



CAPITAL PROJECTS ADVISORY BOARD
Santiam Conference Room at Dept of Forestry
2600 State Street, Salem, OR 97310

MEETING MINUTES – January 20, 2006 1:30 p.m. – 2:35 p.m.

MEMBERS PRESENT:

Bill Neland, Chair
Ron Polvi, Northwest Natural, retired
Denny Nielsen, Salem Hospital, retired
Peter Fernandez, City of Salem Public Works Department
Bob Stutte, Norris & Stevens

MEMBERS NOT IN ATTENDANCE:

Vickie Hardin Woods, City of Salem Comm Dev
Tom McMullen, Vice Chair

OTHERS PRESENT:

Bill Foster, DAS Facilities Division
Robin Kirkpatrick, DAS Facilities Division
Fred Lord, DAS Facilities Division
Elaine Schacher, DAS Facilities Division
Bob Karau, DAS Facilities Division
Ed Galligan, Port of Portland, retired (outgoing member)

Virginia Carey, Oregon Department of Transportation
Bryant Bischof, Oregon Department of Transportation
Karen Tofte, Oregon Department of Fish and Wildlife
Christine Reynders, Oregon State Police
Dallas Weyand, LFO Analyst

Handouts distributed to all members present:

- Agenda
- Minutes from October 21, 2005 meeting
- Administrative Rule 125-125-0050 through 125-125-0450
- ODOT - Temporary Building Airport Road Complex Salem Area Plan & PowerPoint Presentation
- 2006 Reporting Schedules
- Updated Facility Planning Process – Biennial Leasing plan
- Area Plan Update Process

CALL TO ORDER:

Chairman, *Bill Neland* called the meeting to order at 1:30 pm.

Public Testimony.

No public testimony was requested.

ADMINISTRATION

A1. Board Member Transition/Recognition

Bill Neland announced that there is an outgoing member and an incoming member to this Board.

Bill Foster informed the Board the Ed Galligan has decided to pursue other interests in a location that makes it impossible to continue serving on this Board. *Bill* expressed appreciation for Ed's dedication and all the years of service by Ed Galligan from the time this Board started. Ed was presented with a certificate signed by the Director of the Department of Administrative Services recognizing his eight years of service to this Board. His name plate was also given to him.

Ed Galligan stated that it has been a privilege and an honor for him to work with the great people who have served on this Board over the years. It has been a lot of fun and hopefully this Board has made some difference. It has been an honor to serve on this Board and he commented that he has made some great friends also.

Bill Foster introduced Bob Stutte who is assuming the remainder of Ed's term as a member of the Board. Bob previously served on the Public Lands Advisory Committee. There is some potential interaction between the two groups and Bob will be a great bridge and addition to this Board.

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Bill Foster introduced Robin Kirkpatrick, who has assumed the role of Statewide Facilities Coordinator serving in the position previously held by Shirley Finanger. Robin is now the official staff liaison for this Board.

Robin Kirkpatrick stated that it is his pleasure to have the opportunity to work with this Board. He welcomed Bob Stutte and expressed to Ed Galligan that he's sorry he didn't get a chance to work with him.

Bill Foster also offered appreciation for Fred Lord's efforts in filling in during the interim.

Bill Neland commented that what this Board was eight years ago and what they are now is light years ahead in terms of development and professionalism. Originally they were hearing from tenants rather than facilities staff and once they got that cleared up, the traffic was reduced and the Board got into action.

A.2 Board Meeting Minutes of October 21, 2005

Bill Neland asked for a motion to approve the minutes of the last meeting.

Ron Polvi moved and *Peter Fernandez* seconded to approve the minutes of the October 21, 2005 meeting. The motion passed unanimously. *Peter* requested that "City of Salem Public Works Department" be added to his title on future minutes.

A.3 CPAB Administrative Rule Changes

Fred Lord reported that this is a brief update on the rule by which this Board operates. Basically this update is to say that the rule has been approved and it is in effect. A presentation was made several meetings ago about the changes to the rule and the Board requested that those changes be reviewed for the benefit of the new member. What the rule did was threefold: 1) It removed the city of Keizer, Polk and Marion County from the purview of the Board and put it down to the city of Salem for capital projects operated by DAS and projects operated by other agencies within the city of Salem. 2) It changed the makeup of the Board to include two City of Salem employees to follow up on the Legislative directive that there be a greater degree of cooperation between the State and the City. The actual members with the City had already been members of the Board through the temporary rules which were put into effect two years ago. There is no change now, except that the rule is permanent rather than temporary. Some new definition and some new areas were added to the Area Plans which are the plans that the agencies must have for their major holdings within the city. 3) It also added the lease review which is perhaps the single most important change as far as the Biennial Facilities Plan is concerned. Now the Board will be reviewing the agencies long term leases over 10,000 square feet for a term of ten years or more, in addition to the maintenance requirements to the building projects themselves.

Bill Neland commented that the scope and responsibility of the Board has changed considerably since it started ten years ago.

SALEM AREA REVIEWS PURSUANT TO OAR 125-125-0350

B1. Oregon Department of Transportation – Temporary building

Virginia Carey, Facilities Manager for the Oregon Department of Transportation presented a proposal for siting approval of a temporary modular structure on the ODOT Airport Road Complex in Salem. ODOT anticipates this structure to be temporary to meet their current needs. The space need was created due to a recent reorganization during the last Biennium. They brought several people out into the Regional offices and that included the 32 in the Airport Road facility. The current situation is very inefficient and makes it difficult to meet customer needs. The modular building would be located in the parking lot area between two buildings (P and Q). Building "P" is ODOT District Headquarters and building "Q" is currently a sign shop. The building would be located in the parking lot area between two buildings and will not be visible from Airport Road. A map was shown of the proposed location with a comment that it could move slightly if service lines become an issue because they do not know exactly what may be lying underneath that area of the parking lot. Basically they would like to start the project immediately. The last slide was a picture of what the modular structure would look like as this is one currently located in Corvallis. *Virginia* asked if there were any questions.

Peter Fernandez asked if this is ODOT Region 1 management or Region 2. *Virginia* responded that it is Region 2.

Bob Stutte asked if a new building would be built on that site in the future. *Virginia* responded that they want to building in Southeast Salem once the Area Plan is updated. They are not able to do any new construction until that Airport Road Area Plan gets updated but they do have a request before the Transportation Commission for approval of an addition to Building "P"

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that would take the place of the modular. *Bob* further asked if the modular will be in the way of where the construction will take place. *Virginia* responded: No, that's why they are placing the modular in the parking lot area. The area to be added on to is actually to the North, extending one end of the building. That project has not been approved by the Transportation Commission. The project will go before the Transportation Commission as a capital improvement project in March.

Bill Neland asked for a motion to accept the report. *Denny Nielsen* made a motion to accept the report, *Peter Fernandez* seconded and the motion was unanimously approved.

C1. 2006 Reporting Schedule

Robin Kirkpatrick referred to the 2006 Agency Reporting Schedule included in the meeting packet. The issue with the schedule as written is that all meetings have been scheduled for Friday's with the exception of one meeting which is scheduled for April 20th, a Thursday. The Tillamook room is available on April 28th a Friday if the Board would prefer not to meet on the Thursday. DAS staff is asking that the Board approve both the reporting schedule and the meeting schedule. *Bill Neland* stated that the Board tentatively approves the meeting schedule and will confirm at the next meeting after the Board members have had a chance to check their calendars. *Robin* pointed out that the reporting schedule is the most current version. There has been some juggling around in order to meet agency's needs, in fact it was revised again this morning. There may be future changes to that schedule but hopefully that is fairly accurate. The schedules also include a schedule for the Salem Area Review items. This scheduled doesn't have any dates for those particular items because they come on an as-needed basis. The list is the particular items DAS is aware of that will probably be coming before the Board.

Ron Polvi commented that he noticed that Parks is the only agency listed in March. He was wondering if their plan will be fairly long. *Robin* responded that it may be fairly long but there have been initially several agencies scheduled for that time slot. *Robin* is presently working to see if he can get several other agencies to agree to move forward to balance out the presentations. Fair and Exposition will be included with the Parks presentation so it may be a fairly long plan. A new schedule will be provided with the next set of meeting documents.

C2. Updated Facility Planning Process Manual

Robin Kirkpatrick indicated that the complete manual was sent to the Board by E-mail previously and is not part of the handouts today. The primary changes to it were formatting. Being new to this position he looked at it from a set of eyes that had not seen it before and he did some formatting with the able assistance of Elaine Schacher and Fred Lord and Bill Foster and tried to make it so it was easier for a person who was not previously involved with the process to be able to understand what was going on. There is a single page of history background that has been added right after the table of contents but structurally the primary change has been the addition of the Biennial Leasing Plan. The size of lease to be presented and reviewed by the Board has been reduced from 25,000 sf to 10,000 sf. That is reflected in the manual. In order for a lease to be presented, it not only has to be 10,000 sf lease but also must have a 10 year lease term so it will not be all 10,000 sf leases that come before the Board. The other addition regarding leasing is the Biennial Leasing Plan which is included in the handouts. This is an attempt to capture the leasing activity going on by the state agencies. At this point, the anticipated process being considered is that when an agency comes before the Board with a presentation of one of their construction projects, the agency will be also be asked to complete the Biennial Leasing Plan in order to capture the leasing information from that agency. There are probably six to eight agencies that are not currently on the review schedule that have leases in excess of 10,000 sf that will be expiring the in 2007-09 and 2009-11 biennia. It is possible that those leases would need to come before the Board. At this point it is not known whether they will be renewals or whether they will be leases for a ten year period, meeting those criteria, so those will be dealt with as we go through the leasing process with the DAS Leasing section and Valerie McBride. The Board will be updated as information becomes available. This concluded the changes to the manual. *Robin* asked if there were any questions.

Bill Neland asked if the rearrangement of responsibilities and authorities and so on are getting sorted out. *Bill Foster* responded that it is beginning to solidify and make sense.

Robin Kirkpatrick commented that as he has been in contact with agency's Facilities Managers, regarding the new manual there have been a few questions about the leasing inclusions. It's going to require a little bit of flexibility as we work through this with the agencies. Everyone has been very cooperative and most willing to provide the information requested.

C3. Area Plan Update Process

Bill Foster introduced *Bob Karau*, who is with DAS on a limited duration basis to help with the updates of the Area Plans that were formally the purview of the Capitol Planning Commission. The progress of the suspension of the Capitol Planning Commission, Senate Bill 90 permanently eliminated it and with the update of the Administrative Rules, there are certain responsibilities on land use that were left to the city of Salem but then there were certain other responsibilities that were kept with the Department of Administrative Services and it will continue on. One of those responsibilities is working with agencies to make sure the Area Plans are reasonably up-to-date for the major property holdings in the Salem Area. Another thing that has not existed before, is trying to create a plan that looks at the linkages amongst the various plans. They have sort of been unto themselves and what this is really about is to better coordinate and understand the relationship between the city and state within the Salem Area and how that works. That is what DAS is in the process of doing and *Bob Karau* will share the game plan as it is being rolled out. Another thing being talked about is maybe at some point having a sub-committee of the Board to interact aside from the normal Board meetings on this subject. Informally there has been some discussion about Salem folks, serving in that role. Upon further reflection, there is no intent to create a quorum so it seems like maybe the thing to do is if Tom and Denny are interested, along with one representative from the city of Salem that may become the sub-committee. *Bob Karau* will explain this further, but DAS is trying to get some drafts and some reviews in place before sitting down and having discussions with the city and the agencies before there is engagement with the Board.

Bob Karau commented that it is nice to be back in front of this Board, although in a little different context. He started this project about one month ago and his activities have consisted in taking a look at what has happened historically with the Area Plans. Before he gets into that, for the basis of making sure that everyone is on the same playing field, the purpose of the area plan process was to coordinate the development and use of state-owned properties within what is now the City of Salem. There are basically eight area plans in existence. Six of those have not been touched since the early 1980's so you can imagine since 1980 things have happened across all the area plans. Such things as construction of the North Mall, construction of the Lottery building, the sale of the Fairview property to the Fairview Industrial Park as well as the Fairview Hospital properties and the development and current activities going on with the Oregon Department of Corrections out in southeast Salem. There are certain things required in the examination of these plans and its not all DAS's work. It is required of the agencies to basically help maintain these on an on-going basis. DAS is providing a template for the agencies to basically call out what information should be in all area plans so there is a basis of commonality within the plans that we can look at, as *Bill* indicated, when we start getting into the coordination plan. The coordination plan is primarily looking for areas of opportunities or "opportunity zones" within program adjustments, in land adjustments, building consolidations and those types of issues to maximize state holdings within the City of Salem. Keep in mind this is not done in a vacuum and DAS will be working very closely with the City of Salem on these opportunities. One of the things we will be doing within the next month or so is getting together with the City of Salem for their input. There may be areas that they are aware of that we are not aware of that we can factor into these area plans as they are being developed. The other thing that happened within SB90 was the fact that there is now a mandatory plan review process every five years. So those plans will be coming to this Board for review by the agency similar to the statewide planning process. So we can continue to set our policies forward approximately ten years and be accountable to those. There is a very strong focus from the legislature that we do plan our property holdings better and are looking for ways of either maximizing surplus property or selling it and getting those assets back into the treasury. On the project plan, there is a flow chart on the back, showing some of the activities planned during the review process. *Bob* highlighted some of those activities. The first month activities are pretty much completed in that all the area plans have been reviewed. A cursory, initial draft of the plans has been done in order to take a look at what information is there that needs to be reviewed and validate. Most of the information is so old that it is hard to even validate. In the second month the project plan will move forward. *Bob* will be meeting with the Public Lands Advisory Committee as well as this Board to review the project strategy and begin drafting of the coordinated plan and take a look at how we are going to be operating amongst all the plans to look for opportunities for consolidation. Once that is all taken care of, DAS will move on to working with the agencies and the City to start developing the policies and the plans themselves asking the agencies what they believe they need to do with the properties. Do they identify surplus property holdings that they have? Are there areas within their basic project plan within their property holdings to be able to incorporate any revision to the area plans? After all the feedback is received, the plans will be drafted and brought back to the PLAC and CPAB for review and input then hopefully, be able to finalize the Area Plans with the City and the State. It is an interesting project. He chuckles a lot when looking at the old plans and where they were. A copy of the farm properties out at the School for the Deaf is included as a tickler to show that programs change within agencies. Historically we've seen that with the Department of Corrections. Another good example is the farm property at Corrections. They don't farm and they don't raise cattle any more and now they have all that surplus property and it doesn't fit within the program. You can look across most state agencies and see how

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their programs have developed. Whether or not they need dormitory housing like the School for the Blind and the School for the Deaf used to use and those type of issues. That's what will be routed out as we go through this evaluation process.

Bill Neland asked if all the areas are owned by multiple agencies. *Bob Karau* responded: No, there is an area plan for the School for the Blind, the School for the Deaf, Airport Road is a separate plan and is multi-agency. DAS owns some property with leasing folks in there and facilities. The Department of Corrections owns their property. State Fair will be a dynamic project in itself and that agency has been transferred to Parks now. Of course, you have been reading in the paper daily now about what is happening with the Salem Hospital property. *Bob* tried to prioritize the plans for review and has put the Salem Hospital last, in order to let the existing consultants do their work without our getting in their way. There are some dynamic things happening as well, and they probably should be happening as we identify what the issues are.

Bill Neland asked if consultants are working on the State Hospital. *Bill Foster* responded that they are looking at what the needs are so there could be a proposal for some type of new facility, and they hired KMD Architects to do a Feasibility Analysis of service delivery. *Denny Nielsen* asked if KMD was out of the San Francisco office or Portland. *Bill* responded: Both, they are staffed by both.

Peter Fernandez offered that any information that the City may have such as base maps, utilities, etc. are available during this process. *Bob Karau* responded that the City has already been very helpful. *Peter* continued that he didn't see any kind of review or presentation to the Planning Commission or the City Counsel in the timeline. He doesn't know if DAS wants to go there but he would like to have that discussion. *Bill Foster* responded that historically, that has never been done. The public forum for review would be with this Board. If the City wants to bolster that in some way, it would probably be to bring people here. That was the case with the Capitol Planning Commission. There was a lot of interaction but during the CPC's existence, the Mayor had a seat and the Chair of the Planning Commission had a seat. The intent is that CPAB will be the forum. *Peter* further commented that he thinks there is going to be a lot of interest, certainly because of the successes of Fairview, DOC and changes that are happening. In fact he was looking for the Home Depot sign on the plan for the School for the Deaf and he couldn't find it. Maybe if it is just a presentation without looking for any action, but he thinks there will be some interest and maybe there is some way to let everyone at the city know when everything has come to completion. *Bill Foster* responded that certainly the intent is to engage with Neighborhood groups and other stakeholders but DAS does not want to raise expectations in the wrong way. This is a state decision about these plans. At the same time, we clearly are trying to get something that meshes and works with the city and that's the whole point and why we are going to be engaging soon to see if the content feels like it addresses all the things that it ought to. *Bob Karau* commented that the city will have its opportunity for comment as actual projects come forward. *Peter* responded that he understands the concerns and is aware that neither the Planning Commission nor the City Council would be in a decision making capacity. Nevertheless, they would be interested in hearing what the State has. *Bill Foster* responded that it would make perfectly good sense to share the information whether in a Planning Commission meeting or a City Council meeting with the clear understanding that it is in a different context. *Peter* agreed.

Bill Neland commented that the existence of this Board may have enabled this sort of activity to move forward. He thanked *Peter* for this information and for professionalizing this issue.

Bill Foster followed up that this is a fairly substantial piece of work to undertake and it is being approached from two different ways. Initially it was agreed that Hillcrest would be the first plan to be redone because it is pretty simple, its stand alone and there is not much controversy. There may be a few neighborhood issues but there is only one agency represented there. Then *Bob* plans to, in parallel, look at the Airport Road plan which is one of the more complicated plans. We are also looking at the coordination plan to see how they mesh together; then, dive into it in more depth. Hopefully, this can all come together very nicely.

Denny Neilsen asked if he could see one of the existing Area Plans to have some basis for these reviews. *Bill Foster* responded that they are not lengthy and they may even be able to whittle them down a little. It is more important to have some important information in there to give some sense of what is currently there and where people are trying to go with these properties and to acknowledge (this is the inter-relationship with the PLAC), as to whether some of the property should be acknowledged officially in the plan as "excess to state needs". Then there could be some plan for moving ahead with marketing some of it or some methodology.

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Ron Polvi asked if the plans are in a similar format. *Bill Foster* responded that the last time they were updated, across the board, there was a certain consistency amongst them at that time. That was when Greg Wolf, who was formerly on Kitzhaber's staff, was the Executive Director of the Capitol Planning Commission. Now the State Fair Plan was redone, the Capitol Mall Plan has been tweaked a number of times so they do not align real closely. What Bob is trying to work on is re-establish that realignment so similar things are in similar locations and that the policies are articulated in a certain way and really becomes the measuring stick for what is actually done in that area that the Board can use in the review. That has been described already in the rules so it's just getting all of this to align appropriately. We certainly can share an example of a past plan. *Denny* further commented that it would be interesting to see where people envisioned where they wanted to go and where we are now and where we think we want to go. *Ron* commented that it will be interesting to see where things are actually situated. *Bill Foster* responded that the graphics need to be figured out with aerial photos, etc. The city was kind enough to share a nice big map that shows all the locations.

Bob Stutte commented that when he served on the Public Lands Advisory Committee (PLAC) he got involved in the Surplus Property reviews by Agencies. He had a sense that this was the beginning of a process. It didn't seem as though those agencies were very far down the road with that surplus property and if that becomes part of this decision making, it sounds like maybe it is. Are the agencies really ready for that? *Bill Foster* responded that there are two issues here. There is the broader statewide issue that is a much bigger issue, for example, Hillcrest and Fairview. Fairview was sold so there isn't much left. The School for the Deaf has a good chunk of land that is not being used and maybe that should be surplus.

Peter Fernandez stated that the single most important issue with the City is the question of how much surplus land there is and is the state going to surplus it or not. *Bob Karau* responded that the 1980 Area Plans may now contain some surplus land and there was some surplus property identified at the time. However, there was no previous mechanism in place to deal with those issues. Those issues will be part of this process and part of the coordination effort. Those will be the next steps developed within the plan and will be part of the plan and how to figure out how to move that forward in an action plan. *Bill Foster* continued that the planning process then would be to say, Ok this portion isn't going to be used, then what are the conditions that should happen instead, what kind of buffer needs to be there and what will be left to actually sell. *Bob Stutte*, commented that there were issues about where the monies would go if the state were to sell the properties. Like Fairview, the money went to the fund for the mentally disabled. It's one thing to have surplus property but then it's a matter of what can you do with it. If you put another state agency on it, do you have to charge that state agency so you have funds going back into the agency fund. *Bill Foster* responded that this is certainly one of the primary questions to ask because it may be surplus for one agencies' need but it may not be surplus to the state overall if another agency needs it so then it would be a matter of working through that.

Denny Nielsen commented that a year before he retired from Salem Hospital, he spent a good deal of time with some land use folks in the area, looking at their Center Street Campus located immediately across the street from the State Hospital. If you think of the incredible potential of that land to this community. Once a new project on the Salem Hospital site is done, most of what exists on Center Street on the State Hospital side of the street will still be there. The best alternative at the time of his departure was probably to dispose of that property and make it available for development. There would be incredible opportunity for both sides of the street. Another issue is that both parcels are zoned PH and the last thing needed is to have people come in and compete in terms of health care, which is a pretty rugged marketplace. There is a lot of cooperation and it would be very helpful to the state as well as the city and the community at large. *Bill Foster* responded that clearly, if a portion of that area ends up being surplus, or all of it, that is a major effort and a major impact on the city of Salem. It would take quite a detailed process to work through because it has historic issues, cemetery issues with the cremated remains that are on the site, and it is fraught with all kinds of interesting issues. *Ron Polvi* added that further investigation may be necessary.

Bill Neland indicated the conclusion of the agenda items and the meeting was adjourned.

NEXT MEETING

D.1 Next meeting is scheduled for February 17, 2006 1:30 pm to 4:00 pm at Department of Forestry, 2600 State Street, Tillamook Conference Room, Salem, OR.

Prepared by Elaine G. Schacher, DAS Facilities