

RECAP

Capital Projects Advisory Board



Meeting Date: May 13, 2022
Time: 10 am to Noon
Location: Virtual Public Meeting

Attendees: Robert Chandler
Bill Foster, Chair
Bruce Johnson
Ben Kaiser
Cynthia Wagner
Norman Wright

Staff: Daniel Christensen, Department of Administrative Services (DAS)

Guests: Glen Bason, Department of Human Services
Troy Croff, Oregon Department of Veterans' Affairs
Timothy Dunks, Oregon Employment Department
Jeff Samuels, Oregon Liquor and Cannabis Commission
Sharon Domaschofsky, Oregon State Police

A. Board Administration

- **Chair Bill Foster** called the meeting to order at 10:00 a.m.
- Roll call determined a quorum.
- Bill Foster motioned approving Board minutes. Norman Wright seconded the motion. Board meeting minutes were unanimously approved.

B. Old Business

None

C. Agency Facility Plan Presentations

Department of Human Services/Oregon Health Authority (DHS/OHA)

Glen Bason from the Department of Human Services/Oregon Health Authority (DHS/OHA) presented the agency's 2023-25 Agency Leasing Plan. DHS/OHA occupy 3.6 million square feet of commercially leased office space in 164 offices, and leases seven DAS buildings. Approximately 75 percent of their funding is federal and approximately 25 percent is state funding. All office buildings are leased.

Glen stated DHS/OHA offices are most effective when located near public transportation, close to those who need social services and all services are combined to be available at each location through the agencies' No Wrong Door programs.

Glen explained DHS/OHA Facilities Governance Committee approves when new properties are leased/authorized and they work with DAS Leasing to identify suitable locations. New facilities are added when there is demand for services caused by demographic change and gentrification. Lease terms are negotiated together. DHS/OHA Facilities work with landlord/architects to design building function and layout of interior to meet programmatic business flow and needs. The agencies focus on way finding in multiple languages, safe and calm design that is trauma informed, well organized lobbies and gender neutral and family restrooms. Client services are located on the first floor of buildings. Buildings use energy efficient and sustainable building practices, such as LED lighting, water coolers with bottle fillers, MERV-13 (HVAC) filtration, coffee bars and break areas with kitchens. In addition, natural lights, sound absorbing materials and warm color palettes are also used. Two new locations divert rainwater to bioswales and they are also looking options to add EV charging capacity at larger facilities.

Glen described their new office building in Klamath Falls that replaced four leased buildings, and their new building in Gresham is 3-story and 95,811 square feet. It was a three-year project. Brookings is planning a new 2-story facility with 27,500 square feet.

Ben Kaiser asked why DHS/OHA leases so many facilities. Glen explained that it is the agencies' business model to lease due to the flexibility it provides in relocating, and also not needing to provide facility maintenance staff.

Oregon Department of Veterans' Affairs (ODVA)

Troy Croff from the Oregon Department of Veterans' Affairs (ODVA) presented the agency's 2023-25 Agency Facility Plan. Troy explained that ODVA has four main programs: Home Loan Program, Statewide Veteran Services, Aging Veteran Services and Oregon Veterans' Homes. ODVA has three major facilities: its Salem Headquarters, The Dalles Veterans' Home, and Lebanon Veterans' Home, comprising 356,530 GSF.

Troy stated their facility needs in Salem include a new chiller (\$1.4M) and second floor renovation (\$2M). The Dalles needs a new HVAC/AHU and boiler (\$3.5M). Troy stated that veterans are living in the building, so its needs are more urgent than the Salem building.

Troy stated that ODVA has plans for a future Veterans' home in Roseburg to move the agency closer to the 900-bed standard for Oregon determined by USDVA. Currently, ODVA has 305 beds. The estimated cost is \$103 million paid with a 65 percent federal grant and 35 percent other funds.

ODVA's Facilities Condition Index (FCI) was at 3% in 21-23 and will be at 6% in 23-25.

Oregon Employment Department (OED)

Timothy Dunks from Oregon Employment Department (OED) presented the agency's 23-25 Agency Facility Plan. Timothy explained that OED has 10 major facilities comprising 121,64 GSF, with a current FCI of 39.9% and a 10-year FCI of 50.2%. OED completed a Facility Condition Assessment (FCA), seismic assessment and major deferred maintenance in Ontario, Baker City, Oregon City and Salem for 21-23.

Timothy stated that their major drivers are accommodating space needs with rising unemployment, accommodating the growing Paid FMLA insurance program, consolidating space due to higher numbers of employees working remotely and business continuity with assessing natural hazard risks for current and future facilities.

Oregon Liquor and Cannabis Commission (OLCC)

Jeff Samuels from Oregon Liquor and Cannabis Commission (OLCC) presented the agency's 23-25 Agency Facility Plan. Jess explained that OLCC has two facilities: its McLoughlin Warehouse and Headquarters, and its Milport Warehouse. Funding comes from other funds (liquor) and XIQ bonds (\$145.5M) for new construction. Jeff stated that demand is forecasted to grow 4% over the next biennium. OLCC's current warehouse is aging, at capacity and has transportation and congestion issues. Jeff explained that businesses supporting alcohol and marijuana are experiencing increased demand. Jeff stated that OLCC's current project, funded in previous session, is to build a larger warehouse and headquarters to enable OLCC's growth and profitability for at least 30 years.

OLCC's master plan concepts are to maintain its existing facility and prepare it for sale within the next three years. The agency will relocate and build additional warehouse capacity and mitigate transportation issues and look for opportunities to expand office lease space in the Portland Metro area for Regulatory and Licensing Divisions. OLCC needs to meet the demand for growth and be flexible to accommodate legislative additions to its mission. Risk and climate change mitigation include new construction implementing carbon neutral strategies and other sustainability measures. OLCC's fleet will replace older vehicles with lower emission and electric vehicles, as well as installing electric charging stations. OLCC's FCI is 18.1% in 2022.

Jeff explained OLCC will be purchasing 33.77 acres in Canby for a 400,000 square foot warehouse with a 30,000 square foot headquarters.

Cindy Wagner asked about the percentage of workforce that has been working from home. Jeff confirmed many employees used a hybrid model. They are working with their architect to assess space needs.

Cindy asked if OLCC has experienced the supply chain issues during the pandemic and whether that has cause them to stock up on liquor. Jeff stated that their warehouse is at capacity. Ben Kaiser asked why OLCC has a model of warehousing liquor, but not for cannabis. Jeff stated that this was their business model according to statute.

Oregon State Police (OSP)

Sharon Domaschofsky from Oregon State Police (OSP) presented the agency's 23-25 Agency Facility Plan. Sharon explained OSP has one owned facility in its portfolio in Central Point. OSP leases 44 facilities with 415,749 square feet across the state. The facilities include the OSP headquarters in Salem; public safety, law enforcement command centers and work sites; dispatch centers; forensic laboratories and medical examiner autopsy; evidence

storage; fire marshal; firearms and background checks; sex offender registrations; auto shops and unoccupied facilities with storage, airplane hangers and boat moorages.

Sharon explained that OSP began developing their facility strategy plan in 2019, which will guide the agency for the next 20 years. Projects underway include a major remodel at the agency's Central Point facility, as well as a new Springfield Forensic Lab/Medical Examiner and Area Command facilities, which will be constructed at either one or two locations, depending on the buildings OSP can acquire due to a lack of real estate inventory in that area.

For 23-25, OSP will request funding for a new Portland Command Center, and patrol facilities in Coos Bay/North Bend and Ontario. Sharon stated these facilities will improve daily public safety in Oregon and critical to regional operations. OSP has prepared a cost analysis for the proposed locations. OSP intends to purchase land first, after which they will provide building costs.

Sharon explained the main issues with the three locations, which include: insufficient security due to property sufficient evidence storage; staff overcrowding; lack of essential amenities and limited/inadequate meeting and training space. The Portland location is on the Cascadia subduction zone, beams are cracked, and the area is susceptible to flooding. There is one conference and training room, and the sex offender registry does not have a separate area. Evidence sorting is also completed in the same room that should be the break room. In Coos Bay the property is built on sand, next to the airport, and not reachable in a tsunami. Sex offender registrants also come to the same area as all customers. There are three spaces for visitor parking. There is only one way in and one way out. There is no secure way to keep evidence. The building is insufficient on all accounts.

Ontario is an ODOT building that suffers all the same issues as the other buildings, with additional issues. The water is not potable, as it has high arsenic levels. The roof does not support snow loads and staff must clear the roof. ODOT only provides the crime vehicles with a small parking area, and they are going to shrink the space even smaller in the future. The sewer system is on a septic tank and it backs up into the server room. The septic system cannot be fixed—it can only be cleaned after it backs up. Also, there is inadequate storage for equipment and evidence. Sharon stated OSP's lease management plan is to continue to monitor all locations and work with landlords to ensure properties are maintained.

Board Plan Acceptance Discussion

CPAB members discussed leasing buildings versus owning buildings in the DHS/OHA plan. Ben Kaiser commented that the agency should consider ways to avoid litigation in future leasing ventures. Bill Foster moved to accept DHA/OHA's report. It unanimously passed.

Bill Foster moved to pass the ODVA plan. He added the comment that we appreciate their efforts. The plan was unanimously passed.

Bill Foster moved to pass the OED's plan and it was accepted.

Bill Foster moved to pass the OLCC's plan and it was accepted.

Bill Foster and Danie discussed OSP's building needs. Bill Foster moved to pass the OSP plan and it was accepted.

- **Public Testimony – None**

D. Other Issues

None

Next meeting:

July 8, 2022

10am to Noon

Virtual Public Meeting