

**OFFICE OF THE STATE ARCHITECT ANNUAL REPORT
SECTION I: EXECUTIVE SUMMARY**

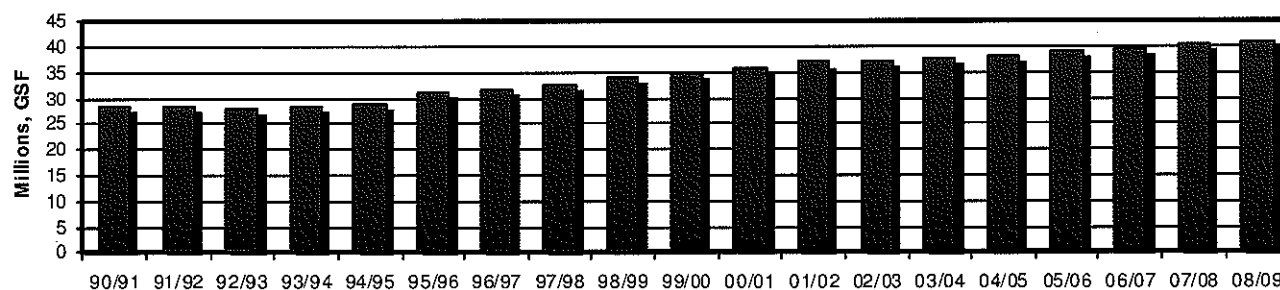
JANUARY 2009

STATEWIDE FACILITY CONDITIONS

■ **Current Replacement Value (CRV):** The Current Replacement Value (CRV) of the inventory of State owned general funded buildings as reported is **\$7.6 billion dollars**. For the purposes of this report the CRV is derived from Risk Management insured values. Auxiliary funded buildings have an additional reported CRV of \$3.9 billion dollars for a grand total of all state owned buildings at \$11.5 billion dollars.

■ **Gross Square Feet (GSF):** Over the past nineteen years the reported inventory of State owned general funded buildings has increased by 43.7% or 12,489,549 Gross Square Feet (GSF), from 28,539,633 GSF in FY 90/91 to **41,029,182 GSF** in FY 08/09. *The chart below illustrates the reported increase in State owned general funded buildings.* Auxiliary funded buildings have been reported at an additional 22.1 million GSF; however, they are not included in the following analysis since they are not eligible for Controlled Maintenance funding. (Reference Appendix E, Table A and C).

General Funded Building Growth – 1990 to 2008



■ **Number and Age of Buildings:** Forty-one state agencies and institutions of higher education are included in the inventory of State owned general funded buildings comprising 2378 buildings. *The table below indicates the number and associated GSF of the buildings by year constructed, not necessarily the year acquired by the State.*

Age, GSF and Number of Buildings *

Year Constructed*	1858-1900	1901-1910	1911-1920	1921-1930	1931-1940	1941-1950	1951-1960	1961-1970	1971-1980	1981-1990	1991-present
GSF/M	0.945	0.649	0.580	2.319	2.695	1.585	4.334	6.999	7.303	3.722	9.842
Number	98	53	89	105	166	91	193	362	301	346	537
% of Total GSF	2.3%	1.6%	1.4%	5.7%	6.5%	3.9%	10.6%	17.1%	17.8%	9.1%	24.0%

*There are 19 buildings equaling 0.1% or 55,922 GSF of the general funded inventory with the date of construction unknown at this time.

■ **Facility Condition Index (FCI):** The targeted goal (i.e. industry standard) for the general funded building inventory average condition is a Facility Condition Index (FCI) of **85%**. The Facility Condition Index is a numerical score from 0-100 reflecting the current overall condition of a building with a score of 100 being equivalent to a like-new condition with no deficiencies. *The table below indicates an approximate building inventory average condition by FCI range as extrapolated from reported agency data.* (Reference Section II, Table A).

Average Agency Facility Condition Index Table

FCI Range	60-70 (Poor)	70-80 (Fair)	80-90 (Optimum)	90-100 (Excellent)
Number of Agencies	7	21	10	2

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CONTROLLED MAINTENANCE FUNDING

■ **FY 1979/1980 Funding Recommendation:** In December of 1978 the State Buildings Division provided the first Controlled Maintenance report (FY 79/80) directly to the Governor of the State of Colorado. At that time the State Buildings Division was part of the Office of State Planning and Budgeting. (The Capital Development Committee was later established in 1985). The report states, *"It is evident that the state has been appropriating for controlled maintenance less than 1.0% per year of the total gross value of the physical plant. Statistics compiled by private investors and institutions show maintenance expenditures at the rate of 3.0% to 4.0% of the gross value of their physical plants. The physical plant managers of the state agencies and institutions are well aware that inadequate funds are being expended to keep state facilities in serviceable condition."*

■ **Reinvestment Rate (RR):** Industry standards continue to emphasize that without an annual Reinvestment Rate of **3% to 4%** of the Current Replacement Value (CRV) of a building inventory; the average facility condition cannot be sustained or improved at appropriate levels. The Office of the State Architect has long maintained that at a minimum the equivalent of 1% of the CRV of the State's inventory be appropriated to Controlled Maintenance on an annual basis in order to **sustain** the average facility condition and, make critical improvements throughout the building inventory and, that an additional 1% - 3% of the CRV be appropriated to Capital Construction related to existing facilities in order to **improve** the overall facility condition.

■ **Historical Funding:** A review of the Historical Funding Chart on the opposite page illustrates that during years FY93/94 through FY00/01 combined appropriations for Controlled Maintenance and Capital Construction related to existing facilities approximated **3% - 4%** of the current CRV. Further analysis as illustrated on the Historical Controlled Maintenance Appropriation vs. Recommendation Chart on the opposite page illustrates that beginning in FY93/94 appropriations for Controlled Maintenance funding began to steadily increase from **\$9M** (approximately .3% of the CRV) to **\$49.3M** (approximately 1% of the CRV) in FY 99/00. However, appropriations for Controlled Maintenance began to decline in FY00/01 and by FY04/05 had been reduced down to **\$1M** for the Emergency Fund. Funding for Controlled Maintenance resumed in FY05/06 and in FY07/08 reached **\$51M** (an approximate historical average). In FY08/09 Controlled Maintenance funding was **\$26M** (approximately .34% of the CRV), and Capital Construction appropriations related to existing facilities were **\$179.3M** out of \$365.6M total (approximately 2.4% of the CRV). The combined appropriations for Controlled Maintenance and Capital Construction for FY08/09 were approximately **2.74%** of the CRV.

■ **Review of Controlled Maintenance Recommendations/Funding over the Past Thirteen Years:** Available data indicates that of the \$721.4M recommended for Controlled Maintenance funding over the past thirteen years **\$436M** was appropriated (approximately **60%** despite the previous downturn in the economy). **1152** projects were funded documenting that significant investments have been made to existing facilities. Highlights of past funding include: **220** fire and life safety projects totaling \$81.2M, **37** structural integrity projects totaling \$13.6M, **229** indoor air quality and energy related projects totaling \$87.3M, **97** environmental remediation projects totaling \$30.8M, **241** infrastructure projects totaling \$111M, **39** major electrical projects totaling \$12M, **150** general repair projects totaling \$44.9M, **126** roofing projects totaling \$38.5M and **13** appropriations to the Emergency Fund totaling \$16.7M.

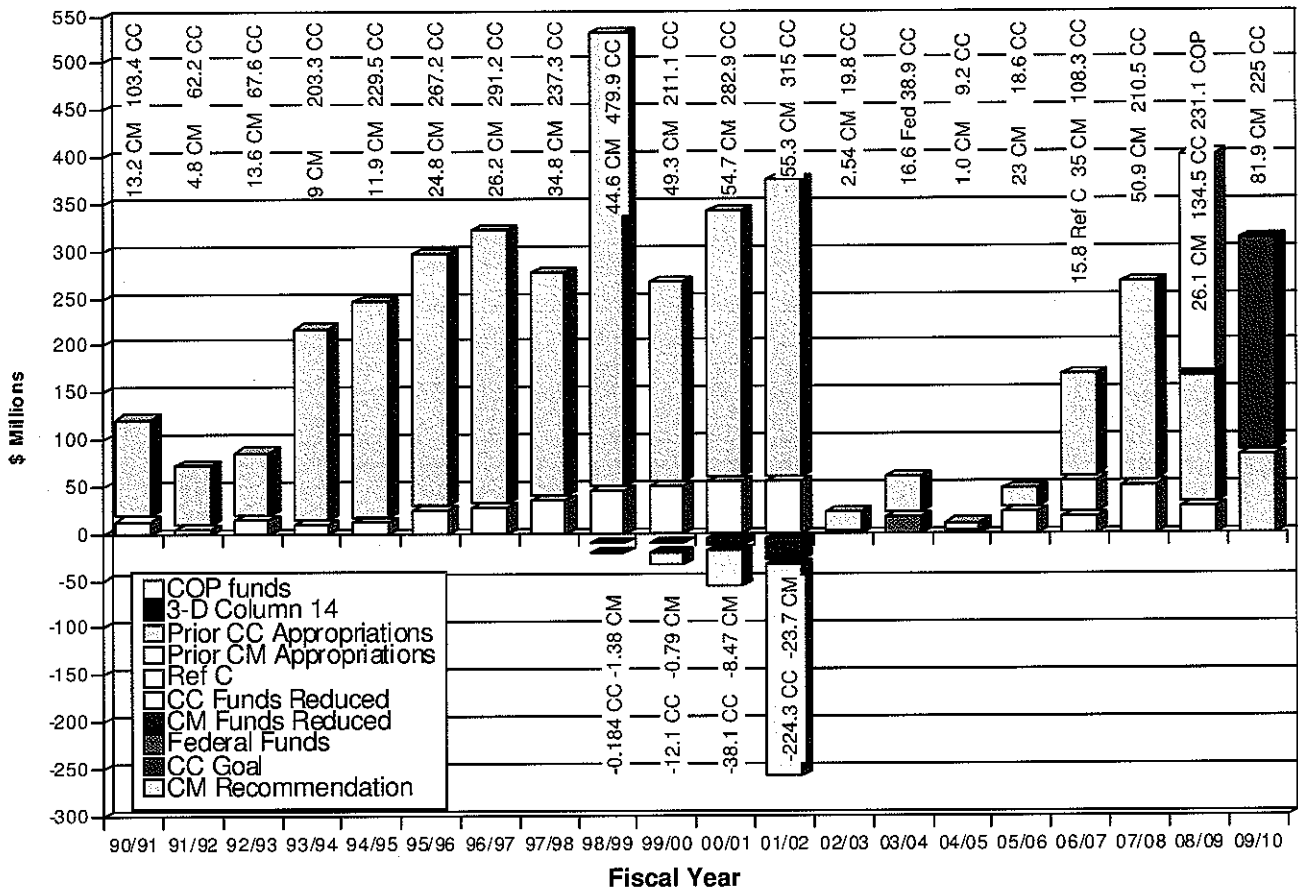
■ **Review of FY 2009/2010 Funding Recommendations:** **135** projects comprising repairs to State owned general funded buildings and associated infrastructure totaling **\$81,901,915** are recommended for Controlled Maintenance funding. (Reference Section III). The recommended dollar amount or Reinvestment Rate (RR) is slightly greater than 1% of the current CRV. Highlights of recommended projects include: **11** fire and life safety projects totaling \$4.5M, **2** structural integrity projects totaling \$.5M, **33** indoor air quality and energy related projects totaling \$21.3M, **1** environmental remediation project totaling \$.5M, **31** infrastructure projects totaling \$22.4, **14** major electrical projects totaling \$8.5M, **18** general repair projects totaling \$9.4M, **24** roofing projects totaling \$12.8M and **1** appropriation to the Emergency Fund at \$2M. (A goal of \$225,000,000 or approximately 3% of the CRV for Capital Construction funding related to renovation of existing facilities is also recommended).

■ **Five Year Plan/Long Term Estimates:** The reported Agency Five Year Plan for Controlled Maintenance of State owned general funded buildings and associated infrastructure totals **\$525,390,855** as of September 2008. (Reference Appendix B). The Five Year Plan is based on identified project needs in contrast to long term needs (Beyond five ears) based on useful-life scheduled replacements estimated to exceed \$1 Billion.

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Controlled Maintenance/Capital Construction Historical Funding Chart



Historical CM Appropriation, CM Recommendation, vs. 1% of CRV

