



Oregon

Tina Kotek, Governor

Department of Administrative Services
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MEMORANDUM

To: Mario Graham-Tutt, Central Business Support Manager, Public Employees Retirement System (PERS)
From: Bill Foster, Chair, Capital Planning Advisory Board (CPAB/Board)
Date: July 1, 2024
Subject: PERS' 2025-27 Agency Facilities Plan Acceptance

Mario,

The Capital Projects Advisory Board (CPAB/Board) has reviewed PERS' 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 and the agency's excellent stewardship of the PERS headquarters building.*

Sincerely,

Bill Foster, Chair

Capital Projects Advisory Board (CPAB)



MEMORANDUM

To: Bill Foster, Chair
Capital Planning Advisory Board

Cc: Daniel Christensen, Senior Planner and Board Administrator

From: Mario D.S. Graham-Tutt, Central Business Support Manager

Date: June 3, 2024

Subject: Public Employees Retirement System (PERS)
2025-27 Facilities Plan

The Oregon Public Employees Retirement System (PERS) is charged with managing the retirement funds of Oregon public sector employees. PERS operates one owned facility in Tigard, the PERS Headquarters Building, which houses most of its operations and serves as a public interface with retirees. Growth is no longer a concern for the facility due to the new Hybrid/Remote working environment, even with staff increases. This has caused PERS to consolidate locations to the Headquarters location. However, for the foreseeable future, PERS has elected to remain in their current headquarters facility and invest in necessary repairs for upkeep of our main Facility. PERS completed a Facility Condition Assessment in 2019.

2025-27 Major Capital Project Requests

- None

Portfolio Summary

- Owned Facilities Over \$1M = 1 Building, \$46.9M CRV, 60K GSF (ca.1996)
- Owned Facilities Under \$1M= None
- Leased Facilities = 5.3K RSF @ \$.48 RSF/month

1. *What are the key drivers for your agency's facility needs, and how do you measure space/facility demand?*

- PERS' facility needs are exclusively office work-based in nature. Consequently, facility needs and related decisions are focused on providing a comfortable, efficient and safe office environment, with some limited areas that accommodate a public interface for PERS members. Measurement of space/facility demand is primarily based on the number of staff involved with PERS' multiple types of business operations, which may increase

over time in response to any additions to the retirement system components/services/mandates.

2. *What are the key facility-related challenges over the next 10-years? (In order of priority).*
 1. Operations & Maintenance of PERS' Headquarters Building. Agency's plan is to keep the Headquarters Building at the current site for the foreseeable future. That will require additional building maintenance projects beyond those being performed in 23-25, to ensure the structure's integrity and useful life to house PERS operations.
 2. PERS currently leases one separate office building spaces. As that lease is continuously renewed, strategic planning for how to optimally house and coordinate off-headquarters staff and effectively connect them is in progress. We will soon need to look at the Salem Archives building Office. Facilities issues will soon include technology capacity increase, determination of lease building location(s) size, configuration and other plans that will require Moderate expenditures.
 3. PERS staffing levels are growing in response to multiple factors including facilities changes required for agency projects that respond to new legislative mandates , increased service demands (resulting in caseloads beyond current staff capacity) to serve a growing number of PERS retirees, operational improvements, etc. These all require continual modifications to the headquarters' office work space configurations, and are being considered since we have fully embraced the Hybrid/Remote working environment as an organization.

3. *What do you need to meet these challenges?*
 - PERS will likely need consultative expertise to assist with known and anticipated maintenance & operations projects, space planning, leased business site acquisitions, information technology planning & acquisition assistance – all of which will require significant additional funding. The Capital Project Advisory Board will be consulted to assist the agency with many facilities planning situations and projects.

Metrics: Effective, Efficient, Affordable

1. Facility Conditions Index (FCI) • Current – 0.3% (Good)

- As Planned – .3% (Good)
- 10-Year –.298% (Good)

2. Space Utilization Measure

- Office Space (PERS HQ) @ 187 USF/PC (175 USF/PC Goal)

3. Operations and Maintenance/GSF

- Current – \$40.06/SF
- As Planned – \$25.64/SF
- 10-Year – TBD

Facility Plan - Maintenance Priority 1-4
2025-27 Biennium

Agency Name Public Employees Retirement System

Current Maintenance Priority 1-4 for Owned Assets Over \$1M CRV*

Campus	Building ID	Building Name	iPlan Data (Incl Soft Costs)										Agency Input	
			Construction Year	Gross Square Footage	Current Replacement Value	Priority 1 - Current Critical (Life Safety, DM, Compliance)	Priority 2 - Potentially Critical (Near Term Capital Renewal, Energy, Functionality)	Priority 3 - Not Yet Critical (Mid-Term)	Priority 4 - Seismic + Natural Hazard Remediation (if applicable)	Total (G+H+I+J)	Current FC ¹ less Seismic Nat Haz (G+H) /F	2023-25 LAB Approved	Remaining Current Need (Estimated) K-M	
PERS - Public Employees Retirement System	2807	PERS Headquarters	1996	60,220	\$46,922,586	\$0	\$88,263	\$47,084	\$0	135,346	0.3%	\$0	\$135,346	
				60,220	46,922,586	0	88,263	47,084	0	135,346	0.3%	\$0	\$135,346	
				60,220	46,922,586	0	88,263	47,084	0	135,346	0.3%	\$0	\$135,346	

Maintenance Priority 1-4 for Owned Assets Under \$1M CRV (Optional) - This is not required for the budget submission or CPAB Report. Agencies may choose to complete.

Campus	Building ID	Building Name	iPlan Data (Incl Soft Costs)										Agency Input		
			Construction Year	Gross Square Footage	Current Replacement Value	Priority 1 - Current Critical (Life Safety, DM, Compliance)	Priority 2 - Potentially Critical (Near Term Capital Renewal, Energy, Functionality)	Priority 3 - Not Yet Critical (Mid-Term)	Priority 4 - Seismic + Natural Hazard Remediation (if applicable)	Total (G+H+I)	Current FC ¹ less Seismic Nat Haz (G+H) /F	2023-25 LAB Approved	Remaining Current Need (Estimated) J-L		

Definitions

1	Current costs for all facility maintenance and deferred maintenance except those that are covered in operations and maintenance budgets (routine maintenance).
2	Original Construction Year
3	Current Replacement Value Reported to Risk Management or Calculated Replacement Value Reported from Facility Conditions Assessment (FCA)
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.
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.
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.
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.
8	A calculated measure of facility condition relative to its current replacement value (expressed as a percentage)

Agency Name Public Employees Retirement System

Current Maintenance Priority 5¹ for Owned Assets Over \$1M CRV

iPlan Data (Incl. Soft Costs)		Agency Input					
Campus	Building ID	Building Name	Construction Year	Gross Square Footage	Current Replacement Value ²	Modernization Estimate	Notes/Description
A	B	C	D	E	F	G	H
PERS - Public Employees Retirement System	2807	PERS Headquarters	1996	60,220	46,922,586	\$0	
				Subtotal Over \$1M CRV	46,922,586	\$0	

Definitions

		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 projects, the typically addresses deficiencies that do not conform to current codes, but are 'grandfathered' in their existing condition to the extent feasible.
Priority Five: Modernization	1	
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)

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

Agency Name Public Employees Retirement System

<p>1. What are the key drivers for your agency's facility needs, and how do you measure space/facility demand?</p> <p>•PERS' facility needs are exclusively office work-based in nature. Consequently, facility needs and related decisions are focused on providing a comfortable, efficient and safe office environment, with some limited areas that accommodate a public interface for PERS members. Measurement of space/facility demand is primarily based on the number of staff involved with PERS' multiple types of business operations, which may increase over time in response to any additions to the retirement system components/services/mandates.</p>	<p>2. What are the key facility-related challenges over the next 10-years? (In order of priority).</p> <p>A. Operations & Maintenance of PERS' Headquarters Building. Agency's plan is to keep the Headquarters Building at the current site for the foreseeable future. That will require additional building maintenance projects beyond those being performed in 23-25, to ensure the structure's integrity and useful life to house PERS operations.</p> <p>B. PERS currently leases 1 separate office building spaces. As those leases are set to expire in the next 1-2 years, strategic planning for how to optimally house and coordinate off-headquarters staff and effectively connect them is in progress. We will soon need to look at the Salem Office. Facilities issues will soon include technology capacity increase, determination of lease building location(s) size, configuration and other plans that will require Moderate expenditures.</p> <p>C. PERS staffing levels are growing in response to multiple factors including facilities changes required for agency projects that respond to new legislative mandates (e.g. Modernization, which consists of 5+ projects requiring additional staff & contractors), increased service demands (resulting in caseloads beyond current staff capacity) to serve a growing number of PERS retirees, operational improvements, etc. These all require continual modifications to the headquarters' office work space configurations, and are being considered differently since we have fully embraced the Hybrid/Remote working environment as an organization.</p>	<p>3. What do you need to meet these challenges?</p> <p>•PERS will likely need consultative expertise to assist with known and anticipated maintenance & operations projects, space planning, leased business site acquisitions, information technology planning & acquisition assistance – all of which will require significant additional funding. The Capital Project Advisory Board will be consulted to assist the agency with many facilities planning situations and projects.</p>
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Facility Plan - Facility Summary Report 107BF16a
2025-27 Biennium

Agency Name

Public Employees Retirement System

Table A: Owned Assets Over \$1M CRV

		FY 2024 DATA	
1	Total Number of Facilities Over \$1M		
1	Current Replacement Value \$ (CRV)	\$46,922,586	4
2	Total Gross Square Feet (GSF)	60,220	
3	Office/Administrative Usable Square Feet (USF)	52,391	5
	Occupants Position Count (PC)	Est.280	6
			7
			NA
			Risk or FCA
			Source
			Estimate/Actual
			Office/Admin USF/PC
			or Agency Measure
			% USF/GSF

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	25,375
9	Total 2021-23 Biennial Lease Cost	\$598,850
2	Additional 2021-23 Costs for Lease Properties (O&M)	0
3	Office/Administrative Usable Square Feet (USF)	25,375
	Occupants Position Count (PC)	Est.119
5	Estimate/Actual	100%
6	Office/Admin USF/PC	213.2352941

Definitions

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

Public Employees Retirement System

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

1	2021-23 Actual	2023-25 LAB	2025-27 Budgeted	2027-29 Budgeted
	\$213,127	\$282,981	\$334,456	TBD
	\$582,254	\$1,394,602	\$911,695	TBD
	\$244,621	\$339,423	\$791,244	TBD
	\$1,040,002	\$2,017,006	\$2,037,395	
	17.27	33.49	33.83	

Total O&M SF

60,220 Include only the SF for which your agency provides O&M funding.

O&M Estimated Fund Split Percentage %

2	General Fund	Lottery Fund	Other Funds	Federal Funds
			100%	

Deferred Maintenance Funding In Current Budget Model

2025-27 Biennium
Ongoing Budgeted (non POP) Ongoing Budgeted (non POP)
2025-27 Budgeted SB 1067 (2% CRV min.) 2027-29 Projected SB 1067 (2% CRV min.)

Total Short and Long Term Deferred Maintenance Plan for Facilities

3	Current Costs 2024	Ten Year Projection	2025-27 Budgeted SB 1067 (2% CRV min.)	2027-29 Projected SB 1067 (2% CRV min.)
4,5,6	\$105,695	\$109,298	\$938,452	If your a
7	\$0	\$0		(minus D
8				
9	0.225%	0.233%	-1.775%	0.233%

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

Assets CRV

\$46,922,586 Current Replacement Value Reported to Risk or Calculated Replacement Value Reported from Facility Conditions Assessment (FCA)

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

in-house system (Excel spreadsheets)	Provide narrative
iPlan	Provide narrative
Other Funds - budget	Provide narrative

From iPlan FCA

Definitions

	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.
1	
2	Show the fund split by percentage of fund source allocated to facility O&M for your agency

<p>Total Short and Long Term Maintenance and Deferred Maintenance Plan for Facilities Value Over \$1M</p>	<p>3</p>	<p>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.</p>
<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>
<p>Priority Three: Necessary - Not yet Critical</p>	<p>6</p>	<p>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.</p>
<p>Priority Four: Seismic and Natural Hazard Remediation</p>	<p>7</p>	<p>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.</p>
<p>Priority Five: Modernization</p>	<p>8</p>	<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 projects, the work typically addresses deficiencies that do not conform to current codes, but are 'grandfathered' in their existing condition to the extent feasible.</p>
<p>Facility Condition Index</p>	<p>9</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	Public Employees Retirement System	Cost Estimate	Cost Est. Date	Schedule Start Date	Est. Comp
Project Name	None	GSF	# Stories	Land Use/Zoning Satisfied	
Address /Location				Y	

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

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	\$/C
=			

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	\$/C

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 Public Employees Retirement System

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	Federal Funds	Estimated Cost/Total
2025-27		None								
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 \$ O&M ⁴ /RSF ² not included in base rent payment	Biennial \$ Rent/RSF ²	Biennial \$ O&M ⁴ /RSF ² not included in base rent payment	Total Cost/Biennium (D+E)
				A	B	C	E	D	E	

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 \$ O&M ⁴ /RSF ² not included in base rent payment	Biennial \$ Rent/RSF ²	Biennial \$ O&M ⁴ /RSF ² not included in base rent payment	Total Cost/Biennium (D+E)
				A	B	C	E	D	E	

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 amenity areas that are 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



Public Employee Retirement System

2025-27 Agency Facility Plan

Capital Projects Advisory Board

6/6/2024

PERS – About the agency

- **Mission**

The Public Employees Retirement System (PERS) mission is to serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

- **FACILITIES**

- Total Staffed Facilities 2
- Owned (by PERS Trust) 1 PERS HQ, Tigard
- Leased 1 (DAS Archives (OSGP));

- HQ Total Gross Square Footage 60,220
- HQ Current Replacement Value \$46,922,586
- Total Major Facilities CRV \$ 46,922,586

Planning Factors

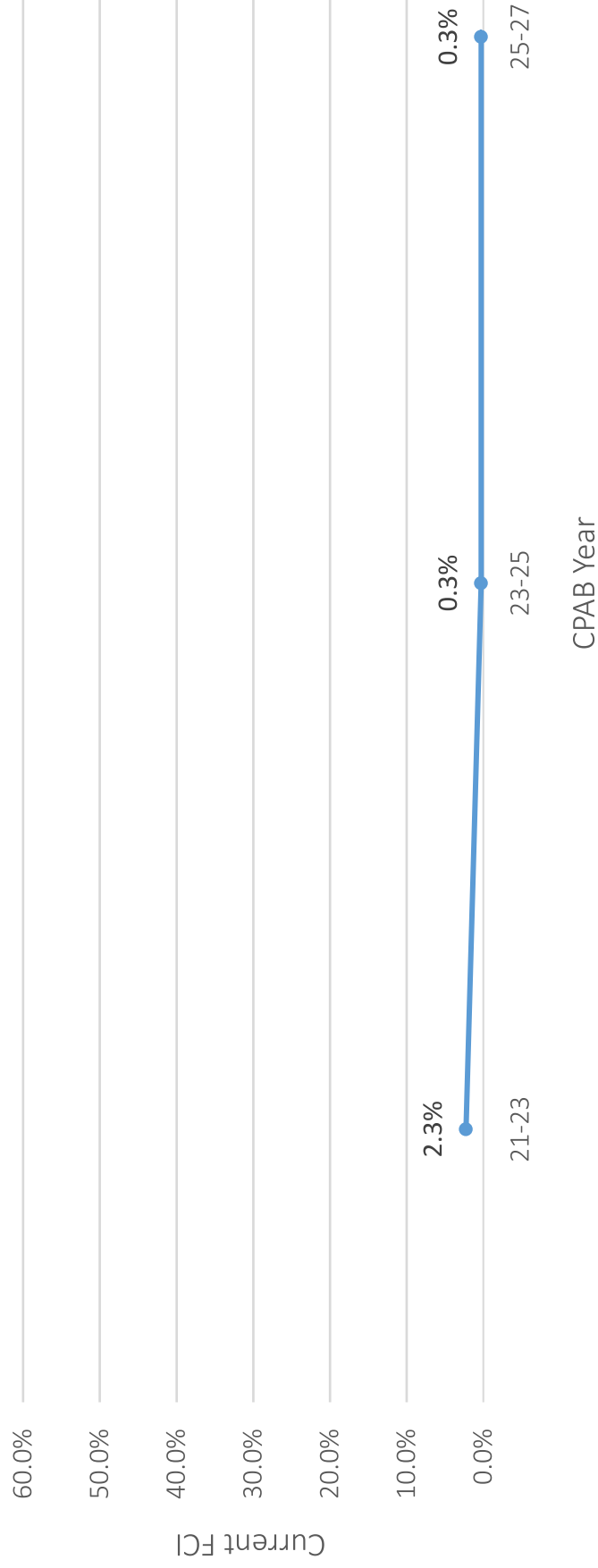
- Current/Future Demand
 - Future plans will involve looking for a new space for the Salem office and restructuring the current layout in HQ.
 - Media content room that was approved in 23-25

Major Project

- No Major projects planned for 25-27
- Looking into completing deferred maintenance project that were approved in 21-23 and 23-25
 - May need approval for that funding to roll over into 25-27 if those projects not be completed in the current biennium.

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
X	\$0	\$0	\$0	\$0
X	\$0	\$0	\$0	\$0