

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 13-14, 2005

Reference No.: 4.4
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Glenn A. Yee
Chief
Division of Business,
Facilities and Security

Ref: **OVERVIEW OF DRAFT FISCAL YEAR 2006-07 FIVE-YEAR CAPITAL FACILITIES PLAN**

Attached, for review by the California Transportation Commission, is an overview of the Department of Transportation's Draft Fiscal Year (FY) 2006-07 Five Year Capital Outlay Infrastructure Plan for Office Facilities (Plan).

Pursuant to Government Code Section 13100, State departments are required to annually submit a Plan to the Department of Finance.

Attachment

Memorandum

To: ROSS CHITTENDEN
Chief
Division of Transportation Programming

Date: March 24, 2005

Reference No.: April CTC Meeting

From: MARISELA MONTES
Deputy Director
Administration

Ref: **REVIEW OF PROPOSED DRAFT FISCAL YEAR 2006-07 FIVE-YEAR
CAPITAL FACILITIES PLAN**

As requested by the California Transportation Commission (Commission), attached is an overview of the Department of Transportation's (Department) proposed Draft Fiscal Year (FY) 2006-07 Five Year Capital Outlay Infrastructure Plan for Office Facilities (the Plan).

The overview of the Plan is to be presented for information at the April 13-14, 2005 Commission meeting in Stockton.

OVERVIEW OF DRAFT FISCAL YEAR 2006-07 FIVE-YEAR CAPITAL FACILITIES PLAN

BACKGROUND

The Department of Transportation (Department) provides office space for approximately 14,000 employees. The space includes twelve state-owned office buildings (including Headquarters in Sacramento) and forty-five leased locations throughout the State. Pursuant to Government Code Section 13100, departments are required to annually submit a Five Year Capital Outlay Infrastructure Plan (Plan) to the Department of Finance (DOF). This report highlights accomplishments over the past year, goals, and an overview of the Plan.

GOALS

Six district office buildings were constructed during the 1950's and one was constructed during the 1930's. The average useful life of a government office building is 50 to 60 years. These seven district office buildings (primary space) will exceed the 50-year life expectancy timeframe during the Plan period. Facility maintenance has become increasingly difficult due to the age and condition of the facilities, as well as the difficulty in obtaining repair/replacement parts. Facility studies are required to assess building conditions, identify and prioritize repairs, evaluate and prioritize long-term office space needs (lease, renovation, new construction), and to develop a long-range office facility master plan strategy. Given the age of the buildings, timeframe for completing capital outlay facility projects (3 to 5 years), and the magnitude of costs, a long-range office facility master plan strategy is a critical component needed to determine project scope, priority, funding need and implications.

The Plan provides the framework in which the Department's office facility capital outlay infrastructure needs are identified and prioritized.

ACCOMPLISHMENTS

Los Angeles District Office Building:

- Construction of the new district office building in Los Angeles was completed in September 2004. The new office building replaces the existing facility that was constructed in 1950. Relocation of approximately 1,500 staff from the existing district office building and six leased locations into the new district office building was completed December 2004.

Seismic Retrofit Projects:

- Eureka District Office Building Seismic Retrofit Project was completed December 2004. The building's seismic risk level was reduced from VI to III consistent with the state seismic program performance standards.
- Redding District Office Building Seismic Retrofit Project was completed November 2004. The building's seismic risk level was reduced from VI to III.
- Oakland District Office Building Seismic Retrofit Project is in the preliminary plans phase. Construction is scheduled for completion June 2009. The building's seismic risk level will be reduced from a V to III.
- Sacramento/Headquarters Office Building Seismic Retrofit Project is scheduled for completion September 2005. The building's seismic risk level will be reduced from a V and VI for Annex I and II, respectively, to a seismic risk level III.

New District Office Building Projects In Progress:

- Construction of the San Diego District Office Building Replacement Project is scheduled for completion June 2006. The 301,000 gross square foot building will provide office space for approximately 956 employees. Staff will be consolidated at one location allowing the Department to terminate leases at four locations.
- Marysville District Office Building Replacement Project is in the land acquisition and building design phase. The project is scheduled for completion March 2007. The 230,000 gross square building will provide office space for 764 staff. Staff will be consolidated at one location resulting in the termination of two leases.

**OVERVIEW OF DRAFT FY 2006-07 FIVE YEAR CAPITAL OUTLAY
INFRASTRUCTURE PLAN**

Currently, the Department's FY 2006-07 Plan proposes \$275 million in office facility projects during the Plan period FY 2006-07 through FY 2010-11. The FY 2005-06 Plan proposed \$113 million in office facility projects. The differences between the Plans include:

- Oakland Seismic Retrofit Project - \$33.4 million to fund the working drawings and construction phases. Funding was reflected in the FY 2005-06 Plan. These phases were scheduled to begin prior to enactment of the FY 2006-07 Budget Act, therefore the project and related funding was not included in the 2006-07 Plan. Project estimates were revised March 2005 to \$40 million due to cost increases in materials. In addition, as a result of project schedule delays in the preliminary plans phase funding for the construction phase (\$37 million) has been shifted to FY 2006/07.
- Office facility study funds - \$435,000 increase in FY 2006-07. The FY 2005-06 Plan proposed \$735,000 for office facility studies. DOF recommended \$100,000 consistent with the FY 2005-06 funding level.
- FY 2010 - 2011 proposed project phases included in the FY 2006-07 FY Plan - \$159 million. Funding for these projects was not included in the FY 2005-06 Plan because they did not fall within the FY 2005-06 through FY 2009-10 Plan period.

See attachment for specific projects and funding recommendations.

Attachment

Draft FY 2006/07 Five-Year Capital Outlay Infrastructure Plan
Proposed Office Facility Projects

2006/07	2007/08	2008/09	2009/10	2010/11	Total	Number of Facilities
\$38.2 m	\$3.1 m	\$12.5 m	\$41.1 m	\$180.6	\$275.5	9

- Seven office buildings will exceed 50 years of age during the plan period.
- Plan assumes stable staffing levels.
- Project “drivers” for maintaining existing facilities: building age, condition, seismic risk rating, fire and life safety, number of employees housed, operational deficiencies.
- Plan proposes \$275.5 million in office facility projects.
 - One seismic retrofit project.
 - Four office facility renovation projects.
 - Four district office building new construction projects.