



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

MEETING MINUTES – August 19, 2005 1:30 – 2:15 p.m.

MEMBERS PRESENT:

Bill Neland, Chair
Tom McMullen, Vice Chair
Ed Galligan, Port of Portland, retired
Denny Nielsen, Salem Hospital, retired
Vickie Hardin Woods, City of Salem
Peter Fernandez, Public Works Department

MEMBERS NOT IN ATTENDANCE:

Ron Polvi, Northwest Natural

OTHERS PRESENT:

Bill Foster, DAS Facilities Division
Fred Lord, DAS Facilities Division
Elaine Schacher, DAS Facilities Division
Mark Tyler, Education

Handouts distributed to all members present:

- Agenda
- Minutes from June 17, 2005 meeting
- Summary of Senate Bill 90
- Map of Parking at Heritage Park for tour of North Mall Office Building and Houses
- Map of Corrections Property showing possible location of Fire Station

CALL TO ORDER:

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

Public Testimony.

No public testimony was requested.

ADMINISTRATION

1.1. Board Meeting Minutes of June 17, 2005

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

Denny Nielsen moved and *Ed Galligan* seconded to approve the minutes of the June 17, 2005 meeting. The motion passed unanimously.

1.2 CPAB Administrative Rule Update

Fred Lord reported that Senate Bill 90 has been adopted by the current Legislative session. This bill made law, the preliminary changes put into place two years ago. Basically SB90 abolishes the Capitol Planning Commission and moves most of its responsibilities, but not all, directly into DAS. It specifies that two members of the Capital Projects Advisory Board (CPAB) be City representatives; it directs DAS and the Board to be cognizant of the cities interest in planning and approval of projects within the Capitol Mall and within the Area Plan areas of the various agencies; it drops the City of Keizer from all mention as an administrative housekeeping measure because the state owns no property in Keizer, subject to review; it places the responsibility for development of Master Area Plans upon the agencies with DAS guidance and assistance. It also directs DAS to develop a template for such Area Plans and directs DAS to coordinate with the city and all state owned public land-owners within the capitol area. Lord further commented that Bill Foster was involved with the development of this bill.

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Bill Neland asked if this bill is law and if there is any intent to reinstate the Capitol Planning Commission. *Bill Foster* responded that SB90 has been signed by the Governor and his sense is that what CPAB is doing works so as long as this Board keeps on good footing and keeps good relationships between the State and City it should continue to exist. In fact a local legislator commented that this bill de-politicizes the process without a lot of political contention. *Vickey Hardin Woods* asked if the bill was well supported by the city. *Bill Foster* responded: Yes, in fact it was presented to the legislature in collaboration with a city Administrator, Mitch Rose. *Peter Fernandez* commented that he is thrilled to bookend this committee. *Ed Galligan* asked the number of members on the Capitol Planning Commission. *Bill Foster* responded: Nine. Two were from the state, two from the city including the Mayor or designee and the Chair of the Planning Commission, three at large plus two non-voting legislators. *Ed* further asked if the two members that have joined CPAB, are the former members of the CPC. *Bill Foster* responded: No, the current members of CPAB are both staff positions. *Ed* asked how often the CPC met. *Bill Foster* responded: Over its life it met at different times. There were times when it met monthly. Then there was a period of time when it didn't meet for 6 or 8 months. Later in the agenda he will discuss what didn't get done. *Ed* further asked if there was much public interest and involvement in the Commission meetings. *Bill Foster* responded: Often, and this is one of the things that Fred alluded to earlier when he mentioned that DAS has taken on some of the role but not all of the role of CPC because there was a certain level of overlap between the City of Salem and the Capitol Planning Commission about land use decisions. Basically, the way it is restructured, the land use decisions are now with the City of Salem.

Bill Neland commented that very early in CPAB's existence, this Board was visited by two staff members of the CPC. *Bill Foster* confirmed that this was Doug Capps and the only administrative staff. Those were the only two employees. At this point, the CPC duties have been absorbed by DAS without any new staff.

Peter Fernandez commented that his impression is that at one time there was a lot of interest in the Capitol Planning Commission meetings when they were more active in the development of the Capitol Mall and the more controversial developments like the North Mall houses. There were some issues related to the Roberson building even though it is not a state building, it is a state lease. There were several issues there and that seemed to draw people out especially from those neighborhoods. Since he's been a part of this Board it's been fairly quiet. *Bill Foster* commented that one project that is on the horizon, expected to have significant interest to the public is what happens to the State Hospital. DAS and CPAB will have significant roles in dealing with that. A lot of those conditions in the interface with the neighborhood have been resolved and solved so there is a whole lot less concern about what's going on. The Board will see how one neighborhood concern was solved during this afternoon's tour.

Bill Neland asked if there was any need for Board action. *Bill Foster* responded that no action is needed by the Board at this time. There will be a follow up after some fine tuning is done to the administrative rule to reflect a few things that changed between what was in place and what was in the final version of Senate Bill 90. For the most part, the intent of SB90 was to put in place, permanently, the Capital Projects Advisory Board.

SALEM AREA REVIEWS PURSUANT TO OAR 125-125-0350

II.1 Department of Aviation Update – (Co-locate with Military)

Bill Foster gave a brief overview of where this issue stands. Aviation and Military Department have reached a conceptual agreement incorporating the new Aviation facility into the Military/Aviation Complex that they are trying to develop at the airport. The Department of Aviation shared this with the Legislative Committee during their budget hearing. Right now Aviation has a \$1 limitation in their budget from the previous biennium. Military Department is in the process of putting out an RFP for a design-build process to build this complex. The RFP It is being structured so it can be expanded to incorporate Aviation's piece once their needs are determined. Right now, DAS is working with Aviation to hire a consultant to provide some preliminary programming cost estimating for what their needs are. Once that is assembled and reviewed, it will be taken to the Emergency Board, hopefully in October, to get limitation for the project. Until that happens, they really don't have the project. Assuming that the E-Board buys into that concept, then it would be incorporated into the project plans.

Bill Neland asked if it would involve the contaminated site. *Bill Foster* responded that Military is still leaving that up for grabs until they have hired their team. They have some latitude of moving between the property they acquired from Eyerly and the property they have on their lease as to where the actual facility sits. This will need to be worked out and may in fact totally avoid the area that's contaminated.

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Bill Neland commented that it was his understanding that the clean up of the contaminated property was the responsibility of Eyerly. *Bill Foster* responded that it is a negotiated deal between Military and Eyerly and the clean up is underway.

Ed Galligan asked if there is any possibility of FAA funding available to the Department of Aviation. *Bill Foster* responded that the new Director of Aviation has suggested that it might be possible but it is unknown at this time. Initially the thinking has not been put forth. *Ed* asked if the new facility would house purely the administrative staff. *Bill Foster* responded: Pretty much. *Ed* further commented that as he understands it, the Department of Aviation is responsible for the majority of the general aviation airports throughout the state. *Bill Foster* responded: Yes, approximately 28 airports. Not all airports but quite a few. *Bill Foster* commented that Aviation does maintenance and oversight. *Ed* commented that they should stand a pretty good chance of qualifying for FAA funding on this. *Ed* further commented that when you are talking co-location, it may be premature but asked if they were considering a lease arrangement because they could get capital dollars potentially but not lease support. *Bill Foster* responded that the original concept that Military proposed to Aviation was for a lease. When the new Director of Aviation came on board he did not necessarily feel that was a good proposition for Aviation to sign up for. The conceptual agreement would be for Aviation to own their portion of the building. *Ed* commented that they are probably already on to that. *Bill Foster* responded that the land is another issue and is a little bit dependent on where the building ends up sitting because some, if no all, of the facilities out there are actually on property that is owned by the city under a long-term lease and it may be that this facility will be built on that, even though Military will occupy the largest part. *Ed* further asked if the Department of Aviation has a finance person. *Bill Foster* responded: Yes, when this gets a little further down the road, Aviation will be asked to come before the Board with an explanation and actually do some review of the actual project for Salem Area Review. That will be down the road a piece. *Ed* asked if Steve Schriever, formerly the Aviation Director at PDX was still on the Aviation Board. *Bill Foster* response: Unknown. *Ed* will give them a call and suggested that there are always good funding opportunities throughout the area and often they get dollars that they are anxious to spend and they have limited time frames on it. *Bill Foster* stated that the new director, Bob Hidley has had some experiences with other airports and FAA funding of things but whether he is tuned into all the funding opportunities available here in Oregon is unknown.

II.2 Plan Update Process

Bill Foster reported that with the formal elimination of the Capital Planning Commission, the responsibility for maintaining the Area Plans shifts to the property-owning agencies of DAS. The CPC had nine area plans but officially the preview of the commission was supposed to be, at the time, on Salem-Keizer area and the un-incorporated portions of Marion and Polk County. So really the focus was, if there was some lands around the cities that were not getting planned and coordinated, this was going to make sure that it happened. As it turns out, the one plan for MacLaren, that area is now part of the city of Woodburn so it really no longer qualifies. When DAS wrote the plan, the number was moved down to eight. Those plans are the Oregon State Hospital and Penitentiary, Oregon School for the Deaf, Oregon School for the Blind, Fairview/Hillcrest, Oregon State Corrections, Airport Road, Oregon State Fair and Capitol Mall area. The State Fair plan was updated a few years ago and the Capitol Mall plan was last updated close to ten years ago. The balance has not been updated in twenty years.

Bill Neland commented that the Board has had appearances from the Schools for the Deaf and Blind. *Bill Foster* responded that there have been discussions but an actual update of the Area Plans has not been done.

Peter Fernandez commented that he was on a committee that was working on the penitentiary area plan. *Bill Foster* advised that it was an off-the-record "task force" chaired by Mannix and there were no conclusions. There were meetings for about a year but it never resulted in an update to the Area Plan. *Bill Foster* continued that part of it was that there was not a buy-in from Mental Health. With some of the other things going on now, maybe now is the opportunity to visit this. Another piece that DAS also has some responsibility for, through another group, is looking at what is surplus. There has been some legislation on some of this but DAS is also trying to put a little more pressure and scrutiny on what agencies have and what do they really need. Through this Area Plan process, some of the areas like the State Hospital grounds may get scrutinized with that issue as well and that fed into this process.

Bill Foster continued that in correcting SB90, DAS committed to a coordination plan which has never existed, to try to show some of the linkages amongst the state-owned properties in the Salem area as well as trying to develop a more standardized template for these. DAS is in the process of trying to establish a limited duration position to help with this effort. Once that person is hired, a work plan will be developed, some priorities set and it will be decided which of these plans will be done first. Some like the State Hospital will have all kinds of issues. DAS is hopeful, once this person is on board, that within the next 12

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to 18 months most of the plans will be updated. As the plans begin to develop, they will be brought before the Board to see how the Board plays into the process. This is a major piece of work and is a totally new area for DAS.

Vickie Hardin Woods mentioned the Fairview plan and training center and asked if there is still an area plan for Fairview. *Bill Foster* responded that this is why there is a need for this because some of those areas have had major changes. Actually the plan as it sits today is Fairview/Hillcrest. All that the state owns today is Hillcrest. What needs to be done is to eliminate all the Fairview stuff out of the Area Plan. *Vickie* further stated that the same issue exists with the Corrections Area Plan and maybe with Mental Health. *Bill Foster* stated that if the consensus is, once a lot of the work is done, that there might be some better location for some kind of new facility then some if no all of that campus is then considered surplus. *Vickie* stated that the city likes taxable land.

Peter Fernandez asked if the thinking that the person in the interim position will actually do some planning or coordinate or hire consultants. *Bill Foster* responded that at this point in time, what would be done is update and coordinate the plans, not totally re-write them. The thought is that the position would be doing some of both, with help from other staff as well as input from agencies. To do them over is much more work than DAS is prepared to take on at this time. Their goal is to try to get them to a better updated state.

Denny Nielsen asked if there exists a map of the area that would clearly show state-owned property by size for the Greater Salem Area for lack of a better description. *Bill Foster* responded that this is one of the things that would be accomplished with the coordination plan that we are talking about. This is the kind of thing that would be put into it would be that kind of map and trying to talk about relationships and linkages from one state parcel to another. Now, with the penitentiary and State Hospital, they are virtually contiguous with Airport Road. Some of them are a long distance away but we need to think and talk about some of those relationships. *Denny* added that he can see that having that type of thing available as the Board looks at a variety of projects, it would be helpful to understand the linkages and the potential for alternatives for what is being presented. It would be a helpful link. *Bill Foster* stated that he thinks DAS has the map *Denny* is describing but it isn't in general circulation. *Denny* said he thought the city might have one. *Vickie Hardin Woods* said the city could create a map. *Peter* offered that for \$100 they can create one. *Bill Foster* commented that at some point we may want to do a little contracting with GIS (Geographic Information System) to come up with something. *Peter* further stated that the interim person hired should have *Vickie* and *Peter's* cards because they could provide input on the infrastructure changes and transportation changes. *Bill Foster* commented that there are issues concerning state properties that put the parcels outside the CEA. Years ago, the city didn't really know how to deal with some of the planning issues on state-owned property. The planning administrator at the time decided to call the state property as outside the current developed area for the purpose of the city planning whether or not they were in the middle of town or out on the outskirts.

Bill Neland asked that DAS keep the Board updated as he thinks the Board has a role to plan. *Bill Foster* asked how active the Board members want to get and whether there is the potential for a sub-committee that could work a little more closely with the interim person. *Foster* asked the Board to think about that for further discussions.

II.3 Department of Corrections

Fred Lord briefed the Board on the CPAB role in a potential project. This is advisory information only about a proposed use of state property by the city of Salem. Approximately two or three months ago, the Department of Corrections was approached by the City of Salem about the use of some state property for the purposes of a fire station. In the Board member packet, there is a map with some yellow and pink lines on it. Interstate 5 is highlighted for orientation with the Southern boundary of the property being State Street. It is a 20 acre parcel that was purchased by the Department of Corrections about 1997. It is the old Winco warehouse. DOC operates this property as their central distribution warehouse for all their prisons. The Salem Fire Department approached DOC about buying a parcel of land in the long term. The parcel is located in the general area on the bottom left hand corner of the property (pink circle on the handout). In the interim, they requested getting a short-term lease immediately for a temporary fire station (in the yellow circle area) so they can meet the immediate needs of that area of the City of Salem. The need is driven in part by service demand and inability to meet the standard response time of 5.5 minutes for some 1,000 calls per year from their present locations. The subsidiary or additional need they have is that there is a fire facility at the Salem Airport and there is some desire to bring in commercial traffic and whenever a commercial aircraft is landing, that fire station is dedicated to that landing activity and cannot be available to handle fire calls. This station would then be backup. DAS is assisting and advising DOC on the lease. A lease has been prepared. A request has been received from the City to think about selling the parcel of land but that need is further out. CPAB activity and review of the proposal will

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come about when there is an active negotiation for an actual sale of land because it will impact the remainder of the state property owned by DOC at that location. As a side note, this 20 acre DOC site, was never included in any Area Plan and the Salem portion of that will be the kicker propels us to look at including it into an Area Plan. It is not physically contiguous with any other Area Plan. It is probably closest to the existing Corrections/Mental Health facility that is between State and Ward on the other side of I-5.

Bill Neland asked if this was on the other side of I-5 from the Forestry Building. *Fred* responded: Yes, it is on the East side of I-5. Continuing out State Street, underneath the overpass and immediately to the left is a berm with trees. Behind that berm is the warehouse facility. Also, located on this property is the Oregon Corrections Enterprises (OCE) facility which is a building with a blue galvanized roof. Lancaster is one block to the east.

Tom McMullen asked why DOC doesn't they just cut a deal with the city and sell it. *Fred Lord* responded that the city needs to discover a source of funds. *Tom* further stated that to his recollection, DOC just bought the property for the empty storage building due to all the construction that was going on. The idea of going through a temporary lease for a fire facility seems complicated beyond what it needs to be. *Bill Foster* offered that the primary issue is the funding. It would need to be a bond venture in the future and the desire is to do something right away. That's why it has a two-pronged approach with a temporary lease with some portable buildings. The City would have some presence and then they would build something of more substance in the future.

Fred Lord stated that there are additional factors that cause the state to be unable to sell the land to the city immediately:

- a) Before the state can sell the land, DOC must declare it as surplus. Once declared as surplus, DAS must notify other agencies that the land is available and if state agencies decline, then the land is made available to political entities. If no other agency or political entity is interested in the property, then it can be sold to the city. This process takes a certain amount of time. It is anticipated that the lease will be in place before that process could be completed.
- b) By statute, the property must be sold at fair market value and this is a substantial sum, whereas a lease with the state to make the property available on a short-term lease is a very manageable amount of money.

Tom McMullen commented that NW Innovations purchased some property from the state and it took less than six months before the property became available. In fact, it took longer to develop the plans, once the land was acquired. He's better informed now.

Denny Nielsen asked for an estimate of time needed to sell this property. *Fred Lord* responded that there are two processes going on here, on parallel tracks. One is the lease and the other is the sale of land. *Denny* wants to know about the sale of the land. *Fred* responded that DOC must go through an internal review process to determine if the land is surplus. Prior to the city's request, they had never been asked about the property nor did they have any conception that anybody would want it. Therefore, they had not looked at surplussing any portion of the property so now they must go through that internal process. There is a procedure for that to make sure they don't have development funds. *Denny* asked for the worst case scenario as to when all that could take place. *Fred* responded that DAS does not know what DOC's internal process is because DOC has not yet presented their process for identifying and selling property for surplus before the Public Lands Advisory Committee (PLAC), which is another DAS advisory group. Based upon information gathered from other agencies that have already shared their process, it can range anywhere from 6 to 18 months to declare a property surplus for state needs. Once declared surplus, the agency notifies DAS and we go through the process of notifying other agencies and political subdivisions of its availability. It is anticipated that DOC will be fast-tracking this and may have it done within six months.

Bill Neland asked if the property has commercial value. *Fred Lord* responded that the property has been appraised and it came back with a commercial value. The area in pink, which was identified as highly visible from I-5 and from State Street, is in a highly desirable area. It was appraised in the neighborhood of \$7.90 per square foot, which is commensurate with other properties along State Street and out to Lancaster. The zoning is currently PH (Public Health) and curiously enough, there are certain lines in that building code which would allow commercial development, including but not limited to drug stores. Some limiting factors are: It would be extraordinary to get another curb cut or a traffic signal on State Street at that location. The thought right now is to provide an access easement parallel to State Street and define the Oregon Corrections Enterprises building so they can come out on 37th street which is not a lighted street either but it is a signaled street. However, the Fire

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Department may be able to talk to somebody with the city about putting a fire signal traffic light on State Street. *Tom McMullen* commented that in days of old, the city allowed signals to be installed at the end of a driveway just opposite the structure.

Chairman Neland thanked DAS for the update and will expect to hear from someone at a later date when the project becomes a reality.

Chairman Neland adjourned the meeting at 2:15 pm and instructed the Board members to meet at the McGilcrest House, located at 885 Summer Street, to commence the tour.

TOUR

III.1 Tour of North Mall Office Building and Heritage Park Houses

Project Manager, Dave Schmode conducted an informational tour of three of the seven newly re-modeled houses, located north of the North Mall Office Building in Heritage Park. A tour of the North Mall Office building was conducted by Project Manager, Ed Wales.

NEXT MEETING

IV.1 Next meeting scheduled for September 16, 2005 1:30 to 4:00 at Department of Forestry, 2600 State Street, Salem, OR.

Prepared by Elaine G. Schacher, DAS Facilities