

RECAP

Capital Projects Advisory Board

Approved 01-22-2010



Meeting Date: December 4, 2009

Time: 3:00 p.m. to 5:00 p.m.

Location: Department of Forestry
Tillamook Conference Room
2600 State Street
Salem, OR 97310

Attendees: Tom McMullen
Peter Fernandez
Alan Maul
Vickie Hardin Woods

Denny Nielsen
Lisa Strader

Robin Kirkpatrick, DAS Facilities
Kristi Cederburg, DAS Facilities

Elaine Schacher, DAS Facilities
Valerie McBride, DAS Facilities

Guests: Gary Will, ODOT; Rich Scanlan, ODOT; Virginia Carey, ODOT; Kevin Cady, ODOT; Lorna Youngs, ODOT; Bryant Bischof, ODOT; Stuart Conzy, Sera Architects; Donald Ferguson, Sera Architects; Kevin Cady, ODOT; Tim Gilbert, OMD

A. Board Administration

1. Call to Order

Chair McMullen called the meeting to order at 3:00 p.m.

B. Salem Area Project Reviews

The opportunity for public testimony was made available. No testimony was presented.

1. Green Lot Landscape Crew Relocation – Randy Gengler

Diagrams of the proposal approved by the Capitol Mall Project Review Committee were distributed along with a narrative. The DAS landscape crew has historically been operating out of the Garden Pride building located on the east end of the Capitol grounds. In January 2008, Oregon Parks and Recreation Department was mandated to manage the State Capitol State Park so OPRD moved into the Garden Pride building along with DAS, Facilities. The building is not big enough for both agencies to occupy efficiently. The latest safety inspection indicates that there are too many people operating out of that facility and it is unsafe. OPRD really needs to be in this building so DAS, Facilities looked at several options to re-locate. The best option for DAS would be to re-locate the DAS landscaping crew to the Green Lot (contractor's lot). The proposal includes constructing a semi-permanent metal building that could be easily moved should there be a need to develop this lot in the future for some other use.

Working with the CMPRC, the design proposed is to construct the building parallel with Union Street. The proposal includes closing off the gravel driveway on Union Street which is currently an eye sore and installing grass and a tree. The landscaping will provide a nice view from the Employment building. The yard would be fenced on the south side of the lot for landscaping activities and vehicles that would be parked overnight in that space. They would beautify the lot with landscaping to break up the building and to add character. A canopy would be added on the south side and some windows and trim so it looks nice on the Mall yet meets the needs of the landscape program.

Parking lot – The parking stalls would be parallel to avoid losing any parking revenue. There is a 24 ft driveway from the parking lot into the site and a new parking spot would be created on the city street.

Robin K. added that there was a lot of consideration given to traffic flow. CMPRC looked at this project with regards to traffic impacts on Union Street as well as appearance. CMPRC concluded that access to the facility will be improved by having the driveway on the north end.

Cost Savings

OPRD maintains the State Capitol State Park and DAS maintains the remainder of the Mall grounds. The Garden Pride building is quite a distance from the areas maintained by the DAS landscape crew so the Green Lot location would place the crew closer to their work area and it is more centrally located for movement of the lawnmowers and trucks, etc. This results in less gasoline use and lower mileage on the vehicles.

Discussion:

- The floor plan of the first floor includes a restroom and break area. The second floor mezzanine would include an office for the manager and storage space for seasonal items. The second floor would be 30 ft X 20 ft. over the first floor break room area. The mezzanine on the second floor could be expanded in the future if additional storage is needed.
- There is no restroom on the second floor. There are no concerns for ADA access because the facility is small enough that it shouldn't require a restroom on the second floor. The landscape crew central functions would be on the first floor. CPAB recommended that this be investigated further. Should a handicapped person be employed in the future, this could be an issue.
- The roof line over the second floor is continuous over the 30 X 50 high bay storage area. The operational needs of the program are driving the configuration and the size of the building.
- Is it acceptable to construct a pre-engineered building that close to the Capitol Mall? The design was reviewed three times by the Capitol Mall Project Review Committee (CMPRC). This committee is very meticulous to ensure that projects fit within the Mall. The pre-engineered building was a consideration and the determining factor in the level of landscaping around the building. CMPRC determined that this facility would be appropriate on the Green Lot until such time as there is a need for an office structure or parking structure or whatever. The building being a pre-fabricated steel structure was determined to be acceptable because it could be easily moved to another location. In the last meeting there was some discussion about what an alternative structure might be (wood or brick). It was determined that the metal surface would most easily fit with the visual appearance of the Mall. The metal will be painted an appropriate color and the front exposure to the Employment building is intended to be stair-stepped so that the visual impact would not be a great expanse of steel building but rather some landscaping. A lot of design effort went into making it an enhancement to the site from what is there currently.
- How does it fit into the Area Plan? Right now, the same kind of facility is within that Capitol Mall area. The Garden Pride building is an approved usage, in fact it is in a more prominent portion of the Mall. As far as the Area Plan goes, the Mall changes configuration slightly from the Central Mall to this north end of the Mall. As far as an appropriate use, it is consistent with the Area Plan. Design review is under the purview of the CMPRC. There needs to be a useful utility within a reasonable location and it has been designed to fit within the Mall criteria as best it can. It could be looked at more closely to make sure it aligns with the Mall. Vickie has reservation about the nature of the building with the Area Plan.
- What is the long term plan to house landscaping facilities for the Mall? That is a question that DAS would need to come back to the Board with. The immediate concern is the difficulty in over crowding in the current facility. This is thought to be an interim solution and frankly a longer-term solution has not really been explored.
- If an office building were constructed on this lot, would this be an associated facility to future construction? The red lot is proposed to be a parking structure primarily with an office building component. The last discussion included considering incorporating this kind of facility into the red lot parking structure design, if this facility works well for the landscape program. Our hope is that when the structure on the red lot coalesces, that it would handle the O & M operations that are existing on Ferry Street. It would be appropriate to try to incorporate this into the red lot for a permanent solution. That might not be quite as an ideal location as the Green Lot but it would be better than moving it off the Mall completely. It is our understanding that there will be two or three buildings constructed before the Green Lot is needed to house additional office space. It will

- probably be twenty years before the Green lot is needed. A metal building could be moved.
- Currently the thinking is that an Executive Building remodel is needed as well as development of the Red Lot and the Yellow Lot. Three facilities have a higher priority than the Green Lot. Considering the challenges with the Transportation Building, a realistic estimate would be 15 to 20 years before the Green Lot is developed.
- The total cost for the proposed project is estimated at \$250,000 to \$300,000 for this 2,000 sf semi-permanent facility. The building is estimated at \$120,000 to \$150,000 and the site improvements including underground utilities are estimated to cost an additional \$80,000 to \$100,000.
- The reusable facility meets the sustainability component but Chair McMullen needs additional information before acting on the aesthetic aspects of this project.
- Vickie is uncomfortable about how this project aligns with the Area Plan and the design standards within the Area Plan. Communications between Robin K and Bryce Bishop indicated that Bryce is comfortable with sending the recommendation forward as long as it contains a condition that the final design complies with the Salem Development Standards and the zoning code requirements. That is a different issue than the Area Plan requirements. It is unknown if there are any other metal buildings on the Mall. There are small structures used for access to the parking garages but the building material is unknown.
- If the CPAB does not send a recommendation forward to accept this project, then it would have to go through a re-design process and the review of that would potentially fall to the Capitol Planning Commission, which could delay the project. The new CPC has not been implemented at this point. It could take a year before this project would be in a position to be reviewed by that body assuming it meets the review requirements of that body.
- The Board does not want to delay this project unnecessarily so it was agreed that the project should be moved forward to the DAS Director with a recommendation that the project be approved provided it meets area plan requirements, city building code requirements and city zoning code requirements.
- The Board requested that in the future when a project is presented that has some urgency, that the Board be provided an elevation drawing so they can visually see what is going on.

A motion was made by *Denny Nielsen* to accept the DAS Green Lot Landscape Crew Relocation Project as submitted and recommended to the DAS Director that the project be approved provided this projects meets area plan requirements, city building code requirements and city zoning code requirements. The motion was seconded by *Vickie Hardin Woods* and unanimously approved.

2. ODOT Major Lease Plan – Lorna Young, Acting Deputy Director

The construction project plan for renovation of the Transportation building was reviewed at the last CPAB meeting and the Board requested a breakout of the project costs. Sara Architects provided an overview of the construction project and the breakout of the projects cost and Virginia Carey, Facilities Manager presented the major leasing plan.

Remodel Project Cost breakout presented by Sara Architects

The total capital expenditure for project cost is proposed at \$69.4 million for 148,000 sf resulting in a cost per sf of \$469.48. The breakout provided showed that the construction costs including demolition, hazardous materials abatement and Oregon statutory solar initiative is \$42.7 million or \$288.81 per sf. The non-construction costs including design/management, Oregon Arts Commission, building commissioning, special inspections, certifications for SEED, LEED, BETC, City of Salem Permits, Fixtures, furnishings and equipment, temporary facilities rent, and the cost of two moves totals \$20.4 million or \$138.00 per sf.

The intent is to move everyone out of the building into leased space, renovate the building and move the people back into the building when the renovation is complete. If they were to attempt to renovate the building without moving all the people out it would take longer to renovate and would increase the cost.

Discussion

- ODOT is planning to move out of the Transportation building and into the temporary facilities for a 24-month period. They probably will not realize any savings should they be able to get back into the building sooner. It would depend on the lease terms negotiated by DAS. The 24 months is a worst

case number but they are hoping to be able to move back into the building within 18 months.

- The Board asked what it would cost to construct a new building compared to the cost of preserving a historic building or a building in a historic district and incurring the costs of moving twice. A core shell bare bones new building was estimated at \$200 per sf. To build a comparable building with the same square footage, LEED Gold in a suburban setting, steel frame, in a U-shape configuration, the cost would be in the \$310 to \$315 per sf range with tenant improvements. The remodel projected cost of the ODOT building is \$288 per sf so a premium would be paid for a new building.
- Robin K. relayed two points on behalf of Bob Stutte:
 1. It is a lot of money.
 2. The timing is not the best when the economy and unemployment rate is what it is.
- This is a good time to get good bids on projects. The legislature will be granting ODOT spending authority but the money for this project is Department of Transportation funding. They are using revenue bonds to finance the building. It is already programmed into ODOT's long-range revenue expenditure plans. ODOT sees it as an employment opportunity as statistics show that for every million dollars spent, you get a return of 11.8 jobs. Several hundred jobs will be created by this remodel project not only in the construction jobs but also ancillary opportunities with the leased space. This is a good time to move this project forward.

Leasing Plan – Virginia Carey, Facilities Manager

- Because of the current economic climate and the fact that there are leases available in the marketplace that were not available several years ago, ODOT took the opportunity to improve their overall leasing structure and look at how they might consolidate functions. The Leasing plan is major and a diagram was provided showing the details of each consolidation. One piece of the plan is to organize groups of workers into logical and efficient groups. One group is the Engineering group and technical functions. They will move that body of staff into long-term leased space. They would not go back into the Transportation building. Nine of their older leases are considerably higher than market right now. They are hoping that the lease rate from the submittals from the hot sheet process will come in lower than they are currently paying. This will be determined with the DAS hotsheet process. They are looking at one site to consolidate all the technical services.
- The other part of the lease plan is to move the policymaking groups, centralized functions, HR, accounting functions out of the building for 24 months then back into the Transportation building.
- The nine leases would remain where they are until the renovation is complete. Once those leases expire, those people will move back into the ODOT building and nine leases will expire. Hopefully the hotsheet process will result in some good figures and they will realize significant savings not only in rental costs but also by gaining efficiencies and they will be able to budget more accurately. The current estimate is a savings of \$343,390.
- Are all these leases gross? No, some are triple net, some modified, and some gross. They are located in a wide area also.
- ODOT will not commit funds until actually received. They are looking for CPAB approval so they can advertise for the lease space needed now so the information is available for the February budget process.
- Construction would start immediately once the documents are executed in March and the building is vacated.

A motion was made by *Lisa Strader* to accept the ODOT Major Lease Project Plan and the project cost analysis as submitted and recommend to the DAS Director that the Transportation Building Remodel project be approved without exception. The motion was seconded by *Vickie Hardin Woods* and unanimously approved.

A written recommendation will be sent to the DAS Director with a copy to ODOT.

C. Information Items

1. Long Range Capital Planning \ Deferred Maintenance Update – Robin Kirkpatrick CPAB Letter

The letter from the CPAB supporting Long Range Capital Planning for State Owned Facilities has been delayed a bit pending the signature of one member. All members have now signed the letter so it will be

distributed shortly and sent to the interested parties. The recipient list has not yet been finalized but it will go to all the facilities managers at an upcoming Central Facilities Planning Committee meeting. The facilities managers will be encouraged to pass this letter along to their agency directors who will hopefully offer support to the DAS Director in this effort.

Integrated workplace management system

DAS is pursuing the acquisition of an integrated workplace management system. The system would include capital planning, capital construction, operations and maintenance. A workgroup within DAS Facilities has met with four or five vendors to view demonstrations of software products. They are trying to get enough information to put together a Request for Information (RFI) in early January. Scott Young, DAS Deputy Administrator is leading the project and expects to have a completed draft RFI by late December. Input would be appreciated from CPAB members before the RFI is sent out so you can point out any missing chunks. Scott has been finding that some holes are being plugged as they look at various products. This could be a 40 – 50 page document. We are hoping to have it out on the street in early January, 2010.

Chair McMullen requested a simple resume of the primary components included in the RFI without the boilerplate language. Also the Board would invite an update on the status of this project once information is received. Scott Young plans to present a report to CPAB in early 2010.

The price range is expected to be in the neighborhood of \$400,000 - \$500,000. If it works for DAS, it would be integrated with some capital planning. A number of agencies with a lot of facilities may have some requirements that could be captured as well.

There is a huge cost just loading information into systems. Chair McMullen would like to see a magnitude analysis of how you get to where you want to go over time. While the software may be affordable, the cost to get all the data loaded may be a lot higher.

This is a DAS project at this point to see how it works for DAS. Assuming DAS is successful, Forestry and ODOT and some of the larger facility-owning agencies will be encouraged to work toward a plan to incorporate all the state facilities. DAS believes it must make a change as budget reductions have forced restructuring and improving efficiencies. This system will allow DAS to realize efficiencies. Whether it can be used on a broader scale is unknown.

DAS is looking for an off-the-shelf product requiring a minimum of customization. The process is challenging because we need to look at whole systems as well as components that might work together. It also must be flexible over time. A key to making a system work over time is to make sure the data is captured in a common and consistent format so you can use the data and rely on the data previously captured without inputting again.

D. Other Issues

There being no further business, the meeting was adjourned at 4:45 p.m.

Next meeting:

January 22, 2010

10:00 am to Noon

Department of Forestry, Tillamook Conference Room

2600 State Street, Salem, OR 97310