

DA03
Maryland Stadium Authority – Capital

Capital Budget Summary

State-owned *Capital Improvement Program*
(\$ in Millions)

Projects	Prior Auth.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.	Beyond CIP
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New Department of Legislative Services Building	\$45.500	\$12.000	\$30.000	\$30.000	\$0.000	\$0.000	\$0.000
Total	\$45.500	\$12.000	\$30.000	\$30.000	\$0.000	\$0.000	\$0.000

Fund Source	Prior Auth.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.	Beyond CIP
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GO Bonds	\$34.150	\$12.000	\$30.000	\$30.000	\$0.000	\$0.000	\$0.000
Bond Premium	11.350	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$45.500	\$12.000	\$30.000	\$30.000	\$0.000	\$0.000	\$0.000

CIP: *Capital Improvement Program*

GO: general obligation

GO Bond Recommended Actions

- 1. Approve \$12,000,000 of general obligation bond authorizations to continue the construction of a new Department of Legislative Services Building.
- 2. Add to the amount preauthorized for the 2023 session.

ZF4100	Maryland Stadium Authority – Department of Legislative Services Building	\$ 45,000,000
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Add the following language:

DA03	MARYLAND STADIUM AUTHORITY (Anne Arundel County)
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(A)	Department of Legislative Services Building. Provide funds to continue the construction of a new Department of Legislative Services Building, provided that notwithstanding Section 6 of this Act, work may continue on this project prior to the appropriation of all funds necessary to complete the project	<u>30,000,000</u> <u>45,000,000</u>
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Explanation: This language adds \$15,000,000 to the preauthorization for the 2023 session based on a revised project scope and related costs.

- 3. Approve the \$25,000,000 general obligation bond preauthorization for the 2024 session to provide sufficient funds to allow the Board of Public Works to approve the construction contract for the new Department of Legislative Services Building.

Total Preauthorization (2024) Additions	\$15,000,000
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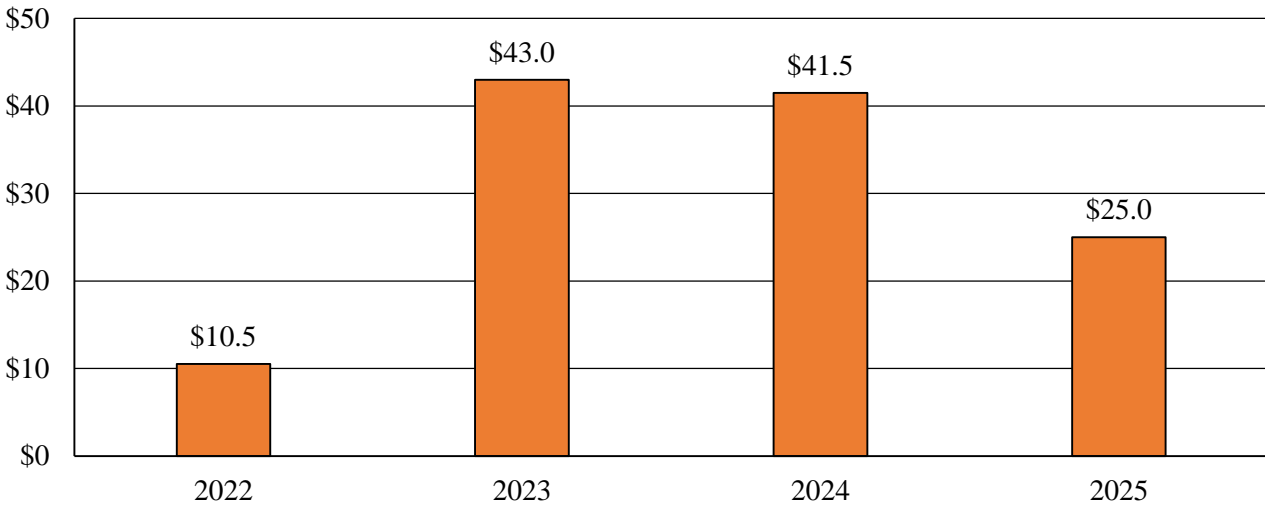
Summary of Fiscal 2023 Funded State-owned Projects

The fiscal 2023 capital budget includes \$12.0 million of general obligation bond funds for the construction of a new Department of Legislative Services (DLS) building. These funds are in addition to \$45.5 million already authorized for the project. The fiscal 2023 capital budget bill also includes two preauthorizations of \$30 million and \$25 million, respectively, for fiscal 2024 and 2025, to fully fund the project design and construction phases. The 2021 *Capital Improvement Program* (CIP) programs the total design and construction costs at \$112.5 million with another \$5 million programmed for furniture and equipment for a total project cost of \$117.5 million. The new building will be constructed on the site of the current building, which is to be demolished during the first phase of construction.

The Department of General Services issued a building condition report in September 2018, which concluded that the existing DLS building would require a complete system renovation to correct deficiencies in every major building component. Shortly thereafter, DLS retained the services of the Maryland Stadium Authority to manage all aspects of the project, including the development of a program plan that included an evaluation of renovation and new construction alternatives. Based on this evaluation, it was determined that demolishing the existing building and constructing a new building is more cost effective than renovation. Moreover, the new building will provide DLS staff the space that is necessary to serve the many functions the department provides in support of the Maryland General Assembly.

Exhibit 1 illustrates the most recent cash flow projections for the project, which incorporate additional project scope not currently reflected in the 2022 CIP programmed estimates. Based on the additional scope, which includes a complete renovation of the tunnel complex that connects the State House and the various legislative buildings as well as a replacement elevator between the tunnel and the James Senate Office Building, the revised design and construction estimate is \$120 million.

Exhibit 1
Department of Legislative Services Building
Estimated Project Cash Flow – Design and Construction Phases
Fiscal 2022-2025
(\$ in Millions)



Note: Figures do not include estimates for furniture and equipment.

Source: Maryland Stadium Authority

To ensure that there are sufficient authorizations and preauthorizations for the Board of Public Works to approve contracts for the building construction phase and also provide a hedge against rising construction costs, it is recommended that the preauthorization for the 2023 session be increased by \$15 million. This would bring the total amount approved for design and construction to \$127 million.

While funding for furniture and equipment is not needed until fiscal 2025, the \$5 million currently programmed in the CIP is not expected to be sufficient to cover these anticipated costs, which could be as high as \$10 million. None of the furniture and equipment in the current building is suitable to be used in the new building due to extensive mold remediation that has taken place in the past two years.

Project design is currently underway, and the demolition of the existing building is scheduled to commence in May 2022. Construction of the new building would commence as soon as the site is cleared, and the new building is to be commissioned in fall 2024 in time for occupation for the 2025 legislative session.