



Oregon

Tina Kotek, Governor

Department of Administrative Services
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MEMORANDUM

To: Timothy Dunks, Construction and Facilities Maintenance Manager, Oregon
Employment Department (OED)

From: Bill Foster, Chair, Capital Planning Advisory Board (CPAB/Board)

Date: July 1, 2024

Subject: OED's 2025-27 Agency Facilities Plan Acceptance

Timothy,

The Capital Projects Advisory Board (CPAB/Board) has reviewed OED's 2025-27 facilities plan in accordance with ORS 276.227. Following your Board presentation on June 14th, the Board has **accepted** your plan with the following comments:

- *CPAB appreciates your thorough presentation as the agency focuses on addressing its deferred maintenance needs.*

Sincerely,

Bill Foster, Chair

Capital Projects Advisory Board (CPAB)



Oregon

Tina Kotek, Governor

Employment Department

875 Union Street NE

Salem, Oregon 97311

503-947-1394

employment.oregon.gov



Date: 6/10/2024

Capital Project Advisory Board

RE; Memorandum 23-25

Dear Board Member,

The Oregon Employment Department continues to strive to be excellent stewards of our state owned and operated facilities. In the 23-25 biennium members of our Facility Advisory Board continue to meet to address ongoing needs of the Oregon Employment Department and its facility needs. The Board is currently addressing long term maintenance, deferred maintenance and overall cost associated with the operations and maintenance of facilities.

OED continues it working remotely preference at the administrative level. This is based on operational needs. Based on the working remotely preference at the administrative level, we are currently working on an alternate plan to address our administrative building at 875 Union St. The plan will include consolidation of the facility with the possibility of leasing unused space to other small agencies wishing to consolidate as well.

Our current 25-27 plan will continue to bring OED facilities back into operational functionality by continuing to correct many years of deferred maintenance. Along with this, we continue to address energy efficiencies of the buildings. We continue to address R-values of our buildings by installing new insulated roofing systems, sealing the envelope and addressing and replacing aluminum window systems. We have added into our plan efficient HVAC systems which included cloud-based control systems for offsite monitoring of the systems. We are poised to finish a complete LED lighting upgrade during this biennium which includes monitoring of the systems for functionality and cost savings.

Our major renovation and deferred maintenance projects during the the25-27 biennium will include two or out Oregon WorkSource felid office in Albany and Roseburg totally 5 million. This addressing the years of deferred maintenance while addressing energy efficiency and sustainability needs for these facilities.

Timothy Dunks
Construction and Maintenance Manager-2
Oregon Employment Department
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Oregon

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Current Maintenance Priority 1-4	1	Current costs for all facility maintenance and deferred maintenance except those that are covered in operations and maintenance budgets (routine maintenance).
Construction Year	2	Original Construction Year
Current Replacement Value	3	Current Replacement Value Reported to Risk Management or Calculated Replacement Value Reported from Facility Conditions Assessment (FCA)
Priority One: Currently Critical	4	From the Budget Instruction: Priority One projects are conditions that require immediate action in order to address code and accessibility violations that affect life safety. Building envelope issues (roof, sides, windows and doors) that pose immediate safety concerns should be included in this category.
Priority Two: Potentially Critical	5	From the Budget Instruction: Priority Two projects are to be undertaken in the near future to maintain the integrity of the facility and accommodate current agency program requirements. Included are systems that are functioning improperly or at limited capacity, and if not addressed, will cause additional system deterioration and added repair costs. Also included are significant building envelope issues (roof, sides, windows and doors) that, if not addressed, will cause additional system deterioration and added repair costs.
Priority Three: Necessary - Not yet Critical	6	From the Budget Instructions: Priority Three projects could be undertaken in the near to mid-term future to maintain the integrity of a building and to address building systems, building components and site work that have reached or exceeded their useful life based on industry standards, but are still functioning in some capacity. These projects may require attention currently to avoid deterioration, potential downtime and consequently higher costs if corrective action is deferred.
Priority Four: Seismic and Natural Hazard Remediation	7	From the Budget Instructions: Priority Four projects improve seismic performance of buildings constructed prior to 1995 building code changes to protect occupants, minimize building damage and speed recovery after a major earthquake. Projects also include those that mitigate significant flood hazards.
Facility Condition Index	8	A calculated measure of facility condition relative to its current replacement value (expressed as a percentage)

<p>Priority One: Currently Critical</p>	<p>4</p>	<p>From the Budget Instruction: Priority One projects are conditions that require immediate action in order to address code and accessibility violations that affect life safety. Building envelope issues (roof, sides, windows and doors) that pose immediate safety concerns should be included in this category.</p>
<p>Priority Two: Potentially Critical</p>	<p>5</p>	<p>From the Budget Instruction: Priority Two projects are to be undertaken in the near future to maintain the integrity of the facility and accommodate current agency program requirements. Included are systems that are functioning improperly or at limited capacity, and if not addressed, will cause additional system deterioration and added repair costs. Also included are significant building envelope issues (roof, sides, windows and doors) that, if not addressed, will cause additional system deterioration and added repair costs.</p>
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<p>Facility Condition Index</p>	<p>8</p>	<p>A calculated measure of facility condition relative to its current replacement value (expressed as a percentage)</p>

Oregon Employment Department

Agency Name

Current Maintenance Priority 5: for Owned Assets Over \$1M CRV

Plan Data (Incl Soft Costs)										Agency Input	
Campus	Building ID	Building Name	Construction Year	Gross Square Footage	Current Replacement Value (Calculated)	Modernization Estimate	Notes/Description				
A	B	C	D	E	F	G	H				
OED Group	6014	Albany Employment Office	1965	11,205	1,879,167	\$0	NONE				
OED Group	6012	Baker City Employment Office	1950	3,476	1,870,033	\$0					
OED Group	6008	Bend Uj Center	1989	11,300	1,410,398	\$0					
OED Group	6015	Eugene Employment Office	1976	31,657	5,293,866	\$0					
OED Group	6010	Klamath Falls Employment Office	1963	7,769	3,392,732	\$0					
OED Group	6013	Medford Employment Office	1960	9,744	2,902,156	\$0					
OED Group	6007	Ontario Employment Office	1966	5,744	2,386,366	\$0					
OED Group	6009	Oregon City Employment Office	1959	9,200	3,827,567	\$0					
OED Group	6016	Roseburg Employment Office	1977	10,340	3,437,990	\$0					
OED Group	6011	Salem Field Office	1963	21,219	3,612,715	\$0					
				Subtotal Over \$1M CRV	121,654	30,012,990	\$0				

Definitions

<p>From the Budget Instructions: Priority Five projects are alterations or replacement of facilities solely to implement new or higher standards to accommodate new functions, significantly improve existing functionality as well as replacement of building components that typically last more than 50 years (such as the building structure or foundations). These standards include system and aesthetic upgrades which represent sensible improvements to the existing condition. These projects improve the overall usability and reduce long-term maintenance requirements. Given the significant nature of these upgrades the work typically addresses deficiencies that do not conform to current codes, but are 'grandfathered' in their existing condition to the extent feasible.</p>		
Priority Five: Modernization	1	Original Construction Year
Construction Year	2	Current Replacement Value Reported to Risk Management or Calculated Replacement Value
Current Replacement Value	3	Current Replacement Value Reported from Facility Conditions Assessment (FCA)

**Facility Plan - Facilities Planning Narrative 107BF02
2025-27 Biennium**

Agency Name Oregon Employment Department

<p>1. What are the key drivers for your agency's facility needs, and how do you measure space/facility demand? Employments drivers are program dependent.</p> <p>The Employment Departments program delivery is the primary driver for our space needs. Each programs unique service delivery and function - based on both mandate and strategic vision - determine our measure for space needs and location/facility demand. Employment has 3 primary programs that drive space need, Unemployment Insurance (UI) , Business and Employment Services (B&ES) & Paid Family Medical Leave Insurance (PFMLI) that drive our space requirements. Smaller scale programs that have unique delivery needs are the Office of Administrative Hearings (OAH) and Research &</p>	<p>2. What are the key facility-related challenges over the next 10-years? (Please answer in order of priority)</p> <ol style="list-style-type: none">1. As of yet - indeterminate affect the newly created LWIBs will have on the core program delivery for the B&ES program. (The impact once the service delivery model is implemented & analyzed - could be considerable. Will they/should they be housed in Employment facilities/do they need to be more nimble than our leases currently allow/etc.)2. As related to bullet 1, will it be in the agency's best long term interest to sell their owned locations & lease locations - allowing for more mobility as the programs needs change.3. What type of improvements should be made to our owned locations - dependent on the programs needs/the structural & location limitations relevant to the programs needs/what the market will bear regarding "pay-back" for improvements made.4. Developing a list of key program delivery needs that will tell us whether the leased locations we currently occupy will continue to be viable at lease end for service delivery - or if the service delivery demands relocation or reduction.5. If the economy were to take another downturn, the lowest cost - yet most effective way to quickly adapt/expand for both the UI/B&ES programs - taking into consideration the considerable I.T. (date/telephonic) needs for both program site builds (especially the UI program).	<p>3. What do you need to meet these challenges?</p> <ol style="list-style-type: none">1. New updated Facility Assessments to include current condition and correct dollar values (expected/useful life of systems & structure), code - both what is currently grandfathered & what would be needed to meet current, recommended upgrades that have a proven energy savings track record.2. Environmental data regarding flood plains/tsunami zones/etc. that we could take into consideration when siting newly leased facilities or at least allow us to identify our risk & develop mitigation plans.3. For those of us that own buildings, comprehensive data on market conditions/improvements required &/or needed to optimize return.
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Facility Plan - Facility Summary Report 107BF16a
2025-27 Biennium

Agency Name

Oregon Employment Department

Table A: Owned Assets Over \$1M CRV

		FY 2024 DATA	
1	Total Number of Facilities Over \$1M	10	
	Current Replacement Value \$ (CRV)	\$23,437,970	4 FCA
	Total Gross Square Feet (GSF)	121,654	
2	Office/Administrative Usable Square Feet (USF)	107,055	5 88% % USF/GSF
3	Occupants Position Count (PC)	372	6 285
			7

Table B: Owned facilities under \$1M CRV

1	Number of Facilities Under \$1M CRV	
	Total Gross Square Feet (GSF)	

Table C: Leased Facilities

8	Total Rented SF	380,988	
	Total 2021-23 Biennial Lease Cost	\$12,505,276	
9	Additional 2021-23 Costs for Lease Properties (O&M)	843373	
2	Office/Administrative Usable Square Feet (USF)	323,840	5 85% % USF/GSF
3	Occupants Position Count (PC)	1617	6 319

Definitions

1	CRV	Current Replacement Value Reported to Risk Management or Calculated Replacement Value Reported Conditions Assessment (FCA)
2	USF	Usable Square Feet per BOMA definition for office/administrative uses. Area of a floor occupiable by a tenant furniture are normally housed plus building amenity areas that are convertible to occupant area and not rec operations of a building. If not known, estimate the percentage.
3	Occupant Position Count (PC)	Total Legislatively Approved Budget (LAB) Position Count within the buildings or leases as applicable.
4	Source	Enter Source of CRV as "Risk" or "FCA"
5	Estimate/Actual	Use actual USF % of USF to GSF, if available. If not known, estimate the percentage.
6	Office/Administrative USF/PC	Divide your USF by your position count. If office/admin space is a less than 10% of your space use, fill in N Measure".
7	Agency Measure	If not using USF/PC, insert Agency Measure as defined in 107BF02 question #1.

RSF	8	Rentable SF per BOMA definition. The total usable area plus a pro-rated allocation of the floor and building building.
O&M	9	Total Operations and Maintenance Costs for facilities including all maintenance, utilities and janitorial

Facility Plan - Facility O&M/DM Report 107B16b
2025-27 Biennium

Agency Name

Oregon Employment Department

Facilities Operations and Maintenance (O&M) Budget excluding Capital Improvements and Deferred Maintenance

Personal Services (PS) Operations and Maintenance
Services and Supplies (S&S) Operations and Maintenance
Utilities not included in PS and S&S above

**Total O&M
O&M \$/SF**

	2021-23 Actual	2023-25 LAB	2025-27 Budgeted	2027-29 Budgeted
	\$2,579,017.00	\$288,119.00	3,009,420.00	3,365,565.20
	\$655,914.00	\$689,007.00	719,827.00	752,386.36
	\$3,234,931.00	\$3,577,126.00	3,729,246.92	4,117,951.56
	6.90	8.96	9.33	9.61

Total O&M SF

#REF! Include only the SF for which your agency provides O&M funding.

O&M Estimated Fund Split Percentage %

General Fund	Lottery Fund	Other Funds	Federal Funds
20		26%	54

Deferred Maintenance Funding in Current Budget Model

Total Short and Long Term Deferred Maintenance Plan for Facilities

Priorities 1-3 - Currently, Potentially and Not Yet Critical
Priority 4 - Seismic & Natural Hazard
Priority 5 - Modernization

**Total Priority Need
Facility Condition Index (Priority 1-3 Needs/CRV)**

	2025-27 Biennium	2025-27 Budgeted (non POP)	2027-29 Projected SB 1067 (2% CRV min.)
Current Costs 2024	Ten Year Projection		
4,56	\$11,981,230	\$15,069,950	\$600,260
7	\$0	\$0	
8	\$0	\$0	
9	\$11,981,230	\$15,069,950	\$600,260
	39.920%	50.211%	37.920%
			48.211%

SB 1067 Guidance Below
If your allocation is < 2%, replace with

(minus DM funding in current budget m

Assets CRV

Process/Software for routine maintenance (O&M)
Process/Software for deferred maintenance/renewal
Process for funding facilities maintenance

\$30,012,990 Current Replacement Value Reported to Risk or Calculated Replacement Value Reported from Facility Conditions Assessment (FCA)

Provide narrative
Provide narrative
Provide narrative

From iPlan FCA

Definitions

Facilities Operations and Maintenance Budget	The Facilities Operations and Maintenance budget includes costs to operate and maintain facilities and keep them in repair including utilities, janitorial and maintenance costs. Maintenance costs are categorized as external building (roof, siding, windows, etc.); interior systems (electrical, mechanical, interior walls, doors, etc.); roads and ground (groundskeeper, parking lots, sidewalks, etc.) and centrally operated systems (electrical, mechanical, etc.). Agencies with significant facilities may include support staff if directly associated with facilities maintenance activities. Do not include other overhead costs such as accounting, central government charges, etc.
O&M Estimated Fund Split Percentage %	Show the fund split by percentage of fund source allocated to facility O&M for your agency
Total Short and Long Term Maintenance and Deferred Maintenance Plan for Facilities Value Over \$1M	All Maintenance excluding routine O&M costs. 23-25 and 25-27 auto-populates with 2% of the sum of your agency portfolio's CRV. Written to deliver on SB 1067: SECTION 9. (1) Each biennium, the Governor shall propose as part of the Governor's recommended budget an amount for deferred maintenance and capital improvements on existing state-owned buildings and infrastructure that is equivalent to at least two percent of the current replacement value of the state-owned buildings and infrastructure.
Priority One: Currently Critical	From the Budget Instruction: Priority One projects are conditions that require immediate action in order to address code and accessibility violations that affect life safety. Building envelope issues (roof, sides, windows and doors) that pose immediate safety concerns should be included in this category.

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<p>Facility Condition Index</p>	<p>A calculated measure of facility condition relative to its current replacement value (expressed as a percentage)</p>

Facility Plan - Major Construction/ Acquisition Project Narrative 107BF11
 2025-27 Biennium

Note: Complete a separate form for each project

Agency	Oregon Employment Department		Schedule	
Project Name	None		Start Date	
Address /Location	Cost Estimate	Cost Est. Date	Land Use/Zoning Satisfied	Est. Comp
	GSF	# Stories	Y	

Funding Source/s: Show the distribution of dollars by funding source for the full project cost.	General Funds	Lottery	Other	Fee

Description of Agency Business/Master Plan and Project Purpose/Problem to be Corrected

Project Scope and Alternates Considered

Project Budget Estimate - Escalate to the mid-point of construction. Use 4.5% Annual Escalation.

DIRECT CONSTRUCTION COSTS

- 1 Building Cost Estimate
- 2 Site Cost Estimate (20 Ft beyond building footprint)

3 TOTAL DIRECT CONSTRUCTION COSTS

	\$	% Project Cost	\$/(\$)
=			

INDIRECT CONSTRUCTION COSTS

- 4 Owner Equipment / Furnishings / Special Systems
- 5 Construction Related Permits & Fees
- 6 Other Indirect Construction Costs Including 1% Art, 1.5% Renewable Energy and other state requirements
- 7 Architectural, Engineering Consultants
- 8 Other Design and PM Costs
- 9 Relocation/Swing Space Costs

10 TOTAL SOFT COSTS

11 OWNER'S PROJECT CONTINGENCY

TOTAL PROJECT COST

	\$	% Project Cost	\$/(\$)

Cost Estimate Source (EG Agency, Cost Estimator, A/E, etc.)

Project Image/Illustration (optional)

Facility Plan - 10 Year Space Needs Summary Report
2025-27 Biennium

Agency Name Oregon Employment Department

Note: List each project/lease or disposal separately.

Proposed New Construction or Acquisition - Complete for 5 Biennia

Biennium	Agency Priority	Concept/Project Name	Description	GSF	Position Count ¹	General Fund	Other Funds	Lottery Funds
2025-27								
2027-29								
2029-31								
2031-33								
2033-35								

Proposed Lease Changes over 10,000 RSF - Complete for 3 Biennia

Biennium	Location	Description/Use	Term in Years	Total RSF ² +/- (added or eliminated)	USF ³	Position Count ¹	Biennial Rent/RSF

Proposed Lease Changes over 10,000 RSF - Complete for 3 Biennia

Biennium	Location	Description/Use	Term in Years	Total RSF ² +/- (added or eliminated)	USF ³	Position Count ¹	Biennial Rent/RSF
				A	B	C	D

Planned Disposal of Owned Facility

Biennium	Facility Name	Description

Definitions

Occupant Position Count (PC)	1	Estimated Position Count assigned to (home location) each building or lease as applicable
RSF	2	Rentable SF per BOMA definition. The total usable area plus a pro-rated allocation of the floor and building common areas within a building.
USF	3	Usable Square Feet per BOMA definition for office/administrative uses. Area of a floor occupiable by a tenant where personnel or furniture are normally housed plus building convertible to occupant area and not required by code or for the operations of a building. If not known, estimate the percentage.
O&M	4	Total Operations and Maintenance Costs for facilities including all maintenance, utilities and janitorial



Oregon Employment Department

2025-27 Agency Facility Plan

Capital Projects Advisory Board

[June 14, 2024]

Agency Overview

- Mission
 - Support Business – Promote Employment
 - Support economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits.
 - Serve businesses by recruiting and referring the best qualified applicants to jobs and provide resources to diverse job seekers in support of their employment.
 - The Paid Family Leave Insurance program serves Oregonians by providing paid leave during life's important moments.
 - Develop and distribute quality workforce and economic information to promote informed decision making.
- Business Needs
- The Employment Department's program delivery is the primary driver of our space needs. Each program's unique service delivery and location on both mandate and strategic vision - determines our measure for space needs and locations. Employment has 3 primary programs that address the needs: Unemployment Insurance, Business and Employment Services, and Paid Leave Oregon.
- Portfolio Size (Facilities/Replacement Value)

Total Major Facilities	10	Total Gross SF	121,654	Current Replacement Value (CRV)
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- 2022 Facilities Condition Index 39.9%

10-Year Facility Condition Index	50.21%
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- Funding Type

General Fund	20%	Other Funds	26%	Federal Funds	54%
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Planning Factors

- Our current and future demand remain stagnant with no anticipated future facility growth only reduction to right size facilities post pandemic
- This plan mainly affects our Central Office Administration building in
- Currently no emergent issues.
- Business trends stay stable over the current biennium and future biennium
- Currently working with our Strategic Office on business needs and driving space needs vs. policies related to our facilities.

Facility Strategies

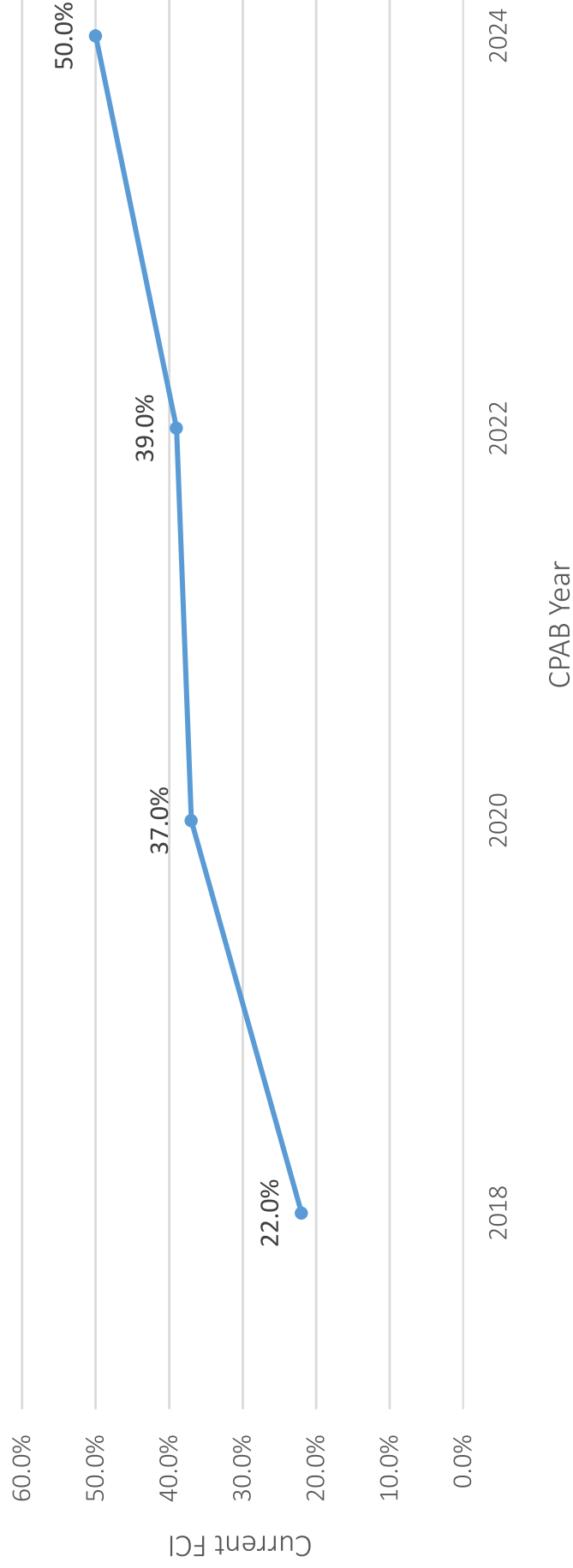
- Master Plan Concept our current facility plan includes the 10-year deferred maintenance plan and stay current with those needs. Along with this plan to reduce energy usage to return to energy usage targets. Over the next two biennia we look to right size our facility usage to achieve state targets for usage per FTE.
- Program Delivery Changes are not expected over the 25-27 biennium
- Policy Implementation is currently underway for energy reduction, and such facilities to implement all statewide policies.
- Risk/Climate Change Mitigation is always a consideration within our capital improvement plan to reduce greenhouse emissions related to construction remodeling.

Major Project

- Albany WorkSource Office- \$1.4 million upgrade to window systems, restrooms, plumbing, electrical upgrades, upgraded HVAC, TPO roof, Fire system upgrade
- Salem WorkSource Office- 3.2 million upgrade to windows, doors, restrooms, plumbing, HVAC, elevator, electrical and roof replacement.
- Purpose is to address ongoing deferred maintenance and to upgrade facilities to reduce overall maintenance and operational costs.
- Estimate costs with contingency funds to be 5 million.
- Planning is under way entering into A&E.
- Timeline will take the entire 25-27 biennium to complete

Facility Condition

Portfolio Facility Condition Index (FCI)



Facility Plan Summary

AGENCY PLAN SUMMARY	DM/LIFE SAFETY (PRIORITY 1)	CAPITAL RENEWAL (PRIORITY 2)	CAPITAL RENEWAL (PRIORITY 3)	SEISMIC/RISK (PRIORITY 4)	MODERNIZATION (NET PRIORITY 5)
DM/CR	\$0	\$0	\$0	\$0	\$0
Resilience/Risk	\$0	\$0	\$0	\$0	\$0
Modernization	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0

Major Project Summary

PROJECT NAME	TOTAL COST	DM/CR	RESILIENCE	MODERNIZATION
Albany	\$1,430,000	\$0	\$0	\$0
Salem	\$3,276,000	\$0	\$0	\$0