Oregon
Tina Kotek, Governor

Liquor & Cannabis Commission
9079 SE McLoughlin Blvd.
Portland, Oregon 97222-7355
503-872-5000
800-452-6522
www.oregon.gov/olcc

DATE: June 28, 2026

TO: Oregon Capital Projects Advisory Board (CPAB)

FROM: Jeff Samuels
Administrative Services Division Director
Oregon Liquor and Cannabis Commission

SUBJECT: OLCC Cover Memo for CPAB

The Oregon Liquor and Cannabis Commission (OLCC or Agency) mission is to oversee access to alcohol and cannabis products in Oregon through education, regulation, and distribution of distilled spirits, with the goal of protecting public health and safety, while supporting responsible Oregon businesses and generating revenue for local and state agencies. As part of OLCC's Strategic Plan, OLCC is working diligently to complete the build and launch a new distilled spirits distribution center, upgrade key logistics, distribution and licensing software, and relocate our headquarters to DAS lease space during the 2027-29 biennium. The key drivers for the OLCC facility plan are to maintain and keep agency owned facilities operational, while readying them for sale by the end of FY2028.

During the 2025-2027 biennium, the Oregon Liquor and Cannabis Commission accomplished the following facility stewardship and planning projects:

- Routine maintenance and minor repairs
- Replace fire Post Indicator Valve – Milport warehouse
- HVAC and Control repair - HQ
- Steam pipe and radiator repair – HQ
- Boiler tank repair, both boilers – HQ/Main warehouse
- Generator repair, radiator and cooling system - HQ
- Exterior light replacement – Main warehouse
- Replace clean agent for server room – HQ
- Fire main repair, PIV replacement – Main warehouse
- Shipping lot repair of asphalt/cement – Main warehouse
- Repair of restroom plumbing – HQ/Main

OLCC continues to experience ageing agency owned facilities and our current warehouses are at capacity. The Headquarters building and McLoughlin Warehouse are 72 years old, while the nearby Milport Warehouse is about 52 years old. The age and size of the buildings impact the agency's mission and ability to ensure efficient business operations. The warehouses are at capacity and do not allow for

efficient receiving/shipping of the distilled spirits inventory. Industry standards for warehouses and a study performed for OLCC by Deloitte identify optimum warehouse capacity should be near 80% whereas our warehouses are near 100% capacity. Additionally, the OLCC Headquarters building is larger than needed due to hybrid workforce, thus space is underutilized.

OLCC anticipates that the following potential maintenance and repair issues during the 2027-2029 biennium:

- Routine Maintenance and minor repair ($50k)
- Boiler linkage repair ($50k)
- Replace warehouse heaters (freeze protection) ($30k)
- Repair of fire Post Indicator Valve ($15k)
- Repair of fire hydrant ($15k)
- Electrical breaker failure ($50k)
- Plumbing drain failure ($75k)
- HQ hot water heater replacements ($20k)
- Roof repair ($200k)
- HVAC and Control repair ($25k)

The OLCC's 2027-29 facility plan and ARB for capital improvement of $270,808 will cover 51% of the potential 2027-29 maintenance and repair needs, estimated in total at approximately $535,000, as listed above. This CSL funding should be adequate to address the needs as they may arise while remaining in our current facilities and the agency will ready these facilities for sale by the end of FY 2028. The plan is designed to keep the current facilities operational through the 2027-29 biennium, maintaining business continuity while the agency transitions to the new distilled spirits distribution center in Canby and leased headquarters space in Portland.

OLCC wishes to update CPAB on build status of OLCC's new 347,000 square foot distilled spirits distribution center in Canby, previously reported to CPAB in prior biennia. The project has just reached a milestone of substantial completion of the core and shell of the building. The material handling system (conveyance system and warehouse racking) is currently being installed, scheduled to be complete in the fall of 2026. The facility is on track to be fully operational in March of 2027, at which time all distilled spirit distribution will be from Canby. The new distribution center will support the agency's mission and improve the operation of Oregon's distilled spirits control model. The distribution center will provide OLCC with at least 15 to 20 years of capacity, with design and construction features allowing for future expansion when needed.

OLCC continues to work closely with DAS EAM to relocate our Headquarters to DAS leased space at the Portland State Office Building (PSOB). It is anticipated that this lease would begin in fall of 2027 at a lease cost of $1.7 million for the 2027-2029 biennium. In June of 2029, our McLoughlin Plaza office lease will end and OLCC will look to relocate Plaza staff as Phase 2 to our HQ lease at PSOB. The relocation of our HQ to the PSOB meets OLCC's mission, maintains OLCC's footprint in the metro area, utilizes DAS state-owned space, aligns with State goals for reducing office space with the hybrid workforce model, helps revitalize Portland's Central City and is a cost savings measure for OLCC.

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2027-2029
Agency Facility Plan

Presented by Jeff Samuels, ASD Director

Oregon Liquor & Cannabis Commission | July 10, 2026







Our Mission & Vision

Mission

OLCC oversees access to alcohol and cannabis products in Oregon through education, regulation, and distribution of distilled spirits, aiming to protect public health and safety while supporting responsible businesses and generating revenue for local and state agencies.

Vision

To be recognized as a model in managing and regulating alcohol and cannabis, achieving measurable success in reducing harm, fostering responsible business practices, and supporting economic development.

Strategic Priorities and Goals

- **Efficient, Modernized Operations & Outcomes:**
  1. Complete physical infrastructure/relocation projects on time, on budget, and with documented success measures
  2. Implement new technologies for better service delivery and reducing paper-based activities
- **Balanced Regulation, Compliance, Enforcement, and Education:**
  1. Resolve ambiguity and reduce complexity in regulatory framework
  2. Alcohol & cannabis prevention sales
  3. Diversion/inversion of cannabis into or out of the recreational cannabis market.
- **Positive Business Environment:**
  1. Improve licensing processes to eliminate unnecessary burden on applicants
  2. Develop and communicate clearer compliance & enforcement guidelines
- **Equity and Inclusion:**
  1. Nurture an inclusive workplace culture that promotes equitable management
  2. Promote equitable access to services, programs, and resources for alcohol, cannabis







Agency Facilities

- Headquarters and Main Warehouse – 72 years old
- Milport Warehouse – 52 years old
- Warehouses at nearly 100% capacity
  - Industry standard is 80% capacity
- Headquarters is oversized for hybrid workforce

Agency Overview

Facility Summary

• Total facilities	2
• Total major facilities	2
• Total minor facilities	0
• Total current replacement value (CRV)	$85,213,981
• Total gross square footage (GSF)	283,714
• Total leased facilities	13
• Total leased square footage (LSF)	37,825
• Total major leases	1

Agency Overview - Continued

Facility Condition

• Current facility condition index (FCI)	10.3%
• Current condition rating	Fair/Poor
• 10-Year condition rating	Poor
• 10-Year FCI	12.3%
• Three biennium FCI trend	Downward

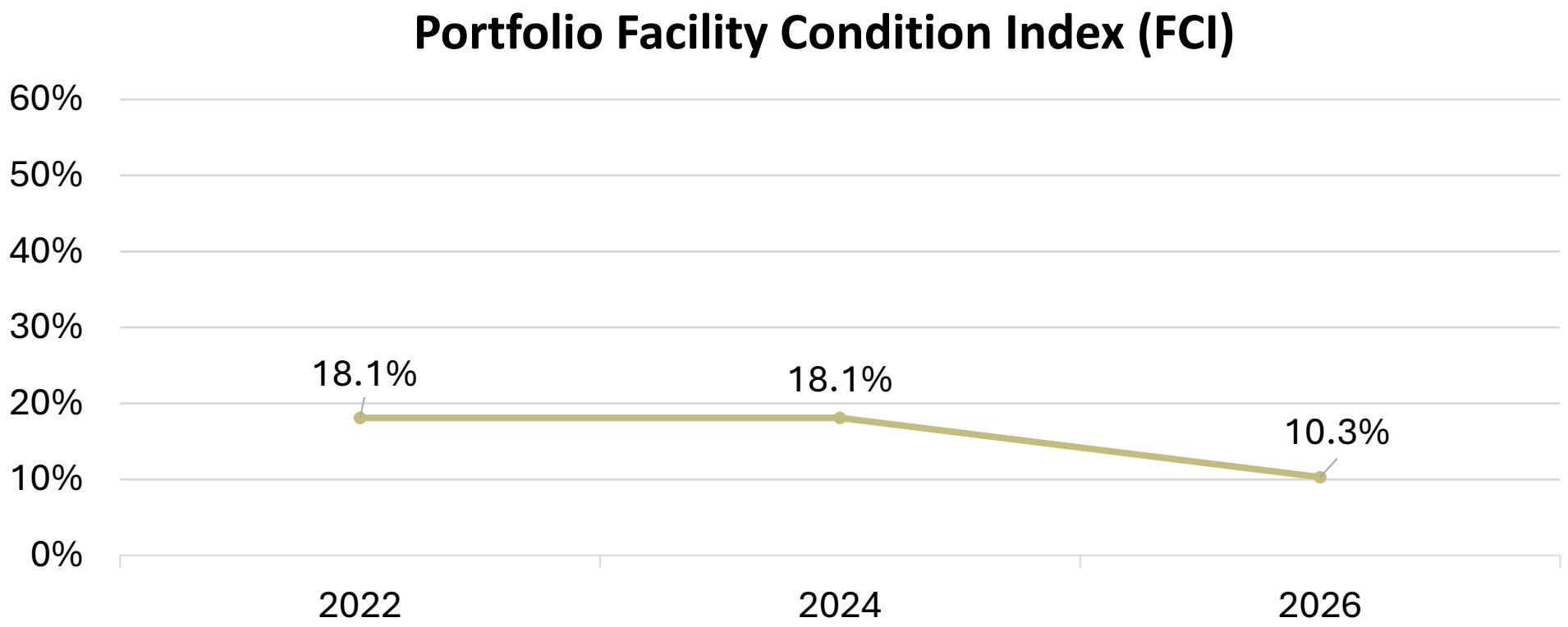
Planning Factors



Emergent Issues

- Warehouses are at capacity
- OLCC owned facilities and infrastructure have aged
  - Ex. April 2026 Fire main leak repair – Main Warehouse shipping lot
- 2027-2029 potential replacements and repairs
  - Hot water heaters
  - Freeze protection unit heaters
  - Plumbing and electrical
  - Roofing & Fire system repair
- 2027-29 ARB for capital improvement of $270,808 provides 51% of potential repair costs

Facility Condition



Energy

Building Energy Performance Standards (BPS)

Building	Tier	EUI - 2025	Target EUI	Building Compliance
HQ/Main Warehouse	1	51.7	60.4	In compliance
Milport Warehouse	1	15.8	- - -	In compliance

Seismic

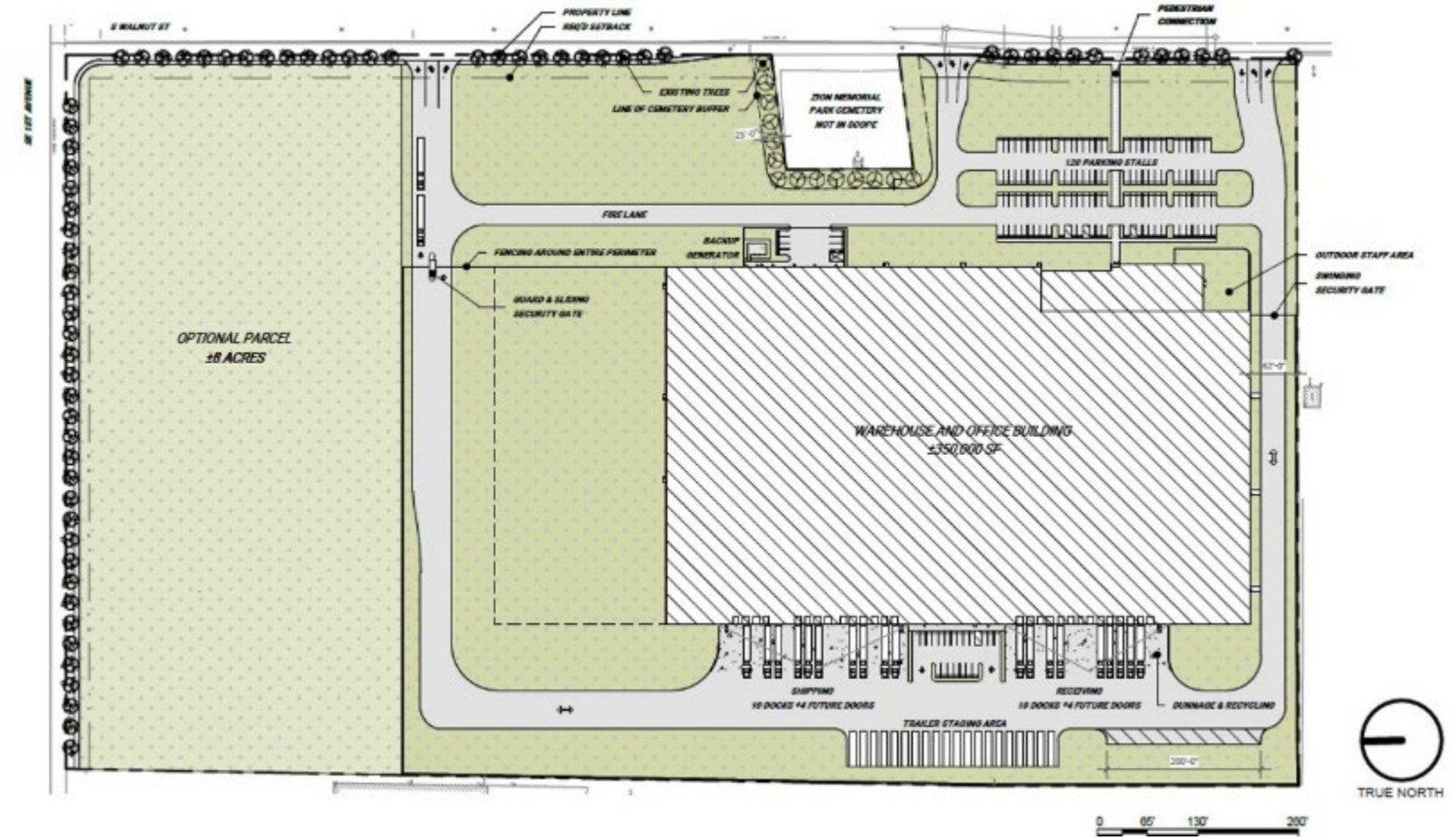
Seismic Risk (Executive Order 25-22 Compliance)

- OLCC Facilities do not fully meet current life safety performance due to age of construction
- Agency plan is to disposition both facilities after the Canby Distribution Center is operational and our Headquarters space renovation and lease at PSOB is complete

Plan Summary

Plan Cost Summary by Type and Priority	Total
Deferred Maintenance and Life Safety – Priority 1	$1.25 million
Capital Renewal – Priority 2 + 3	$0 million
Seismic and Risk – Priority 4	$0 million
Modernization (Net) – Priority 5	$0 million
Total	**$1,255,584 million**

Update on Project Meadowlark

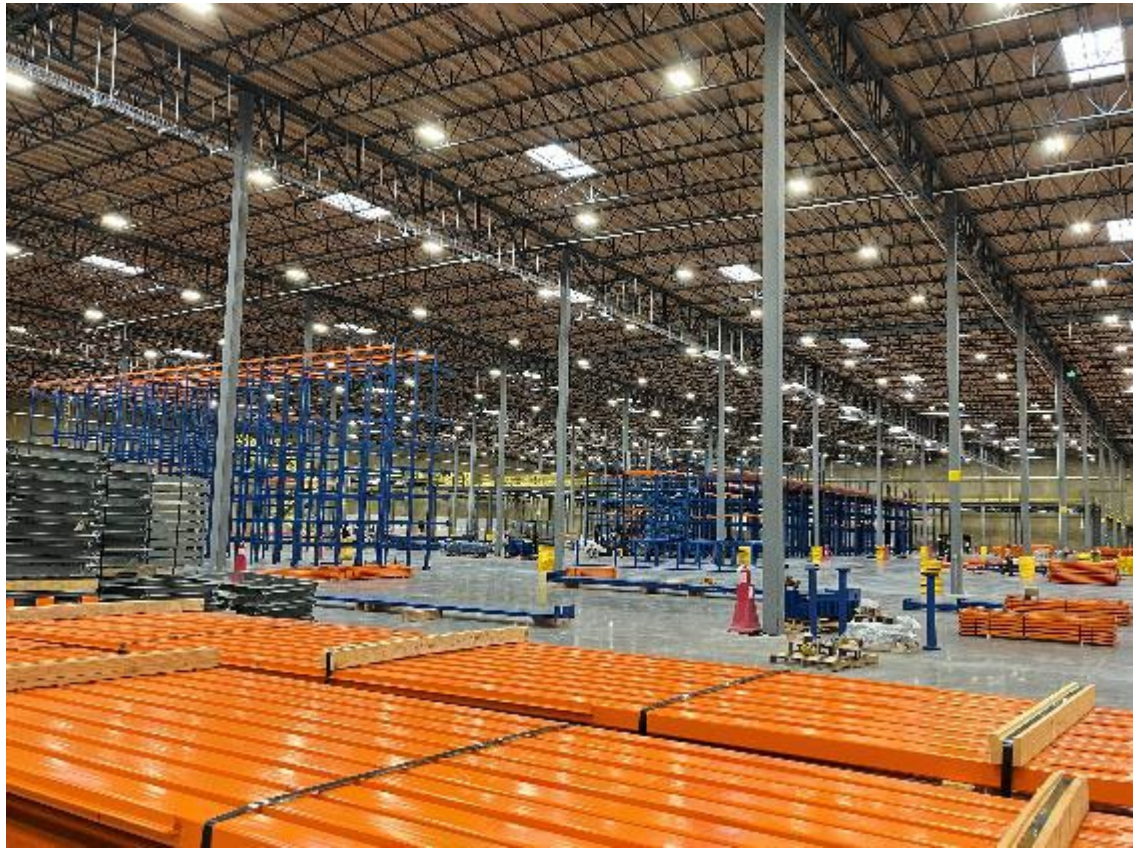


Update on Project Meadowlark



Update on Project Meadowlark





OLCC Headquarters Relocation



- Portland State Office Building (PSOB)
- OLCC coordinating space & lease with DAS
- Multiple Benefits
- 2027-29 Lease projected at $1,721,225

Questions

Jeff Samuels

Administrative Services Division

Ph. (971) 282-3540

Email: jeff.samuels@olcc.oregon.gov

Facilities Summary Report

2027-29 Biennium

Facility Plan - Facilities Planning Narrative 107bf02a
2027-29 Biennium

Agency Name **Oregon Liquor & Cannabis Commission**

1. What are the key drivers for your agency's facility needs, and how do you measure space/facility demand?
OLCC's two agency owned facilities are aged at 72 and 52 years and our warehouses are at capacity. Industry standard for warehouses and a study performed for OLCC by Deloitte identify optimum warehouse capacity should be near 80%, whereas our warehouses are near 100% capacity. OLCC's newly constructed distilled spirits distribution center in Canby will be ready for operation in March of 2027, supporting public health and safety by improving the operation of Oregon's distilled spirits control model. Additionally, the relocation of OLCC's headquarters office in late 2027 to DAS lease space at the Portland State Office Building will provide efficient business operations into the future.

2. What are the key facility-related challenges over the next 10-years? (Please answer in order of priority)
Maintaining existing facilities and readying properties for sale by the end of FY 2028. Challenges are: Due to OLCC's aged facilities, there is potential need for the replacement of hot water heaters, warehouse freeze protection heaters, plumbing drains and electrical breakers; repair of post indicator valve (PIV), fire hydrant, roofing, HVAC and controls, and boiler linkage. Some of these maintenance and repair situations are possible to occur in the 2027-29 biennium and collectively total approximately $535,000.

3. What do you need to meet these challenges?
Our facilities plan and 2027-29 ARB for capital improvement of $270,808 will cover 51% of the potential 2027-29 maintenance and repair needs as listed above. This funding should be adequate to address the needs as they may arise while OLCC remains in our current facilities.

Facilities Summary Report

2027-29 Biennium

Agency Name: **Oregon Liquor & Cannabis Commission**

Owned Facilities Over $1 million	**FY 2025 DATA**			
Number of Facilities	2			
Current Replacement Value $ (CRV)	$ 85,213,981	Source	Risk	Risk or FCA
Gross Square Feet (GSF)	*283,714*			
Usable Square Feet (USF)	*52,730*	*Estimate/Actual*	*18.6*	% USF/GSF
Occupants Position Count (PC)	291	**USF/PC**	**181**	

Owned Facilities Under $1 million	
Number of Facilities	0
CRV	
GSF	

Leased Facilities				
Total Rentable SF	37,825			
Biennual Lease Cost	$1,729,004.34			
Additional Costs for Lease Properties (O&M)	$228,981.19			
Usable Square Feet (USF)	*36,869*	*Estimate/Actual*	*97.5*	% RSF/GSF
Occupants Position Count (PC)	94	**USF/PC**	**392**	

Definitions

CRV Current Replacement Value Reported to Risk ***or Calculated Replacment Value Reported from Facility Conditions Assessment (FCA)***

RSF 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 Usable Square Feet per BOMA definition. 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 precentage.

PC Legislatively Approved Budget (LAB) Position Count

O&M Total Operations and Maintenance Costs for facilities including all maintenence, utilities and janatorial.

Facilities Operations and Maintenance and Deferred Maintenance Report

2027-29 Biennium

Agency Name: Oregon Liquor & Cannabis Commission

Facilities Operations and Maintenance (O&M) Budget	2023-25 Actual	2025-27 LAB	2027-29 Budgeted (CSL)	2029-31 Projected
Personal Service (Maintenance)	432,014	514,028	581,954	636,075
Services & Supplies (Maintenance)	457,538	242,971	254,877	267,366
O&M $/GSF (Maintenance)				
Personal Service (Utilties & Janitorial)	1,511,244	1,241,890	1,559,546	1,704,583
Services & Supplies (Utilties & Janitorial)	908,141	1,759,025	1,809,143	1,897,791
O&M $/GSF (Utilities & Janitorial)				

	General Fund	Lottery Fund	Other Funds	Federal Funds
O&M Estimated Fund Split %	0	0	100	0

Short and Long Term Deferred Maintenance Plan for Facilities Value Over $1M	Current Value (2023)	Ten Year Projection	2025-27 Budgeted	2027-29 Projected
Priorities 1-3 - Currently, Potentially and Not Yet Critical	$ 8,778,640	$ 10,514,918	$ 1,704,280	$ 1,704,280
priority 4 - Seismic & Natural Hazard				
Priority 5 - Moderization				
Total Priority Need	$ 8,778,640.00	$ 10,514,918.00	$ 1,704,279.62	$ 1,704,279.62
Facility Condition Index (Need/CRV)	10.30%	12.34%	2.00%	2.00%

Assets Over $1M CRV	85,213,981

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

Major Construction/Acquisition Project Narrative

Note: *Complete a separate form for each project*

Agency:		Priority (Agency #):		Schedule	
Project Name:		Cost Estimate	Cost Est.Date	Start Date	Est. Completion
Address/Location:		GSF	# Stories	Land Use/Zoning Satisfied	
				Y	N

Funding Source(s): Show the distribution of dollars by funding source for the full project cost.	General Fund	Lottery	Other	Federal

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

Project Scope and Alternatives Considered

ESTIMATED PROJECT COST

			$	% Project Cost	$/GSF
DIRECT CONSTRUCTION COSTS					
1	Building Cost Estimate				
2	Site Cost Estimate (20 Ft beyond building footprint)				
3	**TOTAL DIRECT CONSTRUCTION COSTS**		$ -	0%	$ -
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 or unique regulatory requirements not in hard costs				
7	Architectural, Engineering Consultants				
8	Other Design and PM Costs				
9	**TOTAL INDIRECT COSTS**		$ -	0%	$ -
10	**OWNER'S PROJECT CONTINGENCY**	insert %			
			$	**% Project Cost**	**$/GSF**
	TOTAL PROJECT COST		$ -	0%	$ -

Project Image/Illustration (optional)

Major Construction/Acquisition 10-Year Plan, Lease Plans, Disposals

2027-29 Biennium

Agency Name: Oregon Liquor & Cannabis Commission

Proposed New Construction or Acquisition - *Complete for 5 Biennia*

Biennium	Priority	Concept/Project Name	Description	GSF	Position Count	General Fund	Other Funds	Lottery Funds	Federal Funds	Estimated Cost/Total Funds
2027-29										-
2029-31										-
2031-33										-
2033-35										-
2035-37										-

Proposed Lease Changes over 10,000 RSF - *Complete for 5 Biennia*

Biennium		Location	Description/Use	Term in Years	Total RSF[2] +/- (added or eliminated)	USF[3]	Position Count[1]	Biennial $ Rent/RSF[2]	Biennial $ O&M[4]/RSF[2] not included in base rent payment	Total Cost / Biennium
					A	B	C	D	E	(D+E)*A
2027-29		PSOB	**Office/Headquarters**	10	28,687.08	485.24	229	60		1,721,225
2029-31										-
2031-33										-
2033-35										-
2035-37										-

Planned Disposal of Owned Facility

Biennium		Facility Name	Description
2027-29		HQ/Main Warehouse	1954 Office and Warehouse
2027-29		Milport Warehouse	1974 Warehouse

Definitions:

Position Count: **1** Total Legislatively Approved Budget (LAB) 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.

2026

-

2028

Agency Facility Plan

State of Oregon

Department of Administrative Services (DAS)

Report Date:

Jul 7, 2026

Property	Building	CRV	GSF	Age (yrs)
OLCC Group	Mcloughlin Warehouse And Office	$53,011,546	176,470	72
OLCC Group	Milport Warehouse	$32,202,435	107,244	52
		$85,213,981	283,714	

Current				10 Year			
FCI	Condition	Priority 1 Costs	Total Costs	FCI	Condition	Priority 1 Costs	Total Costs
9.6%	FAIR	$2,289,338	$5,069,978	12.5%	POOR	$2,343,938	$6,619,462
11.5%	POOR	$1,409,004	$3,708,662	12.1%	POOR	$1,409,004	$3,895,456
10.3%		$3,698,342	$8,778,640	12.3%		$3,752,942	$10,514,918

Oregon
Tina Kotek, Governor

Department of Administrative Services
155 Cottage Street NE
Salem, OR 97301

MEMORANDUM

DATE: July 16, 2026

TO: Jeff Samuels, Director of Administrative Services, Oregon Liquor and Cannabis Commission

FROM: Daniel Christensen, Department of Administrative Services

SUBJECT: Agency Facility Plan Acceptance

The Capital Projects Advisory Board (CPAB/Board) has reviewed the Oregon Liquor and Cannabis Commission's (OLCC) 2027-29 facilities plan in accordance with ORS 276.227. Following your Board presentation on July 10, the Board voted to accept your agency facility plan with the following comments:

- The Board appreciates the agency's cost-effective approach to stewarding their current facilities for future sale, while waiting to migrate to new facilities.

DAS DEPARTMENT OF ADMINISTRATIVE SERVICES

Capital Projects Advisory Board

Agency Facility Plan Acceptance

CPAB Meeting Date 07/10/26

Presenting Agency

Oregon Liquor and Cannabis Commission

Does the board accept the agency facility plan?

Yes

Additional Comments

Great utilization of resources - great effort to optimize space
Using what is existing within current resources