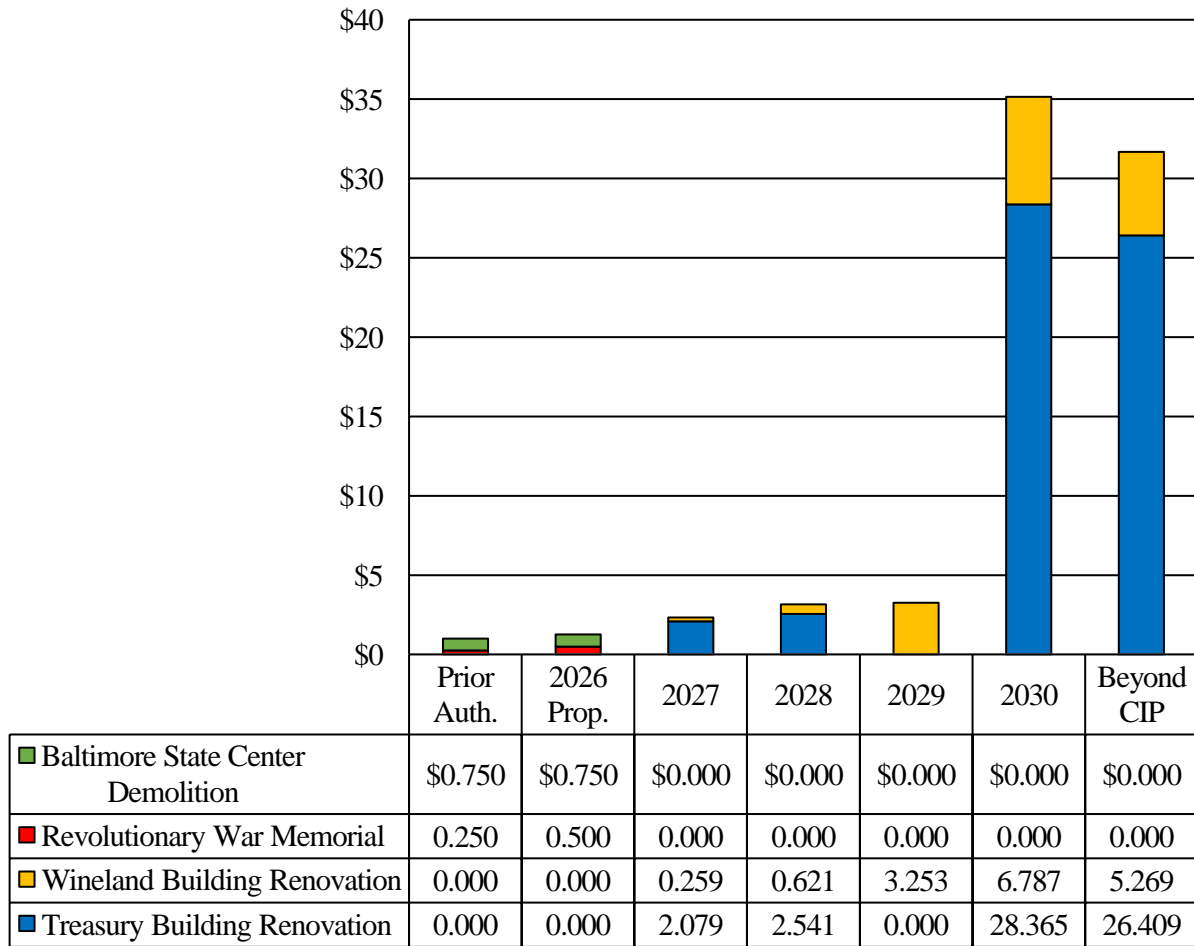


DE0201
Board of Public Works – Capital

Capital Budget Summary

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

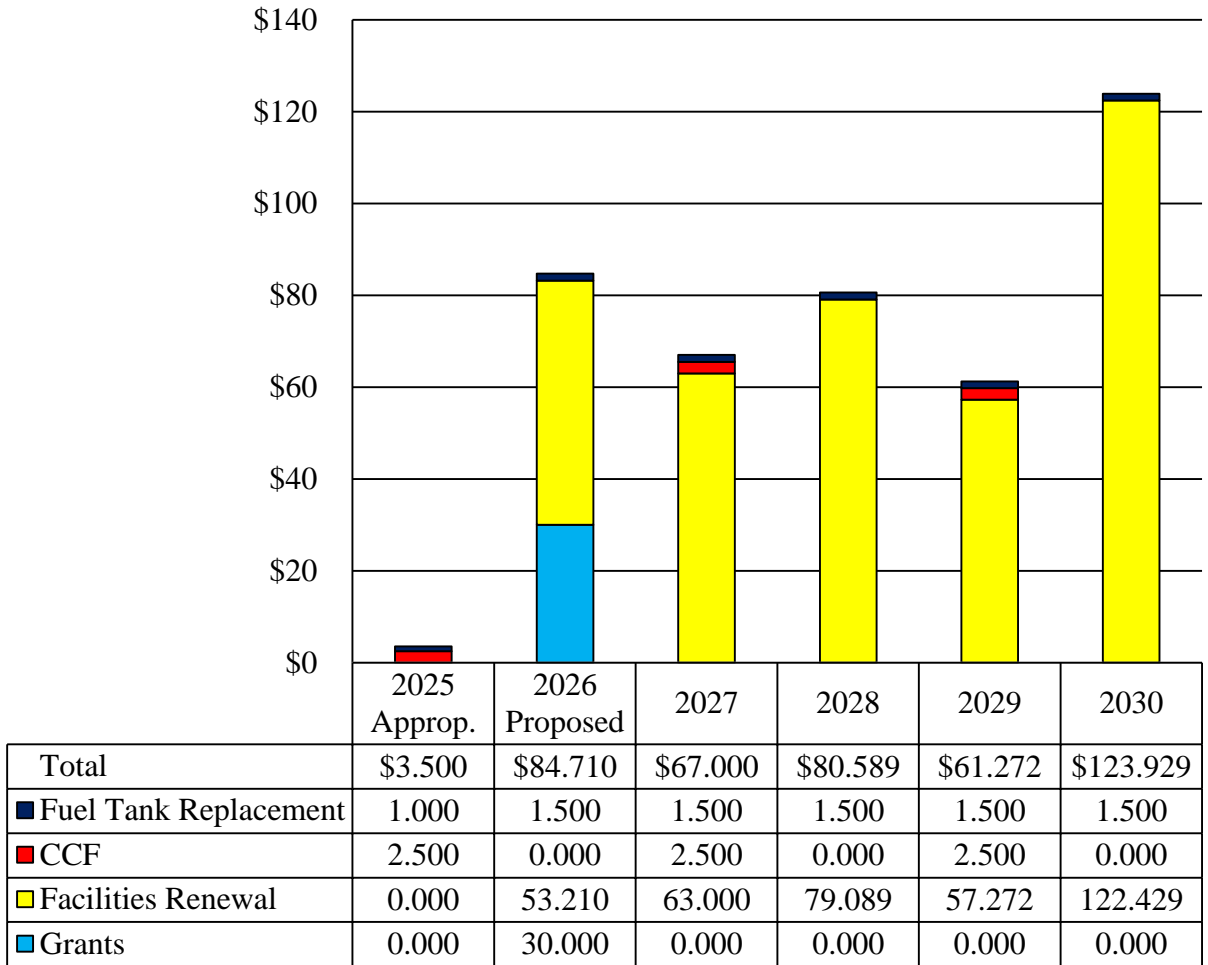


Note: All projects are funded with general obligation bond funds except \$750,000 allocated in fiscal 2025 and \$750,000 proposed for fiscal 2026 for the Baltimore State Center Demolition project. This does not include \$6.575 million in proposed fiscal 2025 deficiencies to replace funds inadvertently remitted to the General Fund in the fiscal 2024 operating budget closeout, including \$1.3 million to demolish decommissioned buildings and Maryland Department of Health facilities and \$5.275 million for the Washington County District Court Renovation and Expansion project.

For further information contact: David Probert

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Statewide Regional Programs and Grants *Capital Improvement Program*
 (\$ in Millions)



CCF: Construction Contingency Fund

Note: All programs are funded by general obligation bonds except Grants, which is funded with general funds. The fiscal 2026 proposed grants include \$15 million for the Tradepoint Atlantic container terminal project, \$10 million for IonQ’s new headquarters, and \$5 million for Maryland Economic Development Corporation’s cannabis incubator project. The fiscal 2025 appropriation does not include \$25.5 million of proposed deficiencies.

Key Observations

- **Project Cancellations:** The William Donald Schaefer Tower Renovation and the Nancy S. Grasmick Education Building Renovation projects have been canceled and removed from the *Capital Improvement Program* (CIP). The Schaefer Tower project had prior appropriations totaling \$20.161 million and future requested funding of

\$96.458 million. The Grasmick project had no prior appropriation, and future requested funding totaled \$96.965 million.

- **Tradeport and IonQ:** Amounts of \$15 million for the Tradeport Atlantic container terminal project and \$10.0 million for the new IonQ headquarters were erroneously included in the Department of General Services’ (DGS) operating budget under budget code H00H01.01. **The Department of Legislative Services (DLS) recommends that this be corrected in a supplemental budget by removing those funds from H00H01.01 and placing them in the appropriate capital program under budget code H00H01.03.**
- **Cannabis Incubator Funding:** The Maryland Economic Development Corporation (MEDCO) is working with the Maryland Cannabis Administration (MCA) to renovate the Catonsville Armory building in Baltimore County into a cannabis incubator. Since MEDCO is a nonbudgeted agency, pay-as-you-go (PAYGO) funding of \$5.0 million for fiscal 2026 and \$2.0 million for fiscal 2025 deficiencies are budgeted under DGS to provide to MEDCO. **DLS recommends adopting language that authorizes the Governor to transfer the full \$7.0 million from DGS to MCA to provide MEDCO with a grant to renovate the Catonsville Armory building in order to transition it into a cannabis incubator.**
- **Fuel Storage Tank Replacement:** The allowance includes \$1.5 million for fuel storage tank removal and replacement. As of January 9, 2025, DGS still had \$2.6 million yet to be encumbered for this program, and only \$1.5 million is expected to be spent in fiscal 2026.
- **PAYGO Deficiencies:** There is \$35.8 million in deficiencies in the Business Enterprise Administration, of which \$15.0 million is for the Tradeport Atlantic container terminal project. The other \$20.8 million is to return erroneous reversions that fund various capital grant projects, comprised of \$15.8 million of general funds and \$5.0 million of special funds derived from bond premium proceeds from the June 2024 bond sale.

PAYGO Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that \$2.0 million of this appropriation for the purpose of funding the Maryland Economic Development Corporation (MEDCO) for the purpose of establishing a cannabis incubator space at the Catonsville Armory building may not be expended for that purpose but instead may be transferred by budget amendment to the Maryland Cannabis Administration program D23A0101 to be used only for a grant to MEDCO for the purpose of establishing a cannabis incubator space at the Catonsville Armory building. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: Transferring these funds to the Maryland Cannabis Administration will enable MEDCO to begin its work transforming the Catonsville Armory building into a cannabis incubator more quickly.

2. Add the following language to the general fund appropriation:

, provided that \$5.0 million of this appropriation for the purpose of funding the Maryland Economic Development Corporation (MEDCO) for the purpose of establishing a cannabis incubator space at the Catonsville Armory building may not be expended for that purpose but instead may be transferred by budget amendment to the Maryland Cannabis Administration program D23A0101 to be used only for a grant to MEDCO for the purpose of establishing a cannabis incubator space at the Catonsville Armory building. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: Transferring these funds to the Maryland Cannabis Administration will enable MEDCO to begin its work transforming the Catonsville Armory building into a cannabis incubator more quickly.

GO Bond Recommended Actions

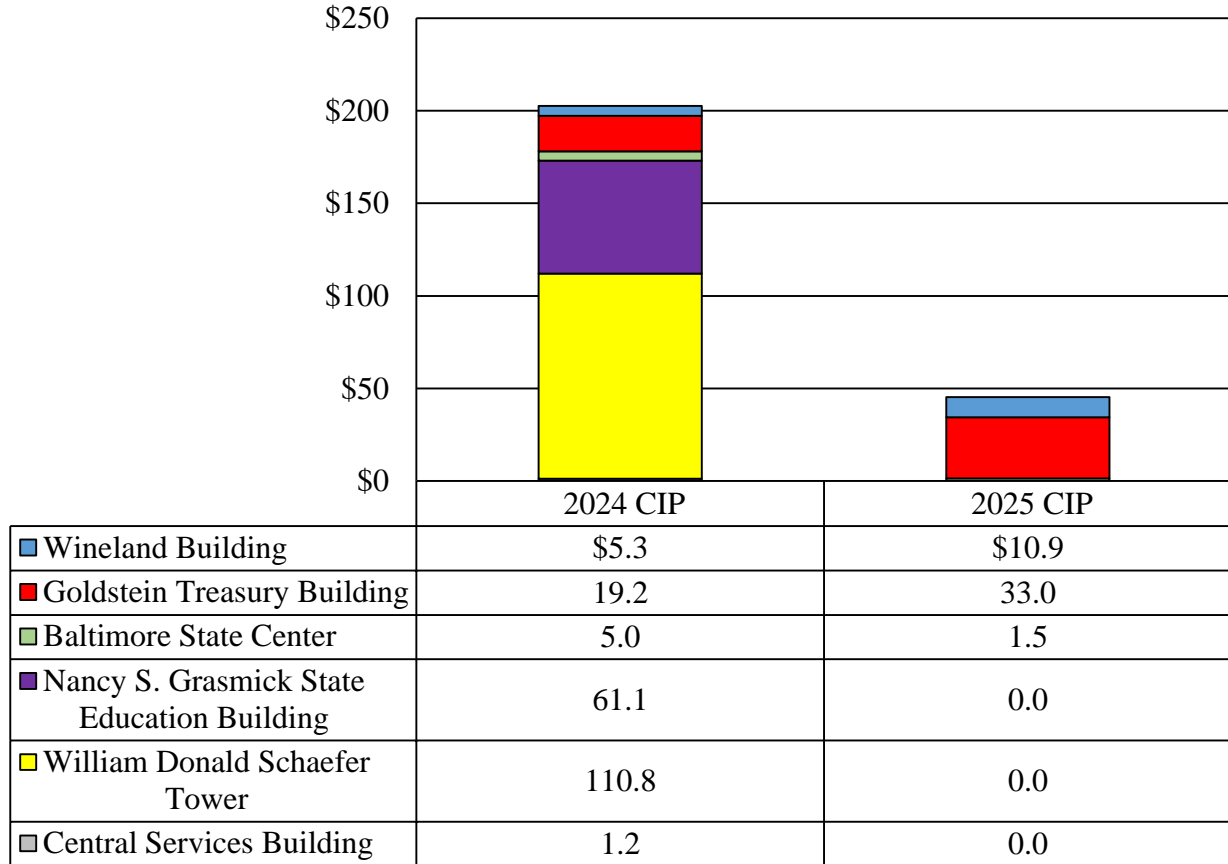
1. Approve all general obligation bond authorizations, preauthorizations, and amendments to prior authorizations for the Department of General Services.

Summary of Fiscal 2026 Funded State-owned Projects

Project Cancellations

As shown in **Exhibit 1**, the 2025 CIP canceled the William Donald Schaefer Tower Renovation project, which removed \$110.8 million from the CIP, and also canceled the Nancy S. Grasmick Education Building renovation, which removed \$61.4 million. There is \$16.5 million from the Maryland Consolidated Capital Bond Loan (MCCBL) of 2024 for the Schaefer Tower Renovation that is deauthorized through an amendment in the capital budget bill, and \$961,000 of PAYGO funding is proposed to be reverted from fiscal 2024. The cancellation of these two projects is the driving force behind the 77.6% decrease in funding programmed in the 2025 CIP as compared to the 2024 CIP.

Exhibit 1
Changes Between the 2024 and 2025 Capital Improvement Program for
State-owned Projects
(\$ in Millions)



CIP: Capital Improvement Program

Source: Department of Budget and Management

Baltimore State Center Demolition

Project Summary: The Baltimore State Center is a 28-acre site that includes four office buildings and the Fifth Regiment Armory. The complex was used to house the Baltimore offices of 12 State agencies, but tenants are relocating to downtown Baltimore, which will leave their former offices vacant. Demolition will prevent the site from becoming blighted once all tenants are relocated. The fiscal 2026 funding will complete the engineering study.

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| | |
|--------------------------------|--|
| New/Ongoing: Ongoing | |
| Start Date: August 2024 | Est. Completion Date: August 2025 |

| Fund Sources: | | | | | | | | |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (\$ in Millions) | Prior Auth. | 2026 | 2027 | 2028 | 2029 | 2030 | Beyond CIP | Total |
| GF | \$0.750 | \$0.750 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$1.500 |
| Total | \$0.750 | \$0.750 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$1.500 |

| Fund Uses: | | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (\$ in Millions) | Prior Auth. | 2026 | 2027 | 2028 | 2029 | 2030 | Beyond CIP | Total |
| Planning | \$0.750 | \$0.750 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$1.500 |
| Total | \$0.750 | \$0.750 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$1.500 |

- **Need:** The State Center complex is a 28-acre site comprised of four buildings in Baltimore City. The buildings on 300 and 301 West Preston Street and 1100 North Eutaw Street were constructed in the late 1950s, and the building on 201 West Preston Street was constructed in the early 1970s. Due to the poor condition of the buildings, renovation was deemed too expensive to undertake.

- **Project Status and Schedule:** This project will conduct an engineering study regarding usage and demolition of all structures at the site, with the exception of the Fifth Regiment Armory. The study is estimated to be completed in fiscal 2026.

- **Changes:** General funds of \$5.0 million appropriated to the Dedicated Purpose Account (DPA) in fiscal 2025 to support the preliminary engineering efforts were canceled by the Board of Public Works (BPW) on July 17, 2024. DGS subsequently allocated \$750,000 from the Facility Renewal Program in fiscal 2025 to partially restore the canceled funds.

- **Concerns:** State Center will be transferred to Baltimore City once all State agencies have vacated, which is estimated to be complete in calendar 2026. It is unclear if the State needs to invest in the demolition plans of a building complex that it will no longer own.

- **Other Comments:** In July 2010, during the Martin J. O’Malley Administration, the State approved the ground and occupancy leases for the first of five development phases, but the leases were later voided by the Lawrence J. Hogan, Jr. Administration, and the courts upheld the State’s decision to void the contract. On November 20, 2024, BPW approved a \$58.5 million settlement with State Center LLC, the former developer of the property that entered the original agreement with the State. Of this payment, 80% (\$46.8 million) will consist of general funds, and the remaining 20% (\$11.7 million) will be paid with special funds from the Transportation Trust Fund. The first payment of \$40.0 million was due by December 9, 2024, and the second payment of \$18.5 million is due on July 1, 2025.

Revolutionary War Memorial for Black Soldiers

Project Summary: This project will construct a memorial at the Maryland State House for the more than 150 Black Marylanders who are known to have served in the Revolutionary War. The construction of the memorial will align with the 250th anniversary of the signing of the Declaration of Independence in calendar 2026. This memorial will be sited in an area previously occupied by a statue of the late Supreme Court Justice Roger Taney, and the fiscal 2026 funding will complete its construction.

| | |
|---------------------------------|--|
| New/Ongoing: Ongoing | |
| Start Date: October 2024 | Est. Completion Date: July 2026 |

| Fund Sources: | | | | | | | | |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (\$ in Millions) | Prior Auth. | 2026 | 2027 | 2028 | 2029 | 2030 | Beyond CIP | Total |
| GO Bonds | \$0.250 | \$0.500 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.750 |
| Total | \$0.250 | \$0.500 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.750 |

| Fund Uses: | | | | | | | | |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (\$ in Millions) | Prior Auth. | 2026 | 2027 | 2028 | 2029 | 2030 | Beyond CIP | Total |
| Planning | \$0.020 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.020 |
| Construction | 0.230 | 0.500 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.730 |
| Total | \$0.250 | \$0.500 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.750 |

- **Need:** The statue will serve as an educational resource and honor the contributions of Black Americans during the Revolutionary War.
- **Project Status and Schedule:** Four artists with experience in sculptural artwork are designing a proposal, and one will be selected by the Maryland State Arts Council. Construction is expected to begin in April 2025.
- **Changes:** The 2024 CIP did not include any funding for this project in fiscal 2026, and the 2025 CIP includes \$500,000 for it in fiscal 2026.

Budget Overview of Grants and Statewide and Regional Programs

Grants

Exhibit 2 lists grants for fiscal 2026 and deficiencies for fiscal 2025 for each capital project. Six of the projects receive deficiencies due to funds that previously were inadvertently reverted.

Exhibit 2
Grants and Deficiencies
2025 Capital Improvement Program
(\$ in Millions)

| <u>Budget Code</u> | <u>Project Title</u> | <u>Fiscal 2025 Deficiencies</u> | <u>Fiscal 2026 Grants</u> |
|---------------------------|--|--|--------------------------------------|
| H0101A | DGS: Tradepoint Atlantic Container Terminal | \$15.0 | \$15.0 |
| H0101B | DGS: IonQ Headquarters | 0.0 | 10.0 |
| H0103D8 | UMMS: Comprehensive Cancer Treatment Center | 5.0 | 0.0 |
| H0103D6 | DGS: MEDCO Cannabis Incubator | 2.0 | 5.0 |
| H0103D1 | DGS: City of Baltimore Renovations to Swimming Pool Facilities | 3.0 | 0.0 |
| H0103D5 | DGS: City of Baltimore Warner and Stockholm Streets Improvements | 2.0 | 0.0 |
| H0102D2 | MDH: Demolish Decommissioned Buildings | 1.3 | 0.0 |
| H0103D3 | DGS: City of Baltimore Penn Station Redevelopment | 1.0 | 0.0 |
| H0103D4 | DGS: Harmers Arts Center Project | 0.7 | 0.0 |
| H0103D2 | DGS: Pearlstone Conference and Treatment Center | 0.5 | 0.0 |
| Total | | \$30.5 | \$30.0 |

DGS: Department of General Services
MDH: Maryland Department of Health

MEDCO: Maryland Economic Development Corporation
UMMS: University of Maryland Medical System

Note: The grants for Tradepoint and IonQ are currently included as part of DGS' operating budget.

Source: Department of Budget and Management

- ***Tradepoint Atlantic:*** The project receiving the most funding is the Tradepoint Atlantic Container Terminal project. This money will support the cost of placing 1.25 million cubic yards of dredge material at an approved Maryland Port Administration facility. It is also part of a larger \$1.0 billion joint investment project by Tradepoint Atlantic and Terminal Investment Limited to develop a new container terminal known as Sparrows Point Container Terminal (SPCT) within the Port of Baltimore. Once completed, SPCT will have a capacity to handle two million 20-foot equivalent units, which are standard sized shipping containers. The project is estimated to generate over 1,000 direct jobs and add over \$1.5 billion to the State’s economy. Construction is projected to begin in August 2025 and be completed in August 2028.
- ***IonQ:*** The project receiving the second most funding is IonQ for its new headquarters in College Park. This project will construct a 105,000-square-foot (SF) corporate headquarters for IonQ, a quantum computing company, in the University of Maryland’s Discovery District as part of the Governor’s “Capital of Quantum” initiative. The project receives \$10.0 million in PAYGO general funds in the fiscal 2026 allowance and is expected to receive an additional \$40 million in State funding, which is not currently in the CIP, in fiscal 2027. The \$50.0 million total of State funding will be used for planning and construction, and the company will provide \$52.0 million for equipment. Design is expected to start in July 2025, and construction is expected to begin in March 2026 and take 15 months. The finished facility will include a new data center, the National Quantum Laboratory, other laboratories, clean rooms, and corporate office space. The State share for the entire project is 49.0%.

The fiscal 2026 grants of \$15.0 million for Tradepoint and \$10.0 million for IonQ are currently budgeted as part of DGS’s operating budget under budget code H00H01.01. **DLS recommends that the Department of Budget and Management move the grant funds to the appropriate capital budget code in a supplemental budget.**

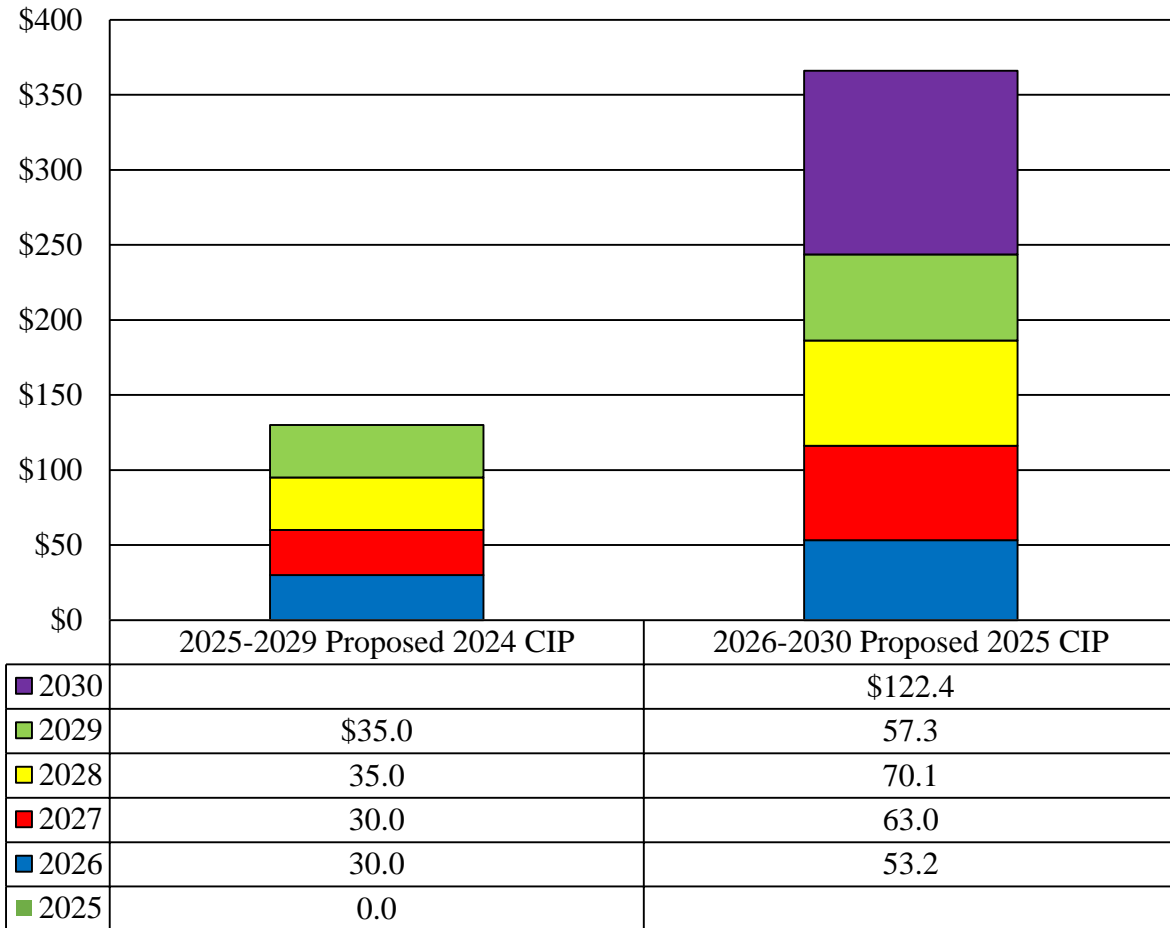
- ***MEDCO Cannabis Incubator:*** Chapters 254 and 255 of 2023 required MEDCO to work with the Administration to acquire and construct or refurbish at least one cannabis incubator space. MEDCO submitted a site report in December 2023 identifying potential sites for incubator spaces and broad cost estimates for establishing incubators. MEDCO received \$2.0 million in general obligation (GO) bonds for the project in the MCCBL of 2023; however, the State Treasurer’s Office (STO) advised that bond funding could not be used for the project, as cannabis remains illegal under federal law. The MCCBL of 2025 deauthorizes the \$2.0 million in GO bonds, which the fiscal 2026 budget replaces with a \$2.0 million PAYGO general fund deficiency appropriation for fiscal 2025 through DGS. The fiscal 2026 allowance also includes \$5.0 million in PAYGO general funds through DGS to renovate the Catonsville Armory building in Baltimore County as a cannabis incubator. No additional funding is projected for the out-years. Design is anticipated to begin in April 2025, with construction beginning in July 2025 and concluding in July 2026. The Catonsville Armory was not identified in the calendar 2023 site report but was selected because it is already a State-owned facility, is centrally located in the State, and has a

reinforced vault. The \$7.0 million total cost for renovating the 29,000 SF armory building is close to the site report's sample cost estimate of \$7.9 million to equip a hypothetical 30,000 SF processing facility. Once constructed, under Chapters 254 and 255, the facility will be transferred to DGS, which will contract with a yet-to-be-identified nonprofit organization to operate the incubator. MCA reports that the finished space is expected to serve up to 110 licensed cannabis microprocessors and dispensaries. **DLS recommends adopting language that authorizes the Governor to transfer the \$2.0 million deficiency and \$5.0 million of PAYGO funding from DGS to MCA to provide MEDCO with a grant to renovate the Catonsville Armory building as a cannabis incubator facility.**

Statewide and Regional Programs

DGS administers two statewide funds, the Facilities Renewal Fund and the Construction Contingency Fund (CCF), and one regional program, the Fuel Storage Tank System Replacement Program. As shown in **Exhibit 3**, the 2025 CIP programs a significant increase in funding for the Facilities Renewal Program – \$375 million over the next five years as programmed in the 2025 CIP compared to \$130.0 million programmed in the 2024 CIP. As of January 2025, the estimated backlog of projects among facilities operated by DGS is \$258.8 million, which is a 10% increase compared to January 2024. However, the total backlog for all State facilities was estimated to be \$785 million in December 2022 by the Building Assessment Unit (BAU) within DGS.

Exhibit 3
Department of General Services Facility Renewal Funding
Fiscal 2025-2030
(\$ in Millions)

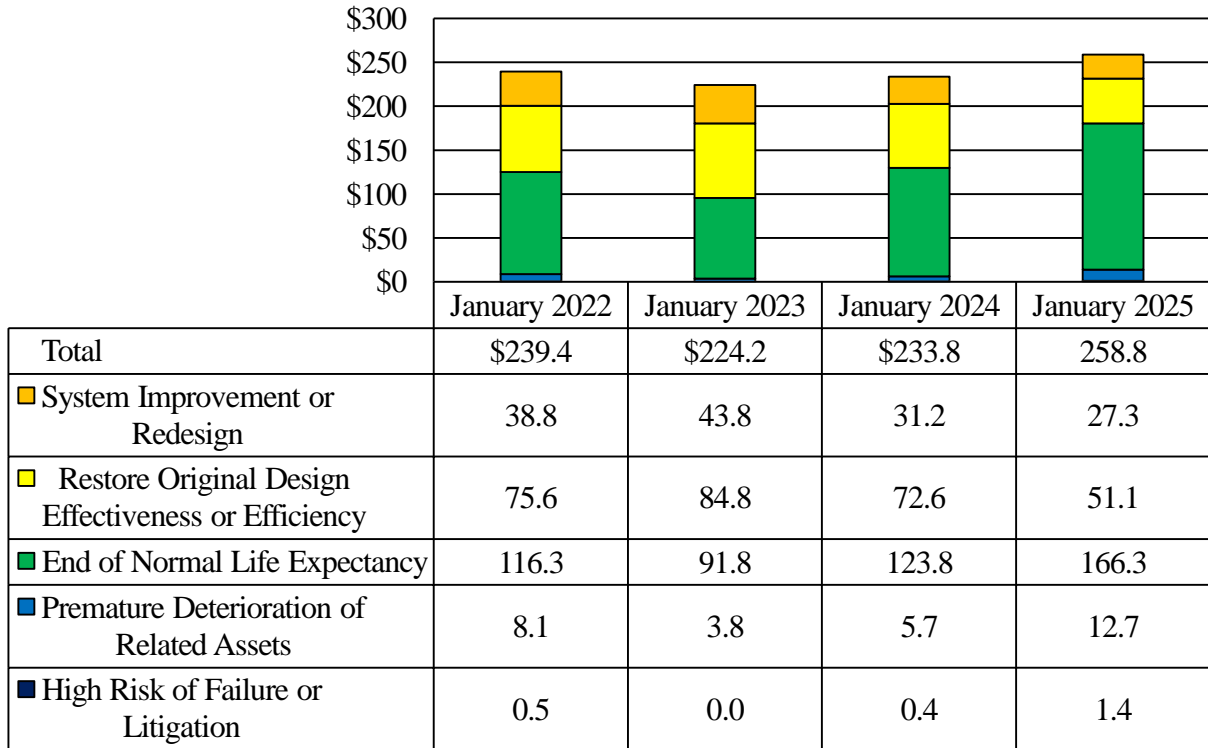


CIP: Capital Improvement Program

Source: 2025 Capital Improvement Program

Exhibit 4 shows the dollar amounts for facility renewal projects, which are classified into five different categories, with high risk of failure or litigation being the most urgent and system improvement or redesign being the least urgent. From January 2024 to January 2025, projects in the end of normal life expectancy category had the largest nominal change, increasing by \$42.5 million, or 34.3%. Total DGS facility renewal costs increased by 10.7% over that same period.

Exhibit 4
Department of General Services Facility Renewal Backlog by Category
January 2022 to January 2025
(\$ in Millions)



Source: Department of General Services

Facility renewal is considered an essential tool to achieve the State’s net zero goals established by the Climate Solutions Now Act (Chapter 38 of 2022). DGS reports that a total of 159 planned projects with a cost of \$120.1 million that comprise 42.3% of the backlog will have energy and carbon reduction impacts. The total cost of projects related to the Climate Solutions Now Act is expected to increase as BAU performs its continuing analysis of State-operated facilities and identifies and updates facility renewal needs across DGS-supported facilities.

The Maryland Department of Health has two projects that are categorized as high risk of failure or litigation:

- the Thomas B. Finan Center administrative building – \$850,000 (electricity upgrade); and
- the Holly Center administrative building – \$500,000 (replace a condenser).

There are 18 projects categorized as premature deterioration of related assets, which is an increase of 6 compared to January 2024. Additionally, there are 206 projects categorized under end of normal life expectancy, which is an increase of 25 relative to January 2024. Projects categorized as restoring original design effectiveness or efficiency and system improvement or redesign decreased by 29 and 9, respectively, over the same period. No funding was allocated to the facilities renewal fund in fiscal 2024 or 2025 due to a balance of \$54.9 million in fiscal 2023 that had yet to be encumbered. DGS reported in February 2025 that \$50.1 million was encumbered in fiscal 2024. DGS has encumbered \$15.5 million in fiscal 2025 and is planning to encumber \$25 million to \$30 million more once \$30 million from DPA is transferred to the agency, which is estimated to occur in March 2025.

Process Improvements

In addition to the BAU reestablishment, the most significant change to the way that the program is administered is the recent implementation of new job order contracting procurement. This is a project delivery method that is useful to get numerous commonly encountered construction projects done quickly and easily through multi-year contracts for a wide variety of renovation, repair, and minor construction projects. DGS reports increased encumbrances; the \$36 million encumbered in fiscal 2024 is the highest amount encumbered in a single year, and fiscal 2025 encumbrances may exceed \$50 million. This level of encumbrance activity will need to be maintained for the forecasted increased funding levels to be effective. Even with the enhancements, further improvements are needed as evidenced by the recent inclusion of the Clifton T. Perkins Hospital (Perkins) infrastructure improvement project. **The department should brief the committees on the steps that it has already taken and those under consideration to improve the management and administration of the facility renewal program. Of particular concern is the lack of an asset management system that likely contributed to the emergency HVAC procurement at Perkins. This emergency procurement will require at least \$24 million of general funds in the operating budget to procure a temporary system while a new system is under construction.**

Fuel Storage Tank Replacement Program

Program Description: The Fuel Storage Tank Replacement Program provides funds to remove, replace, or upgrade State-owned fuel storage tanks. This program is primarily designed to correct gasoline fuel storage tank deficiencies at Department of State Police (DSP) barracks and other specified fueling facilities throughout the State. A significant number of existing underground gasoline fuel storage tanks at these locations have reached or are nearing the end of their useful lives, which is estimated to be 30 years. The remaining underground fuel storage tanks will be removed to eliminate or prevent leakage problems and will be replaced with above ground storage tanks. Fuel leaks can contaminate soil, groundwater, and cause other environmental damage. Leaking tanks may also subject the State to regulatory penalties, and DGS notes that when tanks fail tests, they may face an immediate 30-day replacement order and fines of up to \$100,000 per tank. Funding for this program increases by \$500,000 in fiscal 2026 compared to fiscal 2025, and totals \$1.5 million.

- **Projects Selected:** The fiscal 2026 allowance includes \$1.5 million to begin the removal of underground fuel storage tanks at the DSP barracks in Westminster, Bel Air, and Easton. The total estimated cost is \$4.0 million. **Exhibit 5** provides a table of sites at which there are tanks pending removal.

Exhibit 5
Fuel Tank Replacement Sites
January 2025

| <u>Priority</u> | <u>Vehicle Fuel Tank Site</u> | <u>Total Original Tanks</u> | <u>Pending Original Tank Removals</u> | <u>Original Tanks Removed</u> |
|-----------------|-------------------------------|-----------------------------|---------------------------------------|-------------------------------|
| 1 | Bel Air Barrack D * | 6 | 1 | 1 |
| 2 | Westminster Barrack G | 10 | 1 | 8 |
| 3 | Easton Barrack I * | 7 | 1 | 1 |

* The Department of General Services notes that these sites included multiple smaller tanks that were eliminated or replaced with above ground tanks.

Source: Department of General Services

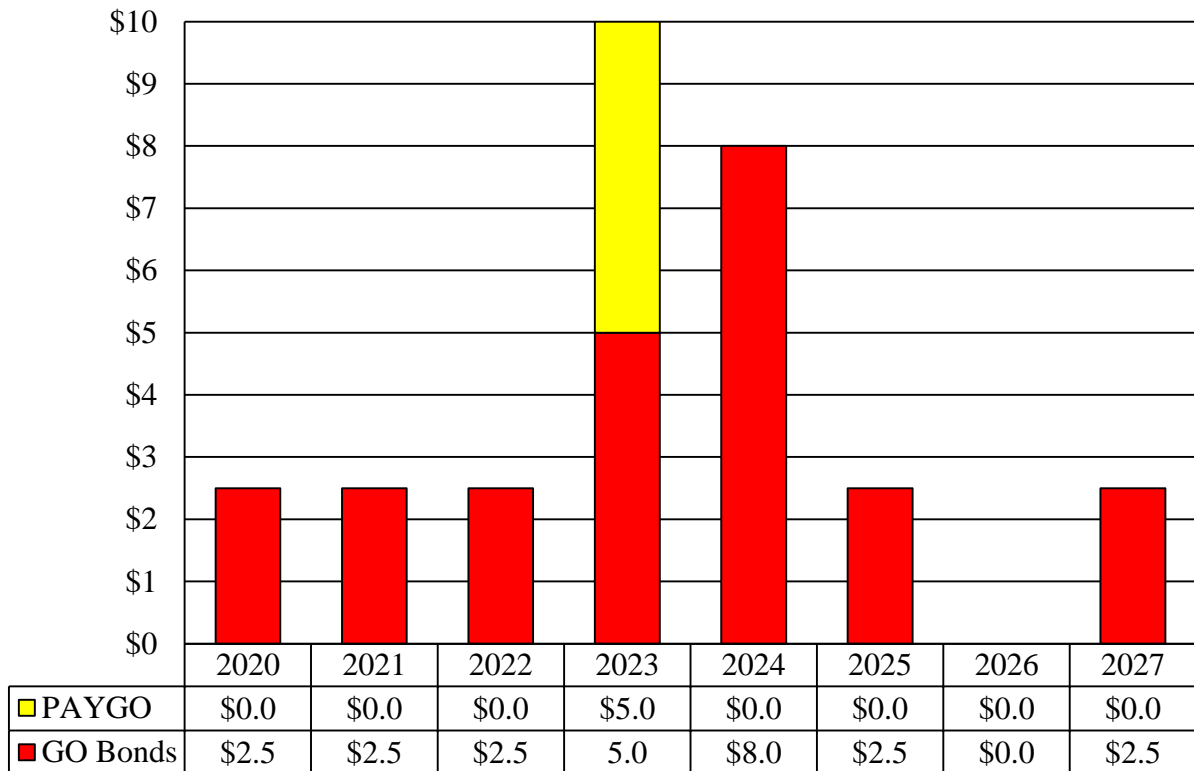
As of January 9, 2025, there is \$2.66 million that has yet to be encumbered for the Fuel Storage Tank Replacement Program. **DGS should comment on when this funding will be encumbered and when the \$1.5 million in the allowance will be encumbered.**

Construction Contingency Fund

Program Description: The CCF provides a source of supplementary funds for the construction of State-owned projects when existing funds are insufficient to complete them. The CCF may also be used to conduct value engineering and cover change orders during construction of a previously authorized project. Per § 3-609(c) of the State Finance and Procurement Article, an appropriation to the CCF may not be made if it would cause the total balance in the fund to exceed 1.25% of the capital debt affordability limit for that year. To access the fund, DGS must provide written notice to the budget committees, and the committees have 45 days to review and comment on the request. After legislative review, proposed transfers from the fund must be approved by BPW. The CCF is a continuing, nonlapsing fund that receives funding from a GO bond authorization or appropriation, unspent proceeds of an enabling act (such as unspent PAYGO funds appropriated in the operating budget), or unspent GO bond authorizations. Unspent GO bond authorizations that exceed \$100,000 are usually deauthorized in a capital budget bill and not made available to the fund.

- Changes:** As a hedge against rising construction costs, the State increased the level of funding to the CCF in both fiscal 2023 and 2024 with appropriations of \$10 million and \$8 million, respectively. The 2024 CIP programmed \$2.5 million of GO bonds annually for the CCF for a total of \$12.5 million from fiscal 2025 to 2029. However, as seen in **Exhibit 6**, the 2025 CIP removed \$2.5 million from fiscal 2026 because the fund was not utilized by any projects in fiscal 2025. Additionally, the 2025 CIP only programs \$2.5 million of GO bonds in every other fiscal year, with the next \$2.5 million to be included in fiscal 2027, for a total of \$5 million from fiscal 2026 to 2030.

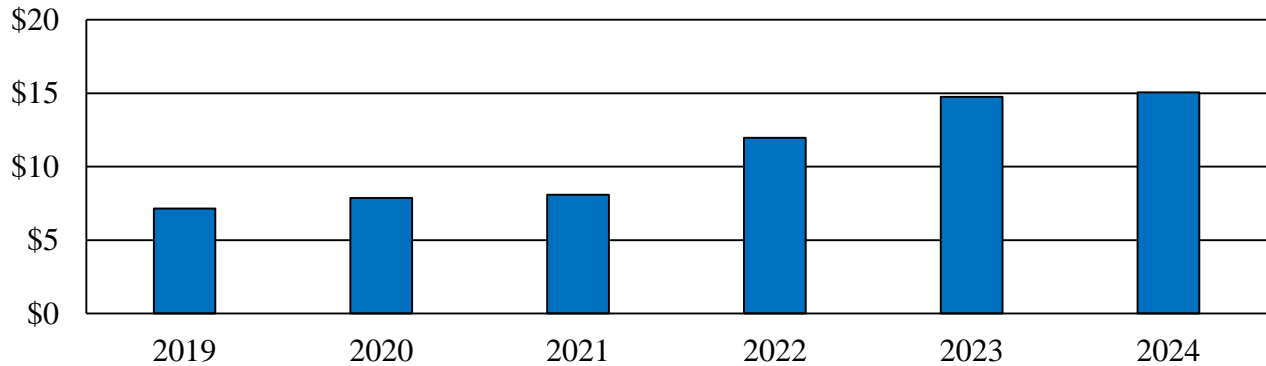
Exhibit 6
Construction Contingency Fund Total Authorizations
Fiscal 2020-2027
(\$ in Millions)



Source: Department of Budget and Management

Exhibit 7 illustrates the CCF fund balance at the end of fiscal 2019 to 2023 and the fund balance for fiscal 2024 as of July 17, 2024. CCF utilization was not as high as anticipated, and the fund balance is \$6.98 million, or 86.3%, larger than it was at the end of calendar 2021.

Exhibit 7
Construction Contingency Fund Balance
Fiscal 2019 through July 2024
(\$ in Millions)



Source: Department of Budget and Management

Summary of Out-year State-owned Projects

- Wineland Building Renovation:*** The five-story Wineland Building (formerly known as the Jeffrey Building) is located in the Annapolis State Government Complex. The building is occupied by the Secretary of State, the Maryland Department of Veterans and Military Families, the Governor’s Office of Homeland Security, and several offices for the Governor’s staff. The building is poorly configured, is not Americans with Disabilities Act (ADA) compliant, contains hazardous materials, and is not fire safe. This project will reconfigure and widen spaces, extend fire suppression systems throughout the building, and abate hazardous materials. The design phase is estimated to begin in March 2027 and will take 18 months to complete. Construction is projected to then be completed in June 2031. Total project costs are estimated to be \$16.189 million and will be financed solely by GO bonds.
- Louis L. Goldstein Treasury Building Renovation:*** The Louis L. Goldstein Treasury Building is located in the Annapolis State Government Complex. It is occupied by the Comptroller, STO, and the BPW staff. This new project will renovate or make substantial alterations to the interiors of the building on the second, third, and fourth floors. The scope also includes upgrades of all mechanical, electrical, and plumbing systems, fire protection and security system upgrades, exterior building envelope renovations, and ADA access compliance upgrades. There have been no prior authorizations, and fiscal 2027 is the first year of funding with \$2.1 million for design costs. Total project costs are estimated at \$59.4 million and will be financed entirely with GO bonds.