

# STATE OF COLORADO

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**DEPARTMENT OF TRANSPORTATION**

**Chief Engineer**  
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**TO:** Transportation Commissioners

**FROM:** Timothy J. Harris, P.E.  
Chief Engineer

**DATE:** May 2, 2013

**SUBJECT: New Region 4 HQ Building May 2013, Transportation Commission Work Shop Agenda**

In June, 2010, Executive Director Don Hunt directed CDOT Property Management to complete a Facility Needs Assessment Study of the CDOT Headquarters (HQ) Building and the Region 1, 2 and 4 HQ complexes. The study was to determine the priority and extent of needs between these complexes and what expenses would be required to provide each of the locations with Class B office environments.

The Study indicated that CDOT Region 4 had the greatest facility deficiencies. The existing deficiencies include: fire/ADA safety hazards, the age and size of the existing building, the site location, and size constraints. These deficiencies are such that it is not realistic to upgrade the existing complex to a Class B level.

CDOT is attempting to upgrade its office facilities to a Class B level for two reasons. First, a large majority of CDOT's workforce will be eligible for retirement within the next five years and the economy is improving which means more jobs are being created. This means the recruiting of top level employees is more competitive. To remain a premier employment option in the Greeley market, CDOT's facilities must compete well with other governmental and private industry office environments.

To achieve the goal of Class B Office Space, CDOT Property Management and Region 4 Management contracted with CBRE, a real estate brokerage firm, to help identify viable alternative relocation sites within the City of Greeley. The search reviewed several existing buildings as the first alternatives. The Greeley commercial office market is constrained and no buildings could be identified that would accommodate the R4 program.

After exhausting all possibilities of finding an existing building, raw land sites were evaluated to meet programmatic, locational and financial criteria. Two sites located on the US 34 Business Loop have emerged as the preferred alternative locations for a new Region 4 HQ facility.

The baseline budget for purchasing the land, designing and constructing the building is \$15.9M. CRS 24-30-1301 (13) requires projects of this magnitude obtain LEED Certification and strive to obtain LEED Gold Certification. The total cost of the project including LEED Certification is estimated to be \$16.5M. LEED Gold Certification is estimated to require a total budget of \$17.1M.

This project will also improve operational efficiencies since it will consolidate three facilities in Region 4; the main HQ Complex, the Evans Engineering Residency and the Loveland Engineering Residency. The consolidation of the three facilities will result in increased business practice efficiencies and decreased annual operational expenses. It is estimated that upon completion of the new complex, the three vacated properties can be sold for combined value of \$2.7M.

Lastly, the Colorado State Patrol troop office that is currently co-located with the CDOT Evans Engineering Residency has expressed an interest in moving to the new Region 4 HQ. At this time it is unclear if CSP will have the budget to pay their share (estimated at \$1.1M) of the additional building square footage required to accommodate them. CDOT intends to continue to discuss the possibility of co-locating with CSP at the new HQ facility.

The attached presentation provides additional details regarding this agenda item.

**Sharon Barrett**  
Senior Vice President  
Global Corporate Services



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Suite 300  
Greenwood Village, CO 80111

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May 7, 2013

Mr. Timothy J. Harris, P.E.  
CDOT- Chief Engineer  
4201 E. Arkansas Ave.  
Denver, CO 80401

**RE: CDOT Region 4 HQ Relocation Property Search**

Mr. Harris

CDOT engaged CBRE to represent its interest in acquiring a new facility/property for its Region 4 headquarters in Greeley. The scope of the real estate search was as follows:

1. Identify an existing building that could accommodate the existing R4 administrative staff that was either already Class B office space or could be renovated to become Class B office space.
2. If an existing building was not available to accommodate CDOT's R4 administrative staff, the search could be expanded to vacant land that could be used to construct a build to suit Class B office building.

CBRE completed an exhaustive search of Greeley and the surrounding market for existing buildings that could accommodate the R4 administrative program. The search identified several vacant buildings, but none that could accommodate both the program size, and the Class B office space requirement. At this time CBRE has been unable to identify a suitable existing building for CDOT's R4 Headquarters office facility. As a result of the constrained existing building market, CBRE has identified two vacant land properties that would accommodate Class B, build to suit buildings that fit CDOT's R4 program.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon Barrett".

Sharon Barrett  
CBRE, Inc.  
SVP Global Corporate Services

# High Performance Certification Program Summary

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This summary of the OSA HPCP policy is specific to:  
State of Colorado Owned Facilities

## **INTENTION**

Advance best practices and good faith efforts for the design and construction of State owned facilities to comply with the state [High Performance Certification Program](#) policy based on SB07-051 and SB08-147. Furthermore, advance and update the processes and procedures utilized in the operation and maintenance of State owned facilities to comply with appropriate Governor Executive Orders.

## **REQUIREMENTS for State of Colorado Owned Facilities**

**All new facility, addition, and renovation projects that are funded with 25% or more of state funds are required to comply with the High Performance Certification Program (HPCP) policy adopted by the Office of the State Architect (OSA) if the following applies:**

- The new facility, addition, or renovation project contains 5,000 or more of building square feet, *and*,
- The project includes a HVAC system, *and*,
- In the case of a renovation project, the cost of the renovation exceeds 25% of the current value of the building.

**Projects meeting the above requirements shall achieve LEED™ certification. The State of Colorado's goal is LEED Gold.**

## **ADDITIONALLY, projects shall meet the following OSA Sustainable Priorities:**

Meet all eight LEED prerequisites and the following credits and requirements in the appropriate LEED Rating System. The following apply to LEED v3.

- a. Energy and Water Efficiency resulting in Operational Savings
  - i. 24% reduction in energy by cost method based on ASHRAE 90.1 – 2007 for new construction; 20% reduction for renovations (EAc1)
  - ii. Enhanced Commissioning of energy systems (EAc3) for projects greater than 20,000 square feet
  - iii. Measurement and Verification of energy and water systems (EAc5) for projects greater than 50,000 square feet
  - iv. 50% reduction of landscape water (potable) based on LEED calculators (WEc1)
  - v. 30% reduction of indoor water use (potable) based on LEED calculators (WEc3)
- b. Healthy Indoor Environmental Quality for an enhanced work and/or learning environment
  - i. Low toxicity materials-Achieve two of the following: IEQc4.1, 4.2, 4.3, 4.4
  - ii. Daylighting (IEQc8.1)
- c. Construction Waste Management & Local Materials
  - i. 50% diversion rate of construction waste from landfill (MRc2)
  - ii. Achieve Regional Materials Credit (MRc5) while sourcing as many materials from Colorado as practical

Complete the Governor's Energy Office (GEO) FLEX Energy Tool Workbook.

## **DOCUMENTATION**

# High Performance Certification Program Summary

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Agencies are required to participate in the Office of the State Architect's (OSA) HPCP tracking process. Forms and information can be found at: [OSA Energy Management Programs](#). Agencies are to provide the following documents to the Office of the State Architect:

- Submit the **OSA HPCP Registration form and LEED Checklist** (excel spreadsheet). Complete the **Waiver or Modification section** of the Registration form if applicable. The OSA LEED checklist is a template and is not required if a comparable agency or design firm developed LEED checklist is presented.
- A one-on-one meeting with the OSA may be required to discuss the information provided on the HPCP forms. This discussion is centered on the HPCP goal as indicted and may include the design team, the LEED champion, and the agency project manager.
- After the Design Development (DD) Phase is completed, submit updated OSA HPCP forms, as applicable. Additional items may be required during the review of the project's HPCP goal, in particular for a modification or waiver request, but is not required as part of the updated documents.
- Submit a copy of a Green Building Certification Institute (GBCI) **Design Application Review Report** upon receipt (this report is generated by GBCI).
- Submit a copy of the final **GBCI-approved LEED Credit Scorecard** and final GBCI **Construction Application Review Report** (this report is generated by GBCI).
- Complete and **submit final HPCP checklist with incremental/premium cost** with final scorecard.

Projects are strongly encouraged to take advantage of free support and technical assistance offered by the Governor's Energy Office [High Performance Building Program](#).

## **WAIVER from the Policy or MODIFICATION of the Policy**

There may be projects where the achievement of LEED certification at the Gold level is not practicable. An agency may request a modification of the HPCP policy or a waiver from the HPCP policy if:

**WAIVER:** The project does not meet the minimum requirements for State of Colorado owned facilities (as indicated above and in the HPCP policy, Section I, Intent) and therefore, the project is not intending to register with GBCI.

**MODIFICATION:** Project is not expected to meet the Gold Target, but can be verified at the Certified or Silver level. Thus, registration and certification through the USGBC and GBCI process is required.

**In all circumstances, project teams should attempt to achieve the highest certification level possible and to apply all applicable and cost effective HPCP strategies.**



# COLORADO DEPARTMENT OF TRANSPORTATION

## Region 4 Headquarter Recommendation

**David Fox, CDOT**  
Project Lead

**Sharon Barrett, CBRE**  
SVP – Global Corporate Services\Strategy

**Peter Kelly, Realtec**  
Brokerage, Greeley

**Chris Squadra, CBRE**  
Program Management, Director

**Krista Trofka, CBRE**  
Project Management

**Olan Young, CBRE**  
Senior Financial Analyst

**Dave Anderson, Anderson Hallas Architects**  
Architectural Programming

**Kyle Hoiland, CBRE**  
Project Management, Cost Estimator

**CBRE**

May 2013



## **PROJECT OBJECTIVES**

- Position CDOT as a premier employer in the Greeley market
- Retain and recruit top level future and existing employees
- Provide a collaborative, safe, and productive work environment
- Minimize initial capital expense
- Reduce operating expenses utilizing sustainable design and construction

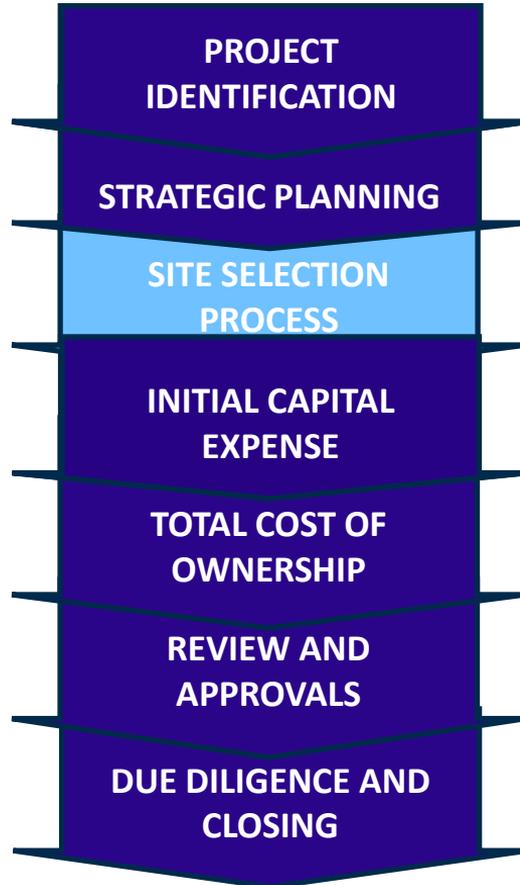


### FACILITY DEFICIENCIES

- Lack of local and regional accessibility
- Deficiency of space allocations
  - Dispersed personnel in the same department
  - Lack of number and sizes of meeting rooms
  - No consistent office sizes
  - Lack of restrooms
  - Limited connectivity between buildings
- Limited space for renovation or expansion
- Outdated mechanical, electrical and plumbing systems
- Deficiencies in code compliance including lack of sprinklers and alarms
- Maintenance bays are too small
- Deficient on-site drainage

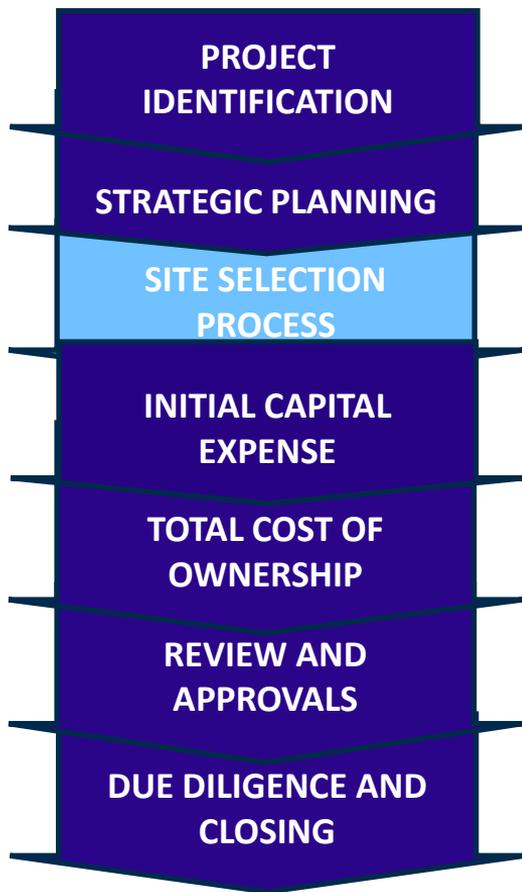


**1420 2<sup>nd</sup> Street | Greeley, CO**  
66,354 SF including Greeley Main, Evans and Loveland (administrative and maintenance)



## SITE SELECTION CRITERIA

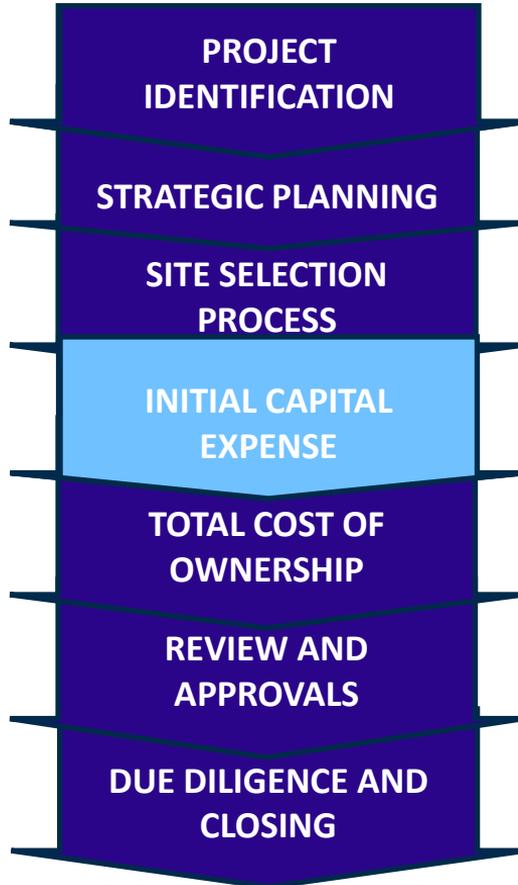
- Located within the city of Greeley
- Size is to be +/- 5.0 AC
- Access to required utilities: electric, water, sewer and fiberoptics
- Located near compatible neighbors
- Access to employee amenities
- Proximity to an access controlled highway
- Potential for building recognition and visibility
- Ease of access for the public



## RESULTS FROM SITE SELECTION PROCESS

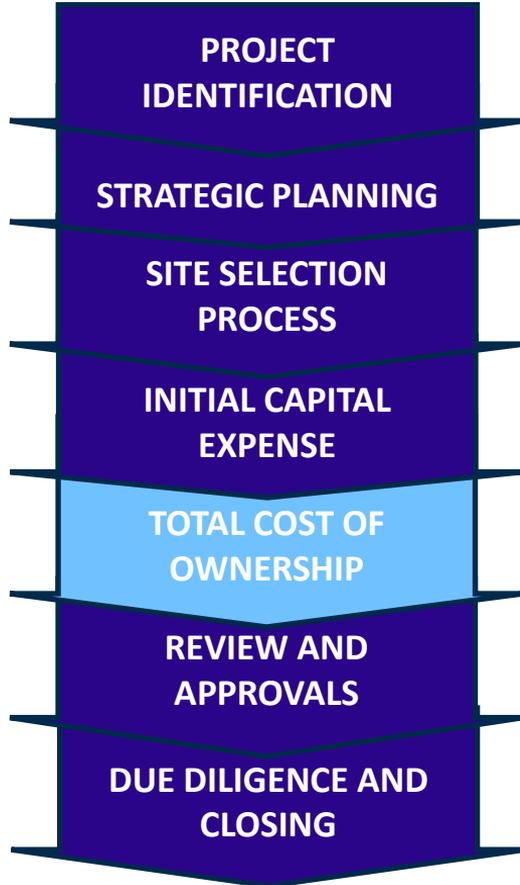
- Existing building was determined not financially viable for renovation
- Constrained Market: No existing buildings met the established criteria
- 20+ Raw land sites evaluated
- 3 Sites met established programmatic and locational criteria
- Only 2 of the 3 sites were financially viable





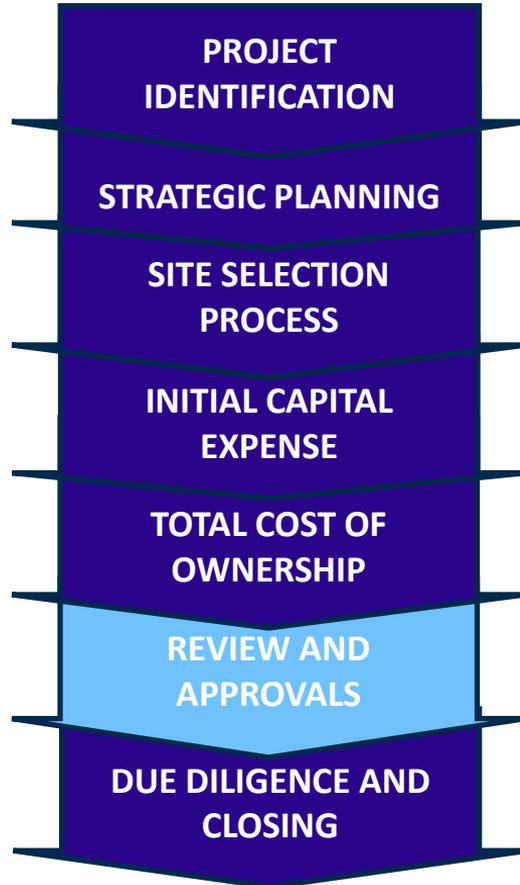
Program	
Administrative	37,118 GSF (139 FTE)
Maintenance	21,410 GSF (13 FTE)
Projected Budget*	
Purchase Price	1.4 M
Site Work ; Permit & Tap Fees	3.2 M
BTS Administrative Building	7.3 M
BTS Maintenance Building (at Gilcrest)	2.7 M
FF&E, IT, & Relocation	0.9 M
Light Duty Equipment Building	0.4 M
Relocation of Existing Buildings	NA
Initial Capital Expense	15.9 M
With LEED Certification	16.5 M
With LEED Gold Certification	17.1 M

*\*CSP is interested in co-locating with CDOT at the new facility; their total project cost would be an additional \$1.1M*



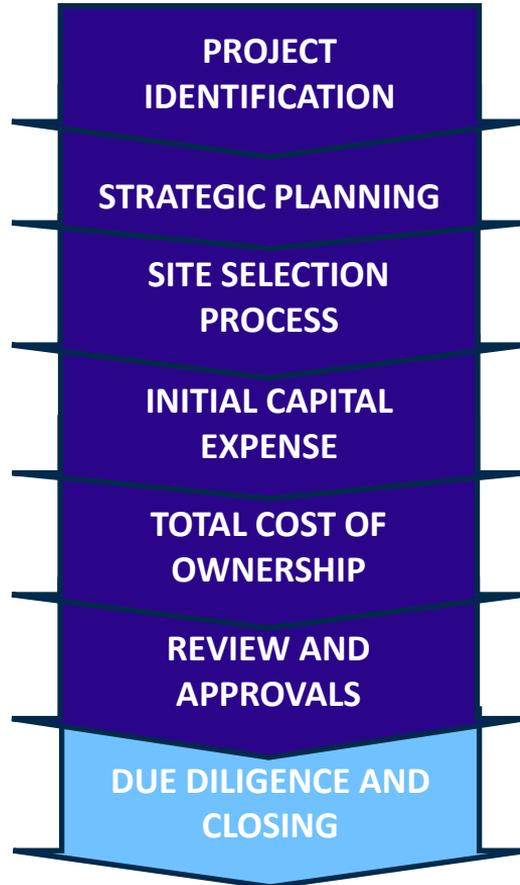
Sites near the West Yard	Net Present Value Scenario Cash Cost  <i>20 YR Analysis Period</i>	Annual Cash Expense  <i>Stabilized YR 2015</i>	Capital & 1-Time Investment Required  <i>Day 1</i>	Net Proceeds from Sale of Current HQ  <i>Mid 2014</i>	Net Capital Required  <i>Capital less sales proceeds</i>
West Greeley Sites OWN BASE DESIGN	\$16.97 M	\$0.22 M*	\$15.90 M	\$2.73 M	\$13.17 M
West Greeley Sites OWN LEED CERTIFICATION	\$17.57 M	\$0.22 M*	\$16.50 M	\$2.73 M	\$13.77 M
West Greeley Sites OWN LEED GOLD CERTIFICATION	\$18.17 M	\$0.22 M*	\$17.10 M	\$2.73 M	\$14.37 M

\*Industry data is inconclusive on OpEx savings achieved in LEED Buildings



## PROJECT APPROVALS

- Senior Management Approval – May 01, 2013
- Transportation Commission Preliminary Review Workshop – May 2013
- Transportation Commission Submission of Final Resolution – June 2013



## NEXT STEPS

- Contracts are Subject to Transportation Commission Approval and Financing
- Required Due Diligence prior to Closing
- Initiate Procurement Process for Project Team

