
VIRGINIA STATE BUDGET

2025 Session

Budget Bill - HB1600 (Chapter 725)

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Department of General Services

Item C-3.50

First Year - FY2025

Second Year - FY2026

New Construction: New State Agency Building (18765)	\$35,000,000	\$0
Fund Sources:		
General	\$35,000,000	\$0

A. Notwithstanding the project scope set forth for project 194-18528 as originally authorized in Chapter 552, 2021 Acts of Assembly, Special Session I, and as subsequently amended in Chapter 1, 2022 Acts of Assembly, Special Session I, and Chapter 1, 2023 Acts of Assembly, Special Session, I, the scope of this project shall now be limited to: (i) the full demolition of the existing structure formerly serving as the Virginia Employment Commission Building, and any related site stabilization; and (ii) planning for a new state agency building as hereby set forth in paragraph B. of this item.

B. The Department of General Services (the Department) shall perform a study and make recommendations regarding the utilization of two currently owned state properties for potential development of a new state employee office building; such properties are (i) the site originally designated in project 194-18528 at the corner of 7th and Main Streets (former site of the Virginia Employment Commission), and (ii) the site of the current Virginia Department of Transportation (VDOT) Annex Building, located at 1401 East Broad Street. Specifically, the Department shall provide a report by November 1, 2024, to the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee that includes a full evaluation of both properties and details and recommendations on: (i) timeline and cost estimates for options for a new state office building on either site, to include consideration of renovating and/or demolishing any existing structure and steps and timeline of any necessary property transfers, (ii) suggested total facility size and scope requirements as they comply with cited current general industry-acceptable space standards and with consideration to any specific space or operational needs of agencies occupying the Monroe Building and the conference space offered in the Monroe Building; (iii) consideration of whether such new state agency facility requires adjacent additional parking for agency tenants; and (iv) timeline and cost estimates for necessary and critical upkeep to the Monroe Building to ensure ongoing tenant safety. The Department may utilize funds provided to capital project 194-18528 for the work directed in this item. Notwithstanding any other provision of law, the ~~properties~~ *property* in subsection (i) ~~and~~ (ii) shall not be sold, conveyed, or transferred unless authorized in an Appropriation Act.

~~C. With consideration to the study directed in paragraph B. of this item, no executive branch agency shall be relocated permanently from the Monroe Building unless otherwise authorized by the General Assembly.~~

~~D. The Virginia Lottery shall not sign any lease for permanent relocation from their current location prior to July 1, 2025.~~

E.1. Out of this appropriation, the Department of General Services may use up to \$35,000,000 for the cost of renovations to state-owned buildings at the seat of government and associated moving expenses to facilitate the relocation of agencies from the James Monroe Building.

2. These funds shall be unallotted by the Department of Planning and Budget until the Department of General Services (DGS) presents a relocation plan for the agencies in the James Monroe Building to the Six-Year Capital

Outlay Plan Advisory Committee for approval. The plan shall include, but not be limited to, (i) the identified relocation space for each state agency, (ii) the anticipated renovation costs of each identified space, (iii) the anticipated impacts to the rent plan and parking fund, and (iv) identified conferencing space for agencies prior to completion of a new state agency building. In developing the plan, DGS shall (i) minimize the impact to the state rent plan by assigning space operated by DGS first, prior to using other state spaces, (ii) minimize the impact to the parking fund by maintaining agencies in downtown Richmond and assigning parking in state parking facilities to the extent practicable, and (iii) provide recommendations to the Six-Year Capital Outlay Plan Advisory Committee on any necessary rent plan changes or parking fee modifications to ensure sufficient funds for the operation of state buildings and parking facilities until the new state agency office building is constructed. These provisions shall not apply to the relocation of the Virginia Department of Health's Division of Pharmacy Services from the James Monroe Building.

F.1. No sooner than January 30, 2026, the property at the corner of 7th and Main Streets in Richmond, Virginia, that was the former site of the Virginia Employment Commission, shall be sold at fair market value.

2. Notwithstanding the provisions of §2.2-1156, Code of Virginia, or any other provisions of law, the proceeds from the sale of the property at the corner of 7th and Main Streets shall be deposited in the general fund.

G. Any amounts remaining from Project 194-18528 shall be transferred to support detailed planning for a new state office building at 1401 East Broad Street in Richmond, Virginia.

H.1. The scope for this project shall include approximately 220,000 sf of assignable floor area to allow for relocation of tenants in the James Monroe Building, flexibility to adapt to unanticipated program needs, and the provision of swing space for pending renovations of other seat of government buildings. In addition, the scope shall include 21,900 sf of assignable floor area for a conference center to replace that which will be lost with the James Monroe Building, 19,200 sf of assignable floor area for a data center and facility and security offices, space sufficient for the relocation of the health clinic currently in the James Monroe Building, and parking capacity estimated at 836 spaces.

2. The Department of General Services shall provide an update to the Six-Year Capital Outlay Plan Advisory Committee prior to December 15, 2025, on estimated size, cost, and timeline for construction of the facility, as well as for options as to the inclusion of a childcare facility for state employees in the building design and scope.

I.1. On July 1, 2025, the Virginia Department of Transportation (VDOT) shall transfer to the Department of General Services (DGS), the 0.535-acre parcel and the improvements thereon, located at 1401 East Broad Street, in the City of Richmond, Virginia, designated as City of Richmond Tax Parcel E0000153005 (the "Annex Parcel"), as shown and more particularly described on that certain plat entitled "Compiled Map—Commonwealth of Virginia, Vacation of Lot Lines and Consolidation of Multiple Parcels Located in the Blocks Bounded by Broad Street, 14th Street, Bank Street and 9th Street, City of Richmond, Virginia," as recorded on June 4, 2018, in the Office of the Circuit Court Clerk of the City of Richmond with Instrument #18-11067. Additionally, any surface parking areas adjacent to this facility that fall within the intended footprint of the capital project authorized by this item, if not already owned by DGS, shall also transfer in full ownership and control to DGS on July 1, 2025.

2.a. VDOT shall continue to operate the Annex Building and Annex Parcel until it transfers operations to DGS upon the relocation of approximately half of the VDOT staff out of the Annex Building, no later than November 1, 2025. At that time, DGS shall assume operations of the Annex Building and Annex Parcel.

b. Notwithstanding the provisions of 2.a, above, as of July 1, 2025, DGS shall have control and use of areas designated for transition space for elected officials and staff. DGS and VDOT may enter into an agreement to support activities during the transition. Any such agreement shall recognize as priority use of the building for transition space; such use may continue as needed to accommodate renovations to the Patrick Henry Building (PHB). All efforts should be made so that continued use of the facility by VDOT or to accommodate offices during

renovation of the PHB should not delay the advancement of the capital project authorized in this item.

3. VDOT shall demolish the pedestrian walkway over Old 14th Street after VDOT fully vacates the Annex Building.

J. Notwithstanding the provisions of § 22.1-13, Code of Virginia, meetings of the Board of Education shall be held in a location as proximate as possible to the seat of government in Richmond during the period in which public meeting space is not readily available due to the transition of state agencies out of the Monroe Building.