9th Floor	10,846	\$17,136.69	9	\$154,230	\$15,543	\$169,773
225 E. 16th 10th Floor	2,676	\$0.00	0	\$0	\$0	\$0
225 E. 16th Basement Training Room	765	\$746.51	12	\$8,958	\$1,462	\$10,420
225 E. 16th Basement Suite B52	2,791	\$3,421.30	12	\$41,056	\$842	\$41,898
225 E. 16th Storage	80	\$80.00	12	\$960	\$0	\$960
Total for Currently Leased Floors at 225 E. 16th Ave.	42,771	\$37,304.31	-	\$252,963	\$18,093	\$271,056
303 E. 17th 3rd Floor LEAN Conference Room	847	\$1,531.66	12	\$18,380	\$1,838	\$20,218
303 E. 17th 7th Floor	25,935	\$46,899.13	12	\$562,790	\$56,279	\$619,069
303 E. 17th 11th and 12th Floors ²	50,599	\$97,403.08	10	\$974,031	\$29,221	\$1,003,252
Total for Currently Leased Floors at 303 E. 17th Ave.	77,381	\$145,833.86	-	\$1,555,201	\$87,338	\$1,642,539
303 E. 17th 10th Floor Suite 1020	5,264	\$8,532.10	12	\$102,385	\$5,119	\$107,504
303 E. 17th 10th Floor Suite 1000	10,279	\$16,660.61	12	\$199,927	\$3,332	\$203,259
303 E. 17th 10th Floor Suite 1080	3,150	\$5,105.64	6	\$30,634	\$0	\$30,634
Total for New Leased Space at 303 E. 17th Ave.	18,693	\$30,298.35	-	\$332,946	\$8,451	\$341,397
1120 Lincoln Suite 125	4,978	\$0.00	0	\$0	\$0	\$0
Total for Currently Leased Floors at 1120 Lincoln St.	4,978	\$0.00	-	\$0	\$0	\$0
Grand Total for All Floors	143,823	\$213,436.52	-	\$2,141,110	\$113,882	\$2,254,992

¹ For floors leased at 225 E. 16th Ave., operating expenses are estimated based on those actually incurred and are assumed to increase by 19.47% each year. For floors leased at 303 E. 17th Ave., the Department assumes that it would pay operating expenses at an average rate of 10% of the monthly rent, starting after the first year of the lease term.

² The lease for 303 E 17th 11th and 12th floors will commence in April 2015, but the Department will not begin paying rent for them until September 2015.

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

Table 5.3:						
FY 2016-17 Leased Space Need by Floor						
Space	July through June					Total Cost
	Square Feet	Monthly Rent	Number of Months Paid	Total Cost of Rent	Estimated Operating Expenses¹	
225 E. 16th 1st Floor	7,239	\$0.00	0	\$0	\$0	\$0
225 E. 16th 2nd Floor	5,817	\$0.00	0	\$0	\$0	\$0
225 E. 16th 3rd Floor	1,770	\$0.00	0	\$0	\$0	\$0
225 E. 16th 6th Floor	8,347	\$0.00	0	\$0	\$0	\$0
225 E. 16th 6th Floor Suite 690	2,440	\$0.00	0	\$0	\$0	\$0
225 E. 16th 9th Floor	10,846	\$0.00	0	\$0	\$0	\$0
225 E. 16th 10th Floor	2,676	\$0.00	0	\$0	\$0	\$0
225 E. 16th Basement Training Room	765	\$746.51	12	\$8,958	\$1,747	\$10,705
225 E. 16th Basement Suite B52	2,791	\$3,421.30	12	\$41,056	\$1,006	\$42,062
225 E. 16th Storage	80	\$80.00	12	\$960	\$0	\$960
Total for Currently Leased Floors at 225 E. 16th Ave.	42,771	\$4,247.81	-	\$50,974	\$2,753	\$53,727
303 E. 17th 3rd Floor LEAN Conference Room	847	\$1,552.83	12	\$18,634	\$1,863	\$20,497
303 E. 17th 7th Floor	25,935	\$47,547.50	12	\$570,570	\$57,057	\$627,627
303 E. 17th 11th and 12th Floors	50,599	\$99,089.71	12	\$1,189,077	\$118,908	\$1,307,985
Total for Currently Leased Floors at 303 E. 17th Ave.	77,381	\$148,190.05	-	\$1,778,281	\$177,828	\$1,956,109
303 E. 17th 10th Floor Suite 1020	5,264	\$11,734.33	12	\$140,812	\$14,081	\$154,893
303 E. 17th 10th Floor Suite 1000	10,279	\$22,913.60	12	\$274,963	\$27,496	\$302,459
303 E. 17th 10th Floor Suite 1080	3,150	\$7,021.87	12	\$84,262	\$4,213	\$88,475
Total for New Leased Space at 303 E. 17th Ave.	18,693	\$41,669.80	-	\$500,037	\$45,790	\$545,827
1120 Lincoln Suite 125	4,978	\$0.00	0	\$0	\$0	\$0
Total for Currently Leased Floors at 1120 Lincoln St.	4,978	\$0.00	-	\$0	\$0	\$0
Grand Total for All Floors	143,823	\$194,107.66	-	\$2,329,292	\$226,371	\$2,555,663

¹ For floors leased at 225 E. 16th Ave., operating expenses are estimated based on those actually incurred and are assumed to increase by 19.47% each year. For floors leased at 303 E. 17th Ave., the Department assumes that it would pay operating expenses at an average rate of 10% of the monthly rent, starting after the first year of the lease term.

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

Table 5.4: Reference Table - Current Leased Space		
Space	Square Feet	Expiration Date
225 E. 16th 1st Floor	7,239	3/31/2015
225 E. 16th 2nd Floor	5,817	3/31/2015
225 E. 16th 3rd Floor	1,770	3/31/2015
225 E. 16th 6th Floor	8,347	3/31/2015
225 E. 16th 6th Floor – 690	2,440	3/31/2015
225 E. 16th 9th Floor	10,846	3/31/2015
225 E. 16th 10th Floor	2,676	3/31/2015
225 E. 16th Basement Trng Room	765	3/31/2015
225 E. 16th Suite B52	2,791	5/31/2018
225 E. 16th Storage	80	3/31/2015
Total for Currently Leased Floors at 225 E. 16th Ave.	42,771	-
303 E. 17th 3rd Floor LEAN Conference Rm	847	3/31/2020
303 E. 17th Suite 700	25,935	3/31/2020
303 E. 17th 11th and 12th Floors	50,599	3/31/2020
Total for Currently Leased Floors at 303 E. 17th Ave.	77,381	-
1120 Lincoln St. Suite 125 ¹	4,978	3/31/2015
Total for Currently Leased Floors at 1120 Lincoln St.	4,978	-
Grand Total for All Floors	125,130	-

¹ The Department has the option to extend the lease at 1120 Lincoln St. beyond the expiration date. The Department assumes that the lease will be extended through June 30, 2015.

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

**Table 6.1.1:
FY 2014-15 Request Amount for Equipment and Furnishings, Build Out, and Moving Costs**

Row	Item	Total Need	Appropriated Amount	Amount Requested	Description
	<i>11th and 12th Floors of 303 E. 17th Ave.</i>				
A	Equipment and Furnishings	\$635,782	\$496,320	\$139,462	Table 7.1, Row P
B	Cubicle Build Out and Moving Costs	\$949,082	\$924,082	\$25,000	Amount requested and approved in FY 2014-15 S-6/BA-6 "Leased Space True-Up" plus estimated cost to remove and dispose of furnishings currently at 225 E. 16th Avenue
C	Total Operating Costs - 11th and 12th Floors	\$1,584,864	\$1,420,402	\$164,462	Row A + Row B
	<i>10th Floor of 303 E. 17th Ave.</i>				
D	Equipment and Furnishings	\$323,201	\$0	\$323,201	Table 8.1, Row P
E	Cubicle Build Out and Moving Costs	\$434,420	\$0	\$434,420	Table 8.2, Row C
F	Total Operating Costs - 10th Floor	\$757,621	\$0	\$757,621	Row D + Row E
G	Total Operating Costs	\$2,342,485	\$1,420,402	\$922,083	Row C + Row F

**Table 6.1.2:
FY 2014-15 Request Amount for OIT Project Support**

Row	Item	Total Need	Appropriated Amount	Amount Requested	Description
A	OIT Project Support - 11th and 12th Floors	\$89,391	\$0	\$89,391	Table 7.2, Row H
B	OIT Project Support - 10th Floor	\$44,696	\$0	\$44,696	Table 8.3, Row H
C	Total General Professional Services Costs	\$134,087	\$0	\$134,087	Row A + Row B

Note: The Department requests roll forward authority on funding appropriated in FY 2014-15 for the 10th floor build out as the construction may carry over into FY 2015-16.

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

Table 6.2:
FY 2015-16 Request Amount for Equipment and Furnishings

Row	Item	Total Need	Appropriated Amount	Amount Requested	Description
A	Equipment and Furnishings - 11th and 12th Floors	\$25,820	\$25,820	\$0	Table 7.1, Row P
B	Equipment and Furnishings - 10th Floor	\$12,360	\$0	\$12,360	Table 8.1, Row P
C	Total Operating Costs	\$38,180	\$25,820	\$12,360	Row A + Row B

Table 6.3:
FY 2016-17 Request Amount for Equipment and Furnishings

Row	Item	Total Need	Appropriated Amount	Amount Requested	Description
A	Equipment and Furnishings - 11th and 12th Floors	\$25,820	\$25,820	\$0	Table 7.1, Row P
B	Equipment and Furnishings - 10th Floor	\$12,360	\$0	\$12,360	Table 8.1, Row P
C	Total Operating Costs	\$38,180	\$25,820	\$12,360	Row A + Row B

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

**Table 7.1:
Equipment and Furnishings Costs for 11th and 12th Floors, Revised Estimate**

Row	Item	Cost Per Unit	Quantity	FY 2014-15 Total Need	FY 2015-16 and Ongoing
A	High Speed Scanners	\$5,000	2	\$10,000	\$0
B	Conference Room Tables	\$350	24	\$8,400	\$0
C	Conference Room Chairs	\$250	48	\$12,000	\$0
D	Office Furniture	\$3,000	24	\$72,000	\$0
E	Signage	\$10,620	1	\$10,620	\$0
F	Conference Room TVs	\$1,600	10	\$16,000	\$0
G	Conference Room Projectors	\$1,100	10	\$11,000	\$0
H	Conference Room Sound	\$15,750	4	\$63,000	\$0
I	Conference Room Phones	\$560	4	\$2,240	\$0
J	Conference Room Brackets	\$200	10	\$2,000	\$0
K	Conference Room Cords	\$50	10	\$500	\$0
L	Sound masking system	\$16,500	2	\$33,000	\$0
M	Physical Security System	\$10,000	2	\$20,000	\$720
N	Networking Capability ¹	\$162,511	2	\$325,022	\$25,100
O	Additional Network Capacity	\$25,000	2	\$50,000	\$0
P	Total			\$635,782	\$25,820

¹ Includes wiring, IT equipment, wireless capability, and drops.

**Table 7.2:
OIT Project Support Costs for 11th and 12th Floors, New Estimate**

Row	Item	Rate Per Hour	Number of Hours	FY 2014-15 Total Need	FY 2015-16 and Ongoing
A	Enterprise Security Engineer	\$55.13	100	\$5,513	\$0
B	Agency Specific OIT Network Engineer	\$55.37	800	\$44,296	\$0
C	Help Desk Analyst	\$41.51	500	\$20,755	\$0
D	Portfolio Manager	\$75.61	10	\$756	\$0
E	Telecommunication Analyst (or Technician)	\$45.07	300	\$13,521	\$0
F	OIT Director	\$80.00	10	\$800	\$0
G	Access Control Analyst	\$30.00	125	\$3,750	\$0
H	Total			\$89,391	\$0

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

**Table 8.1:
Equipment and Furnishings Costs for 10th Floor**

Row	Item	Cost Per Unit	Quantity	FY 2014-15 Total Need ¹	FY 2015-16 and Ongoing
A	High Speed Scanners	\$5,000	1	\$5,000	\$0
B	Conference Room Tables	\$350	12	\$4,200	\$0
C	Conference Room Chairs	\$250	24	\$6,000	\$0
D	Office Furniture	\$3,000	12	\$36,000	\$0
E	Signage	\$10,620	1	\$10,620	\$0
F	Conference Room TVs	\$1,600	5	\$8,000	\$0
G	Conference Room Projectors	\$1,100	5	\$5,500	\$0
H	Conference Room Sound	\$15,750	2	\$31,500	\$0
I	Conference Room Phones	\$560	2	\$1,120	\$0
J	Conference Room Brackets	\$200	5	\$1,000	\$0
K	Conference Room Cords	\$50	5	\$250	\$0
L	Sound masking system	\$16,500	1	\$16,500	\$0
M	Physical Security System	\$10,000	1	\$10,000	\$360
N	Networking Capability ²	\$162,511	1	\$162,511	\$12,000
O	Additional Network Capacity	\$25,000	1	\$25,000	\$0
P	Total			\$323,201	\$12,360

¹ The Department requests roll forward authority on funding appropriated in FY 2014-15 for build out as the construction may carry over into FY 2015-16.

² Includes wiring, IT equipment, wireless capability, and drops.

**Table 8.2:
Cubicle Build Out and Moving Costs for 10th Floor**

Row	Item	Cost Per Unit	Quantity ¹	FY 2014-15 Total Need ²	FY 2015-16 and Ongoing
A	Cubicle Build Out Costs	\$3,473	116	\$402,868	\$0
B	Moving Costs	\$272	116	\$31,552	\$0
C	Total			\$434,420	\$0

¹ The number of cubicles on the 10th floor is estimated based on the number of work spaces per square feet on the 7th floor.

² The Department requests roll forward authority on funding appropriated in FY 2014-15 for build out as the construction may carry over into FY 2015-16.

S-12, BA-12 Leased Space True-Up
Appendix A: Calculations and Assumptions

Table 8.3:
OIT Project Support Costs for 10th Floor

Row	Item	Rate Per Hour	Number of Hours	FY 2014-15 Total Need¹	FY 2015-16 and Ongoing
A	Enterprise Security Engineer	\$55.13	50	\$2,757	\$0
B	Agency Specific OIT Network Engineer	\$55.37	400	\$22,148	\$0
C	Help Desk Analyst	\$41.51	250	\$10,378	\$0
D	Portfolio Manager	\$75.61	5	\$378	\$0
E	Telecommunication Analyst (or Technician)	\$45.07	150	\$6,761	\$0
F	OIT Director	\$80.00	5	\$400	\$0
G	Access Control Analyst	\$30.00	62.5	\$1,875	\$0
H	Total			\$44,696	\$0

¹ The Department requests roll forward authority on funding appropriated in FY 2014-15 for build out as the construction may carry over into FY 2015-16.