



Department of
Administrative Services
FACILITIES

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

MEETING MINUTES – May 20, 2005 1:30 – 3:30 p.m.

MEMBERS PRESENT:

Bill Neland, Chair
Denny Nielsen, Salem Hospital, retired
Ron Polvi, Northwest Natural
Peter Fernandez, City of Salem
Vickie Hardin Woods, City of Salem

MEMBERS NOT IN ATTENDANCE:

Tom McMullen, Vice Chair
Ed Galligan, Port of Portland, retired

OTHERS PRESENT:

Bill Foster, DAS Facilities Division
John Wales, DAS Facilities Division
Fred Lord, DAS Facilities Division
Elaine Schacher, DAS Facilities Division
Robert Reitmajer, DAS Facilities Division
Julie Mallord, Consolidated Data Center (CNIC)
Mike Freese, Consolidated Data Center (CNIC)

Bob Karau, DPSST
Bob Hidley, Department of Aviation
John P. Wilson, Department of Aviation
Jennifer Keliar, Department of Aviation
Jennifer Anderson, Department of Aviation
Virginia Carey, Department of Transportation
Bryant Bischof, Department of Transportation
James Whitty, ODOT / Innovative Partnerships Program

Handouts distributed to all members present:

- Agenda
- Minutes from March 18, 2005 meeting
- Department of Transportation – Office of Innovative Partnerships Overview of Maintenance Facilities projects
- Department of Aviation – Facilities Space Needs, Project and Maintenance Plans

CALL TO ORDER:

Chairman, *Bill Neland* called the meeting to order at 2:00 pm.

BOARD ADMINISTRATION

1. Approval of the minutes

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

Denny Nielsen made a motion to approve the minutes of the March 18, 2005 meeting. The motion was seconded by *Ron Polvi* and passed unanimously.

2. Department of Aviation – Facility Report Pursuant to 125-125-0300

Bob Hidley, Director and *John P. Wilson*, Business Manager for the Department of Aviation presented a Space Needs Plan, Project Plan and Maintenance Plan to the Board for review.

Fred Lord advised the presenters that this is an informal process and not detrimental to their jobs and further advised them to direct their comments to the Board Chair and members when they are ready.

Bob Hidley stated that he has been the Director of Aviation for three months. When he came into the job, the Department was in the middle of negotiations of a joint venture with the Army National Guard (Military Department) for an operations building they were planning to build sometime in the future. When he took a look at it, he determined that it was not in the Aviation Department's best interest to go forward because of several issues that were really important to the Aviation Department. The first issue was that they own the building they occupy today and the deed actually says they own the building and the land

forever. If they made an agreement with the Guard for a 25 year lease, his concern was what would happen at the end of those 25 years. The Aviation Department would be out on the street and would be forced to do something else. The second issue was that there wasn't any real plan for what would happen to the Maintenance Department. The Department maintains 28 airports around the state. They have vehicles and employees that do that and there was not mention of how that department would be accommodated. Negotiations were stopped and last Thursday he received a phone call saying the Army National Guard may be interested in re-visiting this again. Friday afternoon they reached a verbal agreement that they would proceed with a joint venture to share a building with the Army National Guard. Everything has changed for the Department of Aviation within the past week so they now have a verbal agreement to proceed with the project formerly presented by the Military Department. Last Wednesday, they gave the Army National Guard a list of their requirements including square footage. There is no written agreement and the financial arrangements have not yet been determined but they are going forward with the concept.

Bill Neland commented that the Board met with the Army National Guard during the last three or four meetings and the joint project with Aviation was discussed so the Board is familiar with the concept. *Bob* responded that the current agreement is even better now because it includes a hanger with surplus capacity. In fact, this hanger will probably be used for all state agencies' aircraft, not just Aviation's so it will be good for the state as well.

Ron Polvi asked if this would serve their maintenance needs as well. *Bob* responded, no. They haven't determined that yet. Probably the maintenance needs will be adjacent to or attached to the new facility and the Army is trying to decide if they should be located nearby or somewhere part of the same building. They haven't decided on the exact location of the building yet. They have a problem with having enough parking spaced for all the guardsmen that are coming for training. That will determine where the maintenance facility is located whether in the main building or somewhere else.

Bill Neland commented that CPAB heard a project presentation 3 or 4 years ago to renovate space for this group. *Bill Foster* responded that this has been on the table for some time. The previous Director had been working on this for some time. A \$1 limitation for construction of a new facility was approved in the 2003-05 budget, so that is on the record. In fact, that may be a useful vehicle under the circumstances.

Vickie Hardin Woods asked what is going to happen to the existing building that Aviation would be vacating. The reason she asked this question is because her job with Community Development for the city of Salem includes the airport as well. *Bob* responded that the Aviation Department owns the building forever unless they vacate the premises and no longer use it for Department of Aviation purposes, at which time it would revert to the city. That's part of the issue. They don't want to give probably the most prime piece of property on the airport to the city for free. Part of what they want to do is to negotiate with the City of Salem to exchange an acre of land they own to exchange maybe 2 or 3 acres of land of lesser value adjacent to the Guard Facility and then maybe offer that to the Guard in return for a reduced cost of the building. That has to be negotiated and that hasn't started yet. *John Wilson* commented that he hasn't talked to the Salem airport yet but he knows that Salem Airport has possible plans, starting in 2007, for some type of construction on the east side of the airport just south of the airbase. This is what was told to him by Tom Long. In the current Aviation space, they can accommodate a big sized aircraft of 12,500 lbs or larger right next to the tower. They can't go any further south because the asphalt cannot handle the weight. That would be a better location for future development for some type of terminal versus laying new asphalt down. They could use the Aviation site and save many millions of dollars over the development of the whole other side of the airport, if Aviation wasn't there.

Bill Foster added the perspective that this project moved off the screen for awhile and now it's coming back on. Lots of details need to be addressed and the discussion with the city is certainly one. What is driving the project right now is that the National Guard is partially funded and has legislative approval for their portion of the facility. They are anxious to get the project moving. They are also seeking an additional \$2.7 million from the Federal Government and hope to know the outcome in June but no later than October. DAS, OMD, and Aviation are trying to see if the project can be included in the current budget process. The last legislature approved a \$1 limitation in the budget. There are lots of outstanding issues that need to be addressed, including the potentially surplus hanger which would have to include some type of federal buy-out, but could offer a good deal for the Department of Aviation.

Vickie Hardin Woods commented that the current building that they are in could certainly use some work. *Bob* responded that this is part of the problem. If they stay in the existing building it will need about \$1.1 million worth of renovation and it will still

be an old building. *Bill Foster* commented that Aviation was the only agency that has not come before the Board and done the normal budgetary review. As previously mentioned, there was some discussion about the project with Military. Perhaps Aviation could highlight the differences. The other issue is the maintenance plan, so a little discussion about the condition of the existing building would be in order

Denny Nielsen asked what they estimated as a reasonable target for concluding the discussion with the Army National Guard to come to some conclusion as to where Aviation will be located. How long do they think the process is going to take now that they have a verbal agreement to move forward. *Bob* responded that the Military Department plans to have the building designed by September, 2005. Aviation needs to do this fairly fast and have put together a first draft plan of what they would like to see in the building. Military Department's consultants are designing the building right now. Time is of the essence. *Bill Foster* commented that what is driving this right now and the critical point is that there needs to be some legislative acknowledgement of this and that has to happen literally within the next few weeks.

John Wilson added that this concept came up in October and they had support of Senator Betsy Johnson and the Governor's office. They thought that having a joint partnership with Aviation and Military was a very positive and good thing.

Peter Fernandez asked for clarification that there is no money for this concept right now. *Bill Foster*, stated that this is correct. The original concept was to use some ending balance that they had in the past, which they no longer have. This would require moving to debt financing using Certificates of Participation. That piece is not in the budget. Theoretically, they have an entry point for the project from the \$1 limitation approved by the last session, but will need to get financing approval in the debt bill which is an independent legislative process. *Peter* asked if there would be enough money in that to complete the project or would the project be dependent upon this city/state land deal. *Bill Foster* responded that it would be set up initially to complete the project because the nature of the city/state deal is an unknown and it may take some time to work out. There would also have to be some mechanism to pay back the debt and those are some of the details that will go on a long list.

Vickie Hardin Woods asked for clarification that the plan presented today includes the decision to partner with Military so if CPAB approves this plan, that is what they are acknowledging. *Bill Foster* responded that this is a late breaking development. The normal process would be to receive materials three weeks in advance of the meeting so some review can be completed. So it may make the most sense for the Board to receive the report and for the Board to conceptually agree, but plan on a return visit in the future with more of the details. *Bill Neland* commented that this Board is familiar with the airport and what its problems and advantages are so they are a step ahead in that they are not starting from ground zero with this request. This Board has great sympathy to the challenges and exists to help agencies find solutions to meet their needs.

John Wilson further stated that there were some questions left blank because those are the unknowns right now until they get back with the Military and have answers given to them. *Bill Foster* asked if they wish to have a discussion about the maintenance plan and whether that plan speaks to the existing building or whether that seems clear enough that we can forego that. *Bill Neland* commented that they heard and approved the plan two or three years ago and they can only assume that the building is no better than it was the last time they were before this Board. *Denny Nielsen* added that he thinks *Bob* did a nice job in estimating the \$1.1 million remodeling estimate. *John* added that the facilities plan includes the assessment from the current facility that they had prepared last summer. The big item was the \$150,000 replacement of the roof. That's just a small percentage of what they need to fix.

Bill Neland asked if they are looking to consolidate the airport operations of any other airports across the state or is it just the local airport. Are they going to have needs at other airports? *Bob* responded that they have 28 state airports but the only building they own is the headquarters building here in Salem. The only other facility they have is a trailer recently installed in Aurora. *John Wilson* added that none of the airports around the state have buildings or employees. *Bob* responded that they have employees that are based out of Salem and they fly or drive to the airports to do inspections and maintenance.

Bill Neland suggested that the board accept the report as preliminary information at this time with follow up next month. *Fred Lord* added that there are two stand alone issues here: 1) is the concept of relocating to a joint project which has its own time line and issues. The 2nd is the existing building where the agency has to stay during the planning, development and construction phase that may well be 18 to 24 months out. They have to deal with the existing building in the meantime, which means for most of the next biennium. The Board is in favor of dealing with just the concept of the move.

Peter Fernandez moved that the Board is in favor of the concept of the move to a joint project with the Military Department. *Vicky Hardin Woods* seconded and it was unanimously approved.

3. Department of Transportation, presented by Jim Witty, Manager of the Office of Innovative Partnerships Program with ODOT

The Innovative Partnerships Program is fairly new. It was adopted by the state legislature in 2003. It took a good long year to right the rules which were completed in August, 2004. Since that time, they are now ready for business and have been doing a number of things. One of which is preparing solicitations for maintenance facilities which is the substance of this presentation. The authority granted to ODOT through this program is essentially to have an alternative procurement mechanism outside the traditional procurement mechanism so that ODOT can facilitate certain property transactions in a more imaginative way. What was done last fall is that they examined the types of projects that might be advantaged by this project, projects that might never have moved any other way. They went through an internal identification process followed by identifying criteria to projects. A number of them were identified as being advantaged by the process; those projects were reviewed by the Director of ODOT, and then went before the Transportation Commission who then approved the request to solicit. Three were major highway projects and one was a rail project and one was the maintenance station project which is what we are talking about today.

These maintenance stations were established, many of them 50 to 60 years ago and even longer in areas that used to be rural. Many of them are no longer rural, in fact they are highly urban and are next to neighborhoods of high value homes or commercial areas and they simply don't fit there any more. ODOT has found it very difficult to move these stations because they do not have sufficient capital to afford to buy property to build new stations and turn around and sell the former maintenance station property. They do not have the capital to do that. This new procurement process will allow ODOT to enter into a concurrent, joint arrangement where ODOT solicits proposals to move the maintenance station to a more appropriate location while at the same time transferring the real property to a developer for development. It all happens concurrently. That is the innovation here. Something they have not been able to accomplish to this point. They are in the process of preparing a solicitation document on six (6) properties. They have been working with ODOT Facilities and Maintenance Departments to identify these properties. Apparently there are six (6) that are going to be ready to go toward the solicitation in mid to late June. The others that have been identified perhaps at some other point. They are not quite ready yet. They believe that the state will be able to make money on these transactions. It is their hope that the real property has some value and will exceed what is needed to build a new facility. It may solve a couple problems and they may end up with a couple dollars for the state as well.

Bill Neland asked if they would be looking for the same amount of land area. *Jim Whitty* responded, typically, although it could be that the state-of-the-art maintenance station today is much more compact or has lesser requirements than a state-of-the-art maintenance station of 60 or 70 years ago. A list of the six (6) potential projects was provided in the report:

1. Estacada Maintenance Station is about 3 acres with two buildings dating back to the 1950's. Another property within the Estacada city limits is a 10.63 acre stockpile site with one building. Both these properties are zoned commercial and would be better suited for a higher-value use.
2. Warrenton Station in Clatsop County would make available a 1.34 acre parcel in Astoria that has significant visual appeal and a five acre parcel along Avenue "S" in Seaside. An alternate site has been identified that would be near the new US 101 alignment. This is a learning process and they are assembling information right now on all these projects including doing fly-overs. Real estate flyers are being prepared as well because it is a real estate deal and they must engage the real estate development community in a way that they are used to being engaged. This is a professional opportunity to engage them. They hope to combine into one administration and maintenance facility here in one co-located site.
3. Florence Maintenance Station in Lane County is a 1.5 acre site in downtown Florence. A property has been identified along Highway 101 that would be a better facility. A large apartment complex is currently under construction directly across from the Florence facility that could negatively impact the operating efficiency of the current site. This is a common thing where they get calls all the time in certain areas. They want to go out in the middle of the night to sand roads and bridges. When the machinery is backing up it makes a beep, beep noise and it is a problem with the neighborhood as well as the dust and other things associated with a maintenance facility.
4. Reedsport in Douglas County is surrounded by commercial development and occupies a city block right in downtown Reedsport. The lot is underutilized and was before the Board of Commissioners to build an alternative facility for ODOT.

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The partnerships may not necessarily be a private developer. It could be a public developer. Again this is a co-location potential opportunity with the local government.

5. Ashland in Jackson County is right in a residential area and this is where they have a big problem with beeping in the middle of the night. The City has actually threatened to fine ODOT; therefore, they would like to move. However, they do not have an alternative location for this facility.
6. Grants Pass in Douglas County has six (6) buildings. This is a large facility and an alternative site on I-5 has already been identified and is already owned by ODOT.

A couple of these may require zoning changes to facilitate development. Also there are access issues so they will need to work with ODOT too. The solicitation is scheduled to go out in mid to late June. The RFP will be open for ninety (90) days. During the month of October, the proposals will be evaluated and brought before the Commission. The Oregon Transportation Commission must approval all agreements. It is not something the Department can do on its own. For every agreement under this program, whether it is a maintenance station or whatever, there must be a public process before the Oregon Transportation Commission where hearings are often required before there is approval of an agreement. It is only then, that an agreement can be signed.

Bill Neland stated that this process could not be completed before November. *Jim Whitty* responded that this is the plan for the first wave. The most obvious projects were prepared first, then down the road after a few more have reached the point of development, more will be offered. Some of existing sites have contamination so they need to be cleaned up before they can be sent out for activity.

Bill Neland asked how they arrive at some expectation of value when they look at a site. *Jim Whitty* responded: The city does not have the ability to remove ODOT because these are public properties public properties. But they can bring political pressure. That's what they feel the heaviest. Over the years, they have learned which sites are the most politically damaging to ODOT. Just by frequent activity from citizens and local governments. They also learn what sites they may be interested in, by calls received. They want to prepare the properties for attractiveness first. Some of these may not work. They want to offer the opportunity.

Vickie Hardin Woods asked if all the properties were located inside city limits. *Jim Whitty* responded: either inside the city limits or right next to them. *Vickie* further asked if they were expecting a different developer for each property or will they be offered as a package. *Jim* responded: No, this is something for a local developer, who is familiar with the local jurisdiction. While it is possible one developer could come in and want to do all of them, it is not anticipated. They are not precluding it but they are not anticipating it.

Peter Fernandez asked if each deal includes also includes a new site or is it strictly a real estate deal to unload the existing ODOT sites. *Jim* responded: The RFP will say that they want the developer to actually build a new site. That's what makes it worthwhile. We cannot have downtime in service. Swap some real property or sold it but then you have to turn it over and you have no way to meet the services that are required of the area for maintenance. They must have something that happens concurrently. The new facility will be built at the same time that the agreements are being drawn up for the property they bought. ODOT moves in and they start building.

Peter Fernandez asked if this concept has been reviewed with the development community. Do they know that they will receive bids. *Jim* responded that they haven't gone to every community yet because in a couple of these, local developers helped them structure how this should work. They don't want to put out an RFP that doesn't work so they have tried to make these as successful as possible. *Peter* asked how they established value. Is there an appraisal of a property that ODOT currently own or is there a book value that they used? *Jim* responded: Book value is useless because it is 1950's or 1940's but they will do appraisals to assist in valuation. While the appraisals will only be one piece of information because the value as it sits right now is a maintenance station. They must have the ability to add information to that appraisal to find a value that ODOT considers worthwhile because now it could be residential or commercial.

Denny Nielsen commented that an appraiser can do that for ODOT. A developer will know the highest and best use of the property. *Jim* responded: They will require some basis for valuing the property so they know when they have a good deal in negotiations.

Peter Fernandez asked for confirmation that they haven't done that yet. Is that part of the bid or customer qualifications or is a structured deal being requested? *Jim Whitty* responded: They are looking for a structured deal. *Peter* further asked if the developer would have to do some type of appraisal and submit that to ODOT. *Jim* responded that the RFP is still being developed. They are working with the Department of Justice. They are also trying to settle in on exactly which projects are going so as soon as that is locked in, that is when they will start that process.

Ron Polvi asked if they are asking private enterprise or public partnerships to develop a new site prior to moving in, are some key standards being specified so you don't have different looking sites. *Jim* responded: Yes, they have built more modern maintenance stations in recent years so they know what they want so they are using that as a template. They will vary by the area because for example in Ashland they go up in elevation more than they do on the Coast. So there is probably more demand for sand and gravel than would be required at the Coast. They will be designed for the particular geography of the terrain.

Denny Nielsen asked if they were actually out soliciting the municipalities to see if there are partnerships that might be available. *Jim* responded: Most municipalities have been involved with colleges because they are essential. They can get a lot of support that way.

Bill Neland asked if there would be six more once these first six are complete. *Jim* responded: This has been a little awkward. People are nervous about how it's going to work.

Vickie Hardin Woods commented that it's a good deal for a developer as well, building an ODOT facility versus other types of property. *Denny Nielsen* added that another factor is capital costs and what they have to plan for and how they have to factor that into their budget. *Vickie* further commented that this is a good concept.

Bill Neland thanked *Jim Whitty* for the report.

SALEM-KEIZER AREA REVIEWS Pursuant to OAR 125-125-0350

1. Informational overview of proposed Afghan-Iraq memorial – Presented by Bob Reitmajer (DAS Facilities) on behalf of the Department of Veterans' Affairs

A rendering of the proposed statute/fountain was posted on an easel for viewing by the Board. *Bob Reitmajer* introduced himself and *Steve Reed* from the Department of Veteran's Affairs who was available to answer any questions the Board may have. *Bob* stated that the purpose of this presentation was to bring a heads up introduction of a project that will come before this Board at a later date for Salem-Keizer Area Siting and Design Review. A private foundation started the Afghan-Iraq War Memorial project, working with the Veterans' Affairs Department. They are planning to place the memorial on the Capitol Mall near the Veterans' Building. It falls within the scope of this Board in its capacity as the interim Capitol Planning Commission. DAS met with the Foundation Project Manager and Foundation Sponsors. They shared an outline of what they would like the monument to look like. They began the design and DAS shared with them that as part of the process, they will need to have their plans previewed by the Capitol Mall Project Review Committee. This committee will act as a sub-committee of CPAB and will review projects for the design and function for how they fit into the Capitol Mall Area Plan. The final plans have not yet been received so there was not a chance to organize a committee meeting to review the project before bringing it to CPAB for a Salem-Keizer Area Siting Review. On the other hand, it is a very fast moving project that has lots of public support. There is a Bill proceeding through the legislature that will provide, if approved, \$100,000 general fund money to the Department of Veterans' Affairs to help with the funding of the project. They are looking at having a ceremonial ground braking on Flag Day (June 14, 2005). After they complete the design, arrange funding and organize their schedule, the project will be reviewed by the Capitol Mall Project Review Committee, and then they will appear before CPAB for Siting Review. DAS is working with the Board to impact the design and siting in such a way that it makes a lasting and maintainable monument on the Capitol Mall.

Peter Fernandez asked if it is known exactly where the monument will be located. *Steve Reed* responded that it faces Summer Street. It is going to be located in the center of a green grass area, visible from the street. There is a monument at the beginning of the property on the Archives building side and a Korean Monument of the other side. This Afghan-Iraq memorial will be located in the center between those two.

Bob Reitmajer continued that the initial look at the early mechanical drawing caused DAS some concern that the monument might be too big to fit in the proposed space.

Bill Neland asked where the Capitol Building is located in relation to the new monument. *Bob Reitmajer* indicated that the Veteran's building is located to the North and the Capitol is located to the South. Approximately three blocks away.

Peter Fernandez commented that he saw an article in the newspaper that showed a mock up of the statue but there seems to be a difference in the poster displayed today. *Bob Reitmajer* explained that the final design has not been completed. The vision will include a shallow bowl made of stainless steel. There might be one inch of water in the bowl. It will have a tile edge. There will be a statue of a soldier on a pedestal with the names of fallen soldiers on the pedestal. DAS has a concern about safety and operational issues surrounding the fountain aspect of the memorial. The current design calls for 300 gallons which may be a minimal impact. They are still working on the design.

Vickie Hardin Woods commented that if this presentation is just a preview, will this project be presented to the CPAB Board again? *Bob Reitmajer* responded absolutely. *Vickie* further asked when that would be. *Bob* responded it would be pure speculation. The last time he met with the foundation, was about three weeks ago and the completed design drawings were requested at that time. The Foundation was also advised that they would have to go to the City for permits. The final drawings have not yet been submitted so if they were to get submitted today, it will take some time to organize the Capitol Mall Design Review Committee meeting and process through them. It is *Bob's* opinion that it is essential that no construction of any kind be started until the design is fully approved, the funding is fully identified and a schedule is submitted. Otherwise there could be a danger of having a safety hazard on the Mall for an extended period of time. The ground breaking that the Foundation is talking about is simply about scraping some grass. *Bob* speculated that maybe it will be three months before this project is brought to CPAB for Siting Review.

Bill Neland asked if we need to set up a sub-committee within this Board for the Capitol Mall Project Review Committee. *Bill Foster* responded that it is in the rules. The composition of the Committee is one person from the planning staff of the City of Salem, a professional practitioner, the State Architect and a representative from legislative administration. On certain things, the Committee acts on its own; while others provide a recommendation to CPAB.

Vickie Hardin Woods asked if the Capitol Mall Project Review Committee is the same as the Design Review Board. *Bob Reitmajer* responded, yes.

Bob Reitmajer stated that DAS's concern is that the monument may be too large for the site. That's why it is important to see the final design.

Fred Lord commented that an adjustment to the order of the agenda was required so he suggested that the legislative update of Senate Bill 90 be presented next.

Bill Neland asked what the role of this Board would be. *Bill Foster* responded that the traditional role of the Board is looking at projects on a statewide basis. The CPC role adds the Salem-Keizer Area projects. The Capitol Mall Project Review Committee is an extra piece to address special issues related to the Capitol Mall.

Bill Foster commented that some stakeholders would rather see it be a peace memorial rather than a war memorial. On the other hand, the other memorials around the Veterans' Building commemorate soldiers who lost their lives

Bill Neland asked what action is needed on behalf of the Board regarding the Iraq-Afghan Memorial. *Bill Foster* responded that DAS is setting the table for what is coming and everything is not resolved. Originally the plan was to start in November. Recently, there has been some discussion of the work starting as early as July. DAS must work through this with ODVA and the Foundation.

Bill Neland asked about the funding. *Bill Foster* responded that the foundation has raised some funds, but without additional sponsorship by the state, they will need to raise additional funds.

Denny Nielsen asked if there is any chance that this project may not come to fruition. He explained that the reason he asked is that if the symbolic groundbreaking is done, he has seen those kinds of things create legs that are larger than life in terms of

public sympathy. *Bill Foster* responded that this could be a concern, but DAS is working with ODVA to manage the process. However, there are certain things that need to be done to make certain that the project is being managed responsibly. As soon as more information becomes available, it will be shared with the Board.

2. Comments from the audience.

Opportunity was given for comments from the audience regarding the Iraq-Afghan memorial. There were no comments and no persons signed up to give testimony at the public hearing.

OTHER ISSUES

1. Legislative Update - Senate Bill 90 - *Bill Foster* gave a legislative status report of the bill. During the last session, the legislature suspended the Capitol Planning Commission and suggested that the CPAB be used as a mechanism to deal with some of the issues it handled in the interim. DAS drafted a bill to make that suspension permanent. There was a hearing with the Senate General Government Committee and Bill testified. Mitch Rose, who was temporarily with the City of Salem, also provided testimony and raised a few questions and pointed out some ambiguities in how it was written. Amendments were drafted to put a little more into the statute that had only been addressed in the rules. The bill passed out of the sub-committee, went to the Senate Floor and passed without opposition. It then moved to the House General Government Committee, chaired by Vicki Berger who is one of the Salem legislators. Bill again testified before the House Committee and the bill passed out of the House Committee without opposition. It is headed to the floor and as soon as it is signed, the Bill is done. We're probably 90% of the way there. We may need to do some fine tuning of the rules once the bill passes. One of the things that came up while putting the bill together was that previously, when the City of Keizer came into existence, there had been some modification to their statute to talk about Salem-Keizer. Truthfully, the state properties are only in the City of Salem. The bill provided the opportunity to remove Keizer from the statute.

Bill Neland asked about a sub-structure that would perhaps allow timelier interface with the City of Salem, if necessary. *Bill Foster* responded that it might be worth putting in there some mechanism just to all phone meetings or some other process. We haven't needed to do it, but in the past, when the Capitol Planning Commission existed, there were some rare circumstances when they used phone meetings, sharing of concepts via email, or some other way to help address an immediate need between normally scheduled meetings.

Fred Lord stated that Board Administration – Item #2 was the next item – Approval of the minutes. (see above)
The speakers were not yet present from the Department of Aviation or the Department of Transportation

2. Potential Future Agenda Items: *Peter Fernandez* commented that he read an article with great interest in the paper about the plan presented to the Senate Committee for the "J" building at Oregon State Hospital. He and Vickie discussed it yesterday and he wondered if there would be an opportunity in the future to have a presentation if that is in the jurisdiction of this Board. *Bill Foster* responded that it will absolutely come before CPAB at some point and actually, the Chair previously suggested a tour of the facility. For the Board's information, where it stands, is that the Department of Human Resources, right now, has \$120,000 to spend on a study. A group of people worked through the study with them and included both Bob Reitmajer and Bill Foster. They hired KMD Architects to work with other consultants to do an evaluation of some of the programmatic issues with the facility issues and what it is they really need for service delivery in the future. What DAS has tried to do is help segregate where they need to go programmatic from the existing facilities. The preliminary results of this study, indicate that there is little if any beneficial re-use of those facilities. *Peter* further asked if the "J" building as well as the buildings across the street were included in the study. *Bill Foster* responded that the whole campus was included. Of course there were some distinct things that were outside of the discussion because, for instance, the dome building is used by the Department of Corrections as their administrative headquarters.

Denny Nielsen commented that the buildings across the street provide temporary care. Those buildings haven't been upgraded for the past 10 to 15 years. They have made due but he's been in them and they are not functional. *Bill Foster* responded that the analysis was that maybe one or two of them could be remodeled to get them to some useable state but still, fundamentally, the configuration isn't what it should be. *Denny* further commented that the cost of remodel to try and save it will be more than demolition and rebuild. *Bill* responded, yes, or at least as much. *Denny* suggested temporary

structures. *Bill* continued that the other piece of this is that they have to evaluate what is in an institutional setting for service delivery and what is not. The intent that has been going on for quite a number of years was to try to de-institutionalize and go into more community based programs. How much of that should be in Salem and how much should be spread out over more of the state is another question. The institutional need that will clearly continue is the forensic unit. That will not go away and they are projecting that although the need isn't there today, they may need about 800 beds in forensic. *Peter* asked if that is the prison for the criminally insane. *Vickie Hardin Woods* asked how many beds there were now. *Bill* responded, approximately 600. The other piece, and this is where the complications set in, is there is a whole management issue of the court system and how people end up in the State Hospital and whether they should be there in the first place. It is easy to send some folks down that path that really shouldn't be there. Obviously that's an expensive decision and probably is not where the state should be going.

Denny Nielsen commented that *Bill* just described what has been happening with the county since the state abdicated responsibility to mental health. The Sheriff will tell you that more than 60% of the population in the Marion County Jail is more about mental health issues as opposed to criminal issues but there is no place else for them to go. *Bill Foster* responded that it is a very complicated and involved issue. DAS has been trying to keep the specific facility issues that they can address separate from some of these broader, longer term issues. The criteria for siting may very well lead to other than the current location. It may be out by OSCI or some other state owned property. At the end of the day, it is possible that much, if not all, of that campus could end up being surplus to the needs of the Department of Human Services. DAS has been trying to keep a firewall between issues. If they attempt to focus on the existing facilities, they will not get to the problem they need to solve. If it becomes surplus, the land and facilities need to come to DAS to work through the necessary processes. It will also mean a major amount of work for the City of Salem, including what is the appropriate use of the land in this area, as well as dealing with the historic interests.

Bill Neland commented, for the edification of the Board, in 1992 he lead a task force to study mental health facilities that included Maynard Hammer. They looked at the State Hospital in Salem, Dammasch and Fairview. They had a report on Pendleton but it came to be relatively benign as compared to the rest of these. The task force operated for several months and did a lot of touring. They had a major press conference at the Department of Human Resources. They went back to Massachusetts and they recommended all of the things that are being discussed here, 15 years ago.

Denny Nielsen stated that he agreed with the guidance of DAS regarding focusing on the needs of today and try to solve those problems. He would hate to see today's needs lost in favor of these larger issues. *Bill Foster* said there is a lot of emotion about it. Some of the former inmates and families are concerned with what's going to happen to them. If they can just try to walk away from that and leave that to others to reconcile and separate one problem from the other, there will probably be positive movement toward a solution. *Bill* further stated that the CPAB will be involved from several perspectives. There is potential for a project, although it could be somewhere outside of Salem. Also, from the standpoint of the Salem Area Review that CPAB will have, a re-look at the Area Plan of property remaining in state ownership will need to be performed.

Bill Neland commented that the Board would like to tour the North Mall Office building. This was built to high standards of sustainability (green) and the Board has an interest in seeing it. He suggested a tour for later this summer. *Bill Foster* responded that perhaps this would depend on what else is on the agenda. To tour the 200 acre DPSST facility and go out there and wander around a bit may take awhile. He's not sure how available that is and it would probably need to be a short agenda to match up with that. *Bill Neland* asked if it is functioning. *Bill Foster* responded: No, it's still under construction, and it is multiple buildings so it has a ways to go. The North Mall and the Commerce building may be combined because they are so close together or DPSST depending on what's on the agenda. *Bill Neland* suggested that DAS review the agenda items and schedule the tours as they fit with the other agenda items.

Peter Fernandez asked what is Heritage Park. *Bill Foster* responded that it is the area where DAS redeveloped those houses. The area came to be called that as something to differentiate the area as something maybe historic without using that word.

Peter Fernandez requested a presentation before the Board about the partnership created for Mill Creek. *Bill Foster* responded that again, it's one of those things that are off the Board agenda and will be just informational. If it would be useful as background information, this could be arranged. *Peter* further commented that maybe it could be combined with information on the "J" building.

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Bill Neland asked about the status of the Fairview site contamination. *Bill Foster* responded that he doesn't know the current status with regard to the contamination. In terms of the deal itself, things continue on with a group called Sustainable Fairview. They continue to make their payments and indications are that they may finish paying the purchase off in the near future. *Peter* stated that the council just passed an ordinance that basically made it easier for them to finance their off-site improvements. It was a huge deal to them being able to finance the remainder. *Vickie* added that the Master Plan is approved. *Peter* continued that he is having a meeting this afternoon about the 32 acres in the Northwest corner of the site that has been purchased (the lower part, adjacent to the Middle School) by some of the same partners within the bigger partnership. Apparently those 32 acres will be developed and come up fairly quickly. The remainder of the site will be developed later.

Bill Foster added that the concept that Peter was alluding to is being looked at as a mechanism for large non-taxed parcels. It will be used for Mill Creek as well. Rather than having the System Development Charges apply to the community as a whole, they would be dedicated to the improvements within that particular area. Historically, many of these parcels were written out of the Urban Service Area numbers of years ago, and are not well served by city services. This approach provides a mechanism to provide the needed services. *Peter* commented that this was really a blank spot and they will be able to use the SDC fees generated by development to finance the off-site infrastructure that is required for the area.

Bill Foster acknowledged that not much background had been provided for the ODOT Innovative Partnership Program and he requested the opportunity to provide just a little bit more. Basically, a lot of the projects that ODOT does don't go through the normal budget. It is particularly the horizontal construction like roads which go through the highway commission under a generic budget. This Innovative Partnership program was really thought to be a methodology for partnering on some road projects, bridges or other kinds of things where there might be some type of opportunity to get a project delivered in a better way. The idea of including state owned maintenance facilities in this delivery process was a surprise. By doing so, they cross over into other processes they do not usually address. They are exempt from certain statutes, but not when they move into this type of project. There have been a number of discussions about how approvals need to work and additional work is needed to determine the right process with the Board. DAS asked them to come before the Board because they are not exempt from this process. This process is brand new and they don't know what reaction in the marketplace they are going to get. They have great hopes that this will actually result in greater value and perhaps some money out of the deal. It may not turn out that way.

Denny Nielsen added, especially if there is any contamination. *Bill Foster* continued that there are a lot of variable so we are going to have to continue to work with them a little to refine how this process should work in the context of the Board. This was the kick off. *Bill Neland* commented that he seems like a capable young man and it has been well thought out. *Bill Foster* commented that ODOT is under lots of pressure to get a lot of improvements done. The maintenance facilities are just a little piece of it. The broader portion of this Innovative Partnership program is the horizontal stuff. *Ron Polvi* commented that this is not a quick process. *Bill Foster* commented that they have had a draft Request for Proposals in progress since the beginning of the year so they've been working on this for awhile.

Bill Neland commented that there was a recent newspaper article about Seaside resisting the maintenance station. It is unbelievably bad downtown near shops and things. They don't want it there.

3. Next meeting scheduled for June 17, 2005 1:30 to 4:00 pm at Department of Forestry, 2600 State Street, Salem, OR.

Meeting adjourned at 3:30 pm