



# Capital Development Committee

## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

### FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

**Department of Human Services**  
**Kitchen Replacement, CMHHI Pueblo**

**2023-023**

#### Project Status

This is the fourth request for funding for the project; funding was first requested for FY 2022-23. Last year, the project was phased and Phase I received funding. This year's request is the first request for Phase II.

**Table 1**  
**Prioritization**

Prioritized By	Priority	Notes
Department of Human Services	1 of 3	
Office of State Planning and Budgeting	3 of 6	Recommended for funding.

**Table 2**  
**Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$9,899,619	\$24,098,508	\$0	\$0	\$33,998,127
CF	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$9,899,619</b>	<b>\$24,098,508</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,998,127</b>

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Department of Human Services  
Kitchen Replacement, CMHHI Pueblo

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**Table 3**  
**Itemized Cost Information**

<b>Category</b>	<b>Prior Appropriation</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Future Requests</b>	<b>Total Costs</b>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$1,762,423	\$2,010,811	\$0	\$0	\$3,773,234
Construction	\$7,589,887	\$17,919,693	\$0	\$0	\$25,509,580
Equipment	\$0	\$2,990,456	\$0	\$0	\$2,990,456
Miscellaneous	\$75,899	\$30,000	\$0	\$0	\$105,899
Contingency	\$471,410	\$1,147,548	\$0	\$0	\$1,618,958
<b>Total</b>	<b>\$9,899,619</b>	<b>\$24,098,508</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,998,127</b>

## Program Plan Status

Approved Program Plan: Yes

Date Approved: 2020

FCI: N/A (new construction)

## Project Description/Scope of Work

The Department of Human Services (DHS) is requesting state funds for the second phase of a two-phase project to construct a new, 34,085-GSF, stand-alone commissary kitchen on the Colorado Mental Health Hospital in Pueblo (CMHHI Pueblo) campus to serve its resident population, along with offenders housed at Department of Corrections (DOC) facilities located on the campus. DHS says it will make kitchen operations more efficient and will help reduce labor costs, reduce food waste, and implement a just-in-time food delivery system. Phase I included project design, constructing the shell of the new kitchen's structure, infrastructure and utilities work, and site improvements at the kitchen's new location. This year's request for Phase II completes construction of the kitchen and installs fixtures and equipment.

The new kitchen will feature new and enhanced equipment, new food production technologies, more square footage for food production, and additional office and storage space. The project installs larger capacity food service equipment, which the department says will reduce labor costs, currently accounting for 60 percent of total operating costs. The new kitchen will have built-in growth capacity to accommodate CMHHI Pueblo's master plan and future population growth, and will meet current ADA standards. As recommended by an independent study, the new kitchen will be located on the south side of campus on a site that is better suited for traffic needs and site circulation.

**Cost assumption.** Cost estimates were based on other recent DHS project costs, industry standards, and a third-party study. The cost per GSF is \$997. A professional estimator re-

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Department of Human Services  
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estimated costs for this phase in 2024, and the estimate accounts for inflation. The department is seeking a waiver from the Art in Public Places program. The project is in compliance with the High Performance Certification program requirements.

**Table 4**  
**Project Schedule**

<b>Project Component</b>	<b>Start Date</b>	<b>Completion Date</b>
Construction	July 2026	December 2026
Equipment	January 2027	March 2027
Occupancy	April 2027	

## Project Justification

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DHS explains that campus population growth, a restrictive size and location, outdated equipment, and diet complexities have rendered the current kitchen at CMHHI Pueblo insufficient for serving its population. The conditions present health and safety concerns for both kitchen staff and campus residents.

The current kitchen is 11,395 GSF and serves about 5,000 meals per day to 1,700 DHS patients and DOC offenders. This is about 2.3 square feet per meal per day, and the industry standard is 4.5 to 5.5 square feet. The issue is pronounced in the dietary kitchen, which is 400 square feet (16 x 25), or 40 percent of industry-recommended square footage. When prep tables and equipment are factored in, three or four employees have a four-foot area in which to operate in the dietary kitchen. Staff must navigate narrow pathways with carts, which leads to damaged equipment and pipes.

There has been little equipment replacement in the kitchen over the past 30 years despite the growth in CMHHI Pueblo's food service demands. The older equipment's upkeep is more expensive, requires custom replacement parts, places staff at continuous risk, and drives up operating costs due to energy inefficiencies. A recent equipment failure resulted in the loss of three days' worth of food costing \$13,000, along with long hours of staff work to remake meals. Some of the main current kitchen deficiencies include:

- most equipment is 25-30 years old and nearing the end of its useful life;
- an unreliable service lift is the only means of transporting food between floors;
- refrigerated storage systems do not have emergency power;
- there is not enough refrigerated storage for the amount of meals the kitchen needs to produce;
- equipment overburdens the power supply; and
- the food delivery system equipment is inefficient.

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2023-023

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The Joint Commission, which accredits the CMHHI Pueblo campus, cited the kitchen for infection control concerns related to dead insects, which likely entered the kitchen through cracks in the walls and floors; ice buildup in the uninsulated refrigerators and freezers; drain line issues that could encourage bacteria spread in refrigerators; a dish machine that does not wash at adequate temperatures; paint chips; and boxes stacked too high due to limited space.

DHS considered hiring external vendors for food service, but says this alternative would cost three times the department's food service costs.

## Program Information

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The mental health institutes provide residential services to individuals of all ages with complex, serious, and persistent mental illness. The majority of the patients are referred to the facility by community mental health centers when patients are deemed too unstable for community services to be effective.

CMHHI Pueblo was established in 1879 and has a 516-bed capacity. The campus spans 300 acres and houses the mental health institute; some Division of Youth Services functions; and La Vista and San Carlos Correctional Facilities, which are managed by DOC. The latter youth services and correctional functions range in security level from minimum to maximum, with multiple secure units.

The original CMHHI Pueblo kitchen was built in 1939 and underwent minor renovations in 1978 and 1993. The kitchen currently serves about 5,000 meals per day, or 1.8 million meals per year, to all DHS patients and DOC offenders housed on the CMHHI Pueblo campus. Included in this total are meals for an average of 266 patients and offenders on restricted or religious diets.

## Operating Budget

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The department anticipates a decrease in operating costs upon completion of the project. While the project will increase the kitchen's production capacity by 25 percent, the department anticipates energy cost savings of 20 percent due to more energy efficient equipment, and lower direct and indirect labor costs because fewer staff will be needed to operate the facility (an estimated 11.8 fewer FTE).

## Staff Questions and Issues

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1. In last year's request, costs for Phase II were estimated to be \$17.0 million. This year's request is for \$24.1 million, a 42 percent increase. The project narrative says that costs are

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Department of Human Services  
Kitchen Replacement, CMHHI Pueblo

2023-023

inflated from 2020 estimates to the 2027 midpoint of construction, but the cost summary does not include any inflation factors.

*This project's cost estimate was originally completed in August of 2020—at the beginning of the COVID19 pandemic; since 2020, there has been a dramatic fluctuation in construction costs that pertain to the labor and material markets. The 2020 costs were initially increased based on the construction escalation numbers for the Denver region in the previous budget request; however, due to the dramatic cost increases that we observed in this and other projects, CDHS requested that the entire Kitchen Replacement project be re-estimated for accuracy's sake. We hired a professional estimator, Johan Kemp, in June of 2024 to provide an updated estimate, which is the number presented in the budget request tied to Phase II.*

2. According to the project schedule, Phase II will not commence until FY 2026-27. Why is this the department's top funding priority for FY 2025-26? If the department does not receive funding until FY 2026-27, will that have any negative impact on the project?

*The timing indicated in the request is contingent on funds being made available in July of 2025. The timing of this funding is necessary to support the remaining construction portion of the project. While construction for Phase II may not begin until FY 2026-27, having these funds available in July 2025 is critical to maintaining the progress of the project.*

*Phase I is underway, and the project is currently in the design process. Phase I will transition from design to construction during FY 2025-26. Current funding, in Phase I, is committed to the design and documentation process, starting construction mobilization, site development, and building structural construction. In order for the construction from Phase I to segue seamlessly into the construction in Phase II, the Department will need to begin contracting and procurement processes for Phase II while Phase I construction is underway during FY 2025-26. Procuring and securing items and labor necessary for construction is essential to timely completion of the project, but cannot occur unless funding is in hand. By using funding secured in FY 2025-26 to begin this process, construction for Phase II can begin in FY 2026-27 as a seamless extension of the construction from Phase I when it is complete. Without using funding for Phase II in FY 2025-26 to begin this process of procurement, delays between the phases could alter the project timeline and defer the beginning of construction associated with Phase II beyond FY 2026-27.*

## FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

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Department of Human Services  
Kitchen Replacement, CMHHI Pueblo

2023-023

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3. What will the space vacated by the existing kitchen be used for?

*CMHHI Pueblo is considering several options for re-envisioning the use of the vacated space. These options include providing kitchen space to help employees learn new skills and for the training of new employees. The space could be used by the vocational rehabilitation department to provide training and employment opportunities for patients developing skills in food services. Potentially, this kitchen space could be used as a backup in emergencies. Finding a nearby hospital, or food service contract company, able to provide nearly 5,000 meals a day is incredibly challenging. Before making any decisions on use of the vacated space, CMHHI Pueblo will need to evaluate any requirements associated with such uses of the space.*



# Capital Development Committee

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### FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

**Department of Human Services**

**2023-009**

**Depreciation Fund for Regional Centers and Group Homes**

#### Project Status

This is a recurring project. [House Bill 15-1333](#) created a subaccount in the Capital Construction Fund, the proceeds of which are for capital projects at the state's regional centers. Money from the subaccount was used to repair fire alarms in all three regional centers in FY 2014-15 and to improve fencing at Kipling Village in FY 2015-16. Additional moneys were appropriated from the subaccount for five subsequent fiscal years to make group home improvements similar to the ones found in this year's request. In total, \$7.6 million has been appropriated from the subaccount for regional center improvements. The department prefers to submit requests for money from the subaccount separately for tracking purposes, rather than creating a dedicated, recurring line item.

**Table 1  
Prioritization**

Prioritized By	Priority	Notes
Department of Human Services	3 of 3	
Office of State Planning and Budgeting	2 of 6	Recommended for funding from cash sources.

**Table 2  
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$0	\$0	\$0	\$0
CF	\$2,585,253	\$960,292	\$0	\$0	\$3,545,545
<b>Total</b>	<b>\$2,585,253</b>	<b>\$960,292</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,545,545</b>

# FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Human Services  
 Depreciation Fund for Regional Centers and Group Homes

2023-009

**Table 3**  
**Itemized Cost Information**

Category	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$84,429	\$79,363	\$0	\$0	\$163,792
Construction	\$2,155,802	\$793,630	\$0	\$0	\$2,949,432
Equipment	\$20,000	\$0	\$0	\$0	\$20,000
Miscellaneous	\$90,000	\$0	\$0	\$0	\$90,000
Contingency	\$235,022	\$87,299	\$0	\$0	\$87,299
<b>Total</b>	<b>\$2,585,253</b>	<b>\$960,292</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,545,545</b>

## Program Plan Status

Approved Program Plan: No

FCI: N/A

## Project Description/Scope of Work

The Department of Human Services (DHS) is requesting cash funds spending authority to make improvements to group homes at three regional centers in Grand Junction, Pueblo, and Wheat Ridge. The homes provide residential care for adults with severe intellectual and developmental disabilities.

DHS says group home repairs are prioritized based on safety, security, accessibility, and programmatic needs, with homes deemed lower priority in terms of condition slated for improvements in the out-years. This year's request is for quality of life and safety improvements to group homes built in the early 1980s. The improvements are mainly interior renovations and some site improvements. The project is designed to make all improvements in a given group home at one time, thus minimizing disruption for the residents.

**Cost assumption.** The requested amount is based on estimates of fund balance. The project is exempt from the Art in Public Places and High Performance Certification Program requirements.

**Table 4**  
**Project Schedule**

Project Component	Start Date	Completion Date
Design	July 2025	January 2026
Construction	March 2026	November 2026

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Department of Human Services  
Depreciation Fund for Regional Centers and Group Homes

2023-009

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## Project Justification

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The department says the group homes to be improved by the project are over 35 years old and do not meet today's standards of care. The old and deteriorating equipment, finishes, and infrastructure in the homes impede resident care, resident safety, and staff efficiencies. DHS further says that the project's improvements will have an immediate impact on the residential environment, enhancing program effectiveness and allowing for increased focus on program outcomes. According to the department, failure to fund the project will result in continued deterioration of group homes, posing safety risks and impacting residential quality of life.

## Program Information

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DHS owns and operates three regional centers located in Wheat Ridge, Pueblo, and Grand Junction that offer Intermediate Care Facility and Home and Community Based Services waiver services to about 300 adults with severe intellectual and developmental disabilities. Regional centers provide 24-hour residential services, medical care, behavioral services, and supports for daily living to Medicaid-eligible individuals. The regional centers have over 566,000 square feet of program delivery space. Housing and treatment are provided through on-campus residences or off-campus group homes. The department operates 44 group homes.

## Source of Cash Funds

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The source of cash funds for the project is the Regional Center Depreciation Account within the Capital Construction Fund (CCF). This special subaccount was created pursuant to House Bill 15-1333, and consists of all moneys received by the Department of Health Care Policy and Financing for the annual calculated depreciation of the state's regional centers. Spending from the account is subject to appropriation and approval by the CDC. Funds in the account may be spent for regional center controlled maintenance, capital renewal, or capital construction. Although CCF moneys are generally categorized as state funds, the Office of State Planning and Budgeting submitted this request as a cash-funded request.

## Operating Budget

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DHS says the project will not affect its operating budget, and expects the project to result in cost decreases due to increased staff efficiencies and improved resident safety and security. The department says these savings are difficult to quantify.

## Staff Questions and Issues

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None.



# Capital Development Committee

## Legislative Council Staff

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### FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Human Services

Denver Region Youth Service Center Replacement

2023-004

#### Project Status

This is the fourth request for funding. Funding was first requested for the project for FY 2022-23. Last year's request also included a new training center in the project scope. This year's request removes the training center.

**Table 1  
Prioritization**

Prioritized By	Priority	Notes
Department of Human Services	2 of 3	
Office of State Planning and Budgeting	Not prioritized	Not recommended for funding.

**Table 2  
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$936,000	\$17,470,352	\$17,470,352	\$35,876,704
CF	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$936,000</b>	<b>\$17,470,352</b>	<b>\$17,470,352</b>	<b>\$35,876,704</b>

# FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Department of Human Services  
 Denver Region Youth Service Center Replacement

2023-004

**Table 3**  
**Itemized Cost Information**

Category	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$936,000	\$0	\$0	\$0
Construction	\$0	\$0	\$17,470,352	\$17,470,352	\$34,940,704
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$936,000</b>	<b>\$17,470,352</b>	<b>\$17,470,352</b>	<b>\$35,876,704</b>

## Program Plan Status

Approved Program Plan: Yes      Date Approved: 2024      FCI: N/A (new construction)

## Project Description/Scope of Work

The Department of Human Services (DHS) is requesting state funds for the first phase of a three-phase project to replace the 120-year-old Gilliam Youth Services Center (GYSC) in Denver with a 40-bed, 33,071-GSF replacement facility. Phase I consists of schematic design and site selection. Phase II will conclude design work, acquire property as necessary, and begin construction. Phase III will complete construction. The new center will be designed to continue the Division of Youth Services' (DYS) movement toward trauma-responsive, home-like physical environments and furnishings in its facilities. The city and county of Denver are anticipated to cover the costs associated with site acquisition for the new facility. The project will bring the facility into alignment with current programmatic needs and code requirements while improving safety for staff, residents, and visitors.

**Cost assumption.** Costs are based on professional estimates included in the division's 2019 facility program plan for Gilliam Youth Services Center and experience with recent capital projects. Construction estimates are based on the facility program plan, but will depend on the site selected and are subject to change. Because of this, the estimate does not account for inflation or the Art in Public Places program, which do not apply to the design phase. The department intends to pursue LEED Gold certification as part of the Higher Performance Certification Program.

# FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

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Department of Human Services  
Denver Region Youth Service Center Replacement

2023-004

**Table 4**  
**Project Schedule**

<b>Project Component</b>	<b>Start Date</b>	<b>Completion Date</b>
Design	July 2025	April 2027

## Project Justification

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According to the department, the need for a replacement facility was identified in the 1990s, but no viable site was available. The 118-year-old facility was expanded in 1967, but currently has no room for further expansion and its location on a busy Denver city block poses programmatic and security challenges. For instance, the building's location and perimeter security makes it vulnerable to the introduction of drugs and weapons and presents opportunities for escape. Buildings at the center have facility condition indices (FCI) between 64 and 70, and the department says many of the buildings' systems are in need of total replacement. FCI is a measure of the cost of remedying building deficiencies compared to the building's current replacement value, and the state architect's target FCI for all buildings is 85.

DHS says the facility's deterioration and limitations contribute to the risk of incidents such as assaults and suicide attempts. Camera system failures and lock malfunctions present a significant risk to staff and youth safety and security. HVAC malfunctions and roof leaks present additional maintenance challenges. Further, DYS has changed its treatment philosophies to meet youth needs over the years, and the facility no longer matches these changes. The program space, family visitation areas, living units, and recreation areas are poorly configured and do not match programming needs. The department says the facility's limitations negatively impact opportunities for youth to realize best outcomes in terms of returning to the community as productive citizens, contributing to increased recidivism and risk to the community.

**Project alternatives.** The department studied the possibility of renovating the current building, but concluded that constructing a new facility was the best option considering the safety issues at the current location, the deteriorating condition of the buildings, and the scale of the programmatic interruptions renovations would cause.

## Program Information

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DYS provides for the care and supervision of youth committed by the district courts to the custody of DHS. DYS is charged with promoting public safety by engaging delinquent youth in programs and services, including secure custody, that seek to modify and eliminate delinquent behavior, and rehabilitating youthful behavior so that youth gain the skills needed to become successful and productive members of the community. DYS operates 15 secure youth centers

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Department of Human Services  
Denver Region Youth Service Center Replacement

2023-004

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that serve youth between the ages of 10 and 21 who are pre-adjudicated (awaiting court) or committed. DYS provides residential treatment for committed youth in a variety of settings, including state-operated secure facilities and community-based residential facilities throughout Colorado for all counties and judicial districts. GYSC is the juvenile detention facility that serves the 2nd Judicial District (the city and county of Denver).

## Operating Budget

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DHS says it plans to submit a complementary operating budget request as the project moves forward, detailing the justification for additional funding.

## Staff Questions and Issues

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None.