

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5006-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Jenson
Carrier – Senate: Sen. Nelson**

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 18 – 0 – 4

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Nathanson, Nolan, Shields

– Nays:

– Exc: Jenson, Morgan

Senate – Yeas: Bates, Brown, Courtney, Devlin, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett

– Nays:

– Exc: Gordly, Winters

Prepared By: Jack Kenny, Department of Administrative Services

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: 6/23/07

Agency

Capital Construction – Various Agencies.

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Biennium

2007-09

Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,
Schrader, Verger, Westlund, Whitsett, Winters

Senator Kurt Schrader, Co-Chair

Representatives: D. Edwards, Galizio, Garrard, Hanna, Jenson,
Morgan, Nathanson, Nolan, Shields

Representative Mary Nolan, Co-Chair

Capital Construction and Bonding Subcommittee

Budget Summary*

	2005-07		2007-09		Percentage Committee
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Change from Governor's Budget
General Fund	\$ 2,103,716	\$ 1	\$ 0	\$ -1	-100.0%
Lottery Funds	42,000,000	0	0	0	0.0%
Other Funds	26,599,001	682,819,428	216,187,866	-466,631,562	-68.3%
Federal Funds	8,635,000	53,566,569	63,439,422	+9,872,853	+18.4%
Total	\$ 79,337,717	\$ 736,385,998	\$ 279,627,288	\$ -456,758,710	-62.0%

Position Summary

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) Positions	0.00	0.00	0.00	0.00

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

* Excludes Higher Education and Community Colleges

Summary of Revenue Changes

Other Fund revenues are from the proceeds of the depreciation component of the Uniform Rent program and other deposits in the Department of Administrative Services (DAS) Capital Projects Fund established by ORS 276.005; proceeds from the issuance of Certificates of Participation (COPs) issued in accordance with ORS 283; aircraft registration fees assessed in accordance with ORS 837.045; and state gasoline tax and driver and vehicle related fees. Federal Funds are anticipated from the National Guard Bureau Federal/State Cooperative Agreements; and from the Federal Aviation Administration's General Entitlement Program, and Airport Improvement Program.

Summary of Subcommittee Action

House Bill 5006 authorizes Capital Construction for all state agencies except for the Department of Higher Education and Community College projects, which are included in a separate authorization bill, Senate Bill 5516. House Bill 5006 establishes authority for planning and design and construction projects with costs over \$500,000. Each project must be authorized by the Legislature. Project approvals, appropriations, and expenditure limitations expire six years after being authorized. Projects approved in this bill will expire on June 30, 2013. Nearly all of the projects included in this bill were reviewed and approved during reviews of agency budgets.

Department of Transportation

Baker City and East Portland Highway Facilities: \$5 million Other Funds is recommended for the design and construction of new maintenance facilities at Baker City. The existing facilities have deteriorated beyond the point of repair and can no longer house the large equipment now in the ODOT fleet.

\$1.1 million Other Funds is recommended for the East Portland Maintenance site to finalize design and begin site work during the 2007-09 biennium. The shop building and the office building have exceeded their life expectancy, suffer from safety/code deficiencies, do not meet current needs and are not energy efficient.

Transportation Building Renovations: \$4,710,339 Other Funds is recommended for design work and some initial program costs. A major renovation is necessary to make the building safe and efficient. Renovation work will occur in the 2009-11 biennium. The recommended amount includes permits and design as well as funding to relocate staff, systems and furniture and certain lease costs.

Sylvan Maintenance Station: \$900,000 Other Funds is recommended for the final construction phases. The project is being constructed in increments over three biennia. This new funding will provide for the final building engineering and construction as required in an agreement with the city.

Sisters Maintenance Station: A \$1 Other Funds placeholder is recommended which enables the department to return to the Emergency Board with a more fully developed plan for relocation of this facility. ODOT has been given notice by the U.S. Forest Service to vacate the current site by December 31, 2007 due to a planned sale of the property. The project will include property acquisition and new maintenance buildings.

Oregon Department of Administrative Services

Red Lot Bldg/Parking Structure Planning: \$600,000 Other Funds is recommended for planning and initial design for a planned structure to add parking and office space in the Capitol Mall. An above and below grade parking structure will be built adjacent to the mall, as well as a 60,000 square ft. office building. Construction may begin as early as the 2007-09 biennium

Red Lot Bldg/Parking Structure Design and Construction: A \$1 placeholder is recommended for the project discussed in the previous item. Total project cost is currently estimated at \$21.5 million. The project, to be constructed on an existing parking lot, will provide an additional 500 parking spaces (777 total) and construct a 60,000 sq. ft. office building.

Central Mall Office Bldg #3 Planning: \$500,000 Other Funds is recommended to begin planning and design work for a 250,000 sq. ft. office building and underground parking structure on the Capitol Mall.

Central Mall Office Bldg #3 Design and Construction: A \$1 placeholder is provided in the event an acceleration in project scheduling allows preliminary capital work to begin in the 2007-09 biennium.

Executive Bldg Renovation: \$4.5 million Other Funds is recommended to renovate the Executive Building's interior spaces, HVAC, elevators and electrical systems.

Roof Replacements – Phase 2: \$670,000 Other Funds is recommended for the second phase of this project to replace all or a portion of roofs nearing the end of their useful life. These funds will allow for improvements at four buildings.

L & I Bldg HVAC and Electrical – Phase 4: \$3.6 million Other Funds is recommended for the fourth phase of this project initially approved in 2001. This phase will complete much of the identified needs for electrical upgrades, and the perimeter and process heating, ventilation and air conditioning (HVAC) improvements.

General Services Bldg Space Conversion – Phase 3: \$600,000 Other Funds is recommended for the third phase of the project to add new working space to the basement of the General Services Building. Restrooms will be added to accommodate the new training conference rooms and the HVAC system will be modified to service this added space.

Security Improvements – Phase 3: \$300,000 Other Funds is recommended to improve the exterior and interior security systems in various state buildings.

Planning Funds: \$250,000 Other Funds is recommended to contract with various architects, engineers, and other specialists. Developing reliable cost information; preparing preliminary design for small to medium sized projects; and evaluating options to solve maintenance problems is an ongoing part of the department's responsibilities.

HVAC Improvements: \$1,533,236 Other Funds is recommended to modify and upgrade existing HVAC systems in four state buildings.

Roof Top Fall Protection Equipment Installation: \$250,000 Other Funds is recommended for the first phase of a project that will add protection to various buildings rooftops for the safety of staff.

Carpet Replacement: \$1,469,315 Other Funds is recommended to replace carpet at the end of its useful life in four state buildings.

Eugene State Office Building: \$1,116,470 Other Funds for asbestos removal, architectural and engineering, and other project costs that were overlooked and not included in the original amount requested.

DEQ/Health Laboratory Completion: \$3,700,000 Other Funds is recommended to complete the special purpose health laboratory to be used by the Department of Environmental Quality and the Health Division of the Department of Human Services.

Department of Veterans' Affairs

Oregon Veterans' Home Guest House: The Oregon Veterans' Home Guest House will provide a place for overnight guests of residents of the Veterans' Home in The Dalles. The Department will solicit donations, both in-kind and monetary, for the construction of the proposed facility. A \$1 Other Funds placeholder is recommended.

Oregon Veterans' Home Multipurpose Area: the Multipurpose Room will provide a place for large numbers of Veterans' Home residents to meet at one time. The Department will solicit donations, both in-kind and monetary, for the construction of the proposed facility. A \$1 Other Funds placeholder is recommended.

Oregon Youth Authority

Facility Maintenance-Renovation: \$2,005,000 Other Funds is recommended to address longstanding needs at various sites on a variety of projects. Examples include asbestos abatement and fire sprinkler installation at Camp Florence; water and sewer system repairs at Hillcrest, replacement of roofs at MacLaren as well as heating system repairs.

MacLaren Infrastructure Repairs and Improvements: \$3.4 million Other Funds is recommended for a major infrastructure project with three primary components. The majority of the underground water lines will be replaced to address safety concerns as well as ensure cost effective use. The storm water and sanitary sewer systems have extensive cracking resulting in unsanitary conditions and unnecessarily high sewer costs. Finally, many of the fire hydrants are non-functional or are in severely dilapidated condition. These will be replaced.

Oak Creek Renovation: The majority of this facility has been closed and unoccupied since 2003. OYA's architectural consultants have made recommendations necessary to reopen the closed portion of the facility as an all female, gender specific unit including appropriate sight and sound separation from the primarily male population currently housed at the adjacent Linn-Benton detention center. \$2.0 million Other Funds is recommended.

Whiteaker Hall Planning: The 20,000 square feet, multi-purpose building constructed in 1925 must be evaluated for future use. Extensive repairs will be required of heating systems and water pipes. Extensive dry rot has also been identified. Ultimately, a decision must be made regarding cost effectiveness of repair versus razing and replacing the building. Planning funds of \$200,000 are recommended.

Corvallis House Renovation: Many building repairs are required to this 1913 facility used for the Young Women's Transition Program. The electrical and plumbing systems require updating, walls and ceilings need repair, exterior dry rot must be eliminated and replacement of windows with energy efficient units is planned. \$1.0 million Other Funds is recommended.

Department of Corrections

Deferred Maintenance and Assessment: \$22,981,870 Other Funds is recommended for a variety of projects to be completed over the next several years. Priority projects for which significant work will be started in 2007-09 include making critically required upgrades of electrical, water and sanitary sewer systems; improvements to heating and cooling systems, roof replacements, asbestos abatement, and fire alarm upgrades. This appropriation also includes improvements and clean-up of the Gath Road outdoor firing range, and payment of system development charges to the City of Salem.

Planning and Design – Next Facility: \$10,599,089 Other Funds is recommended to perform wetlands, pre-engineering studies and initial design for a previously sited, co-located medium and minimum custody men’s facility in Junction City.

This budget for the Department of Corrections includes \$10.6 million for facility design, infrastructure and site planning, and development of intergovernmental agreements of the new Junction City prison. The agency has controlled this property for a number of years and the current population management plan (based on the April 2007 forecast) assumes the opening of this facility in 2012. Recently, it was announced that a 300 bed state hospital will likely be built on the same site. A number of issues involving infrastructure needs and design, location of the facilities on the site, and other issues must be addressed by both the Department of Corrections (DOC) and the Department of Human Services before major planning and design can move ahead if both facilities are to be located on this site.

Budget Note:

The Department of Corrections and the Department of Human Services are to report to the Interim Joint Committee on Ways and Means or the Emergency Board on the status of both projects. The report must include: (1) current plans for each facility in terms of size and timing; (2) ongoing joint activities in developing the property, specifically in site and infrastructure design; (3) future joint activities and shared facilities that are under discussion and consideration; and (4) an estimate of the savings from the joint activities. If the Certificates of Participation are issued for this project, the Department of Administrative Services is requested to unschedule \$6.5 million of the expenditure limitation for the Department of Corrections allocated for the prison’s planning and design until the agencies have made their report.

Department of Human Services

Mental Health Care Facilities – Phase I: To begin replacement of the current Oregon State Hospital with two new facilities, \$89,022,165 is provided for land acquisition, ongoing design and planning, infrastructure, necessary site improvements and some initial construction costs, as well as funds for design of systems necessary to the operation of these mental health facilities. The current estimate for total project cost is approximately \$450 million.

Oregon State Police

Oregon Wireless Interoperability Network: The recommended \$3,774,794 Other Funds and a \$1 Federal Funds placeholder provide 10 capitalized positions, and professional services necessary to complete initial planning for a statewide interoperability network. It is anticipated that a comprehensive plan will be presented to the Legislative Assembly at the February 2008 Special Session. Development of an interoperability network will allow public safety professionals to communicate efficiently in the field and is necessary to meet federal mandates.

State Forestry Department

Sisters Subunit Relocation: \$1,250,000 to build new Central Oregon District – Sisters Unit headquarters. The current buildings were built in the 1930s and are now located in a rapidly developing area catering to the Sisters tourism industry. Fire protection and private/community programs are housed in the Sisters Unit Headquarters.

John Day Unit Relocation: \$1.5 million to build new Central Oregon District – John Day Unit headquarters. The current buildings were built in the 1940s and are now located in the middle of residential land because of development over the years. Fire protection and private/community programs are housed in the John Day Unit Headquarters.

Oregon Military Department

Ontario Readiness Center: \$2,232,267 Other Funds and \$11,789,267 Federal Funds is recommended for the construction of a Readiness Center on the Treasure Valley Community College campus in Ontario. The existing armory, constructed in 1950, is inadequate and does not meet federal requirements. In addition to relieving overcrowded conditions, this project will provide rental classrooms and an assembly hall for community events.

Camp Withycombe (Clackamas) Armed Forces Reserve Center: \$3,887,200 Other Funds and \$43,888,416 Federal Funds is recommended for the construction of an Armed Forces Reserve Center. The new facility will house National Guard units currently stationed in facilities in Lake Oswego, Portland, and Tigard. In addition to providing space for military units, this project will provide rental classrooms and an assembly hall for community events. The Subcommittee requested that DAS unschedule the funds pending receipt of the Federal Funds.

Woodburn Armory Addition/ Alterations: \$3,434,400 Other Funds is recommended to address space, electrical, mechanical, and structural issues at the Woodburn Armory. Deficiencies in these components are threatening the continued use of this facility. The Subcommittee requested that DAS unschedule the funds pending review of updated project costs by the Legislative Fiscal Office and DAS - Budget and Management.

St. Helens Armory Addition/ Alterations: \$2,518,560 Other Funds is recommended to address space, electrical, mechanical, and structural issues at the St. Helens Armory. Deficiencies in these components are threatening the continued use of this facility. The Subcommittee requested that DAS unschedule the funds pending review of updated project costs by the Legislative Fiscal Office and DAS - Budget and Management.

Newport Armory Addition/ Alterations: \$2,175,120 Other Funds is recommended to address space, electrical, mechanical, and structural issues at the Newport Armory. Deficiencies in these components are threatening the continued use of this facility. The Subcommittee requested that DAS unschedule the funds pending review of updated project costs by the Legislative Fiscal Office and DAS - Budget and Management.

Gresham Armory Addition/ Alterations: \$3,319,920 Other Funds is recommended to address space, electrical, mechanical, and structural issues at the Gresham Armory. Deficiencies in these components are threatening the continued use of this facility. The Subcommittee requested that DAS unschedule the funds pending review of updated project costs by the Legislative Fiscal Office and DAS - Budget and Management.

Salem Airfield Operations Facility Project: \$1.0 million Other Funds is recommended for unanticipated construction materials costs. The agency received legislative approval and funding for this project in November 2004. The Subcommittee requested that DAS unschedule the funds pending review of updated project costs by the Legislative Fiscal Office and DAS - Budget and Management.

The Subcommittee recommended approval of the extension of the project expiration dates and expenditure limitations for the following projects: The Dalles Readiness Center, Ontario Readiness Center, Medford Armory and Maintenance Shop and Baker City Armory.

The Subcommittee recommended approval of the sale of the Ontario Armory with the understanding that any sale proceeds will be used only for the purposes of reducing certificates of participation issuance for the Ontario facility or reducing debt services in the proposed budget.

Oregon Department of Aviation

Aurora Land Acquisition and Taxiway Relocation: \$163,333 Other Funds and \$3,177,888 Federal Funds is recommended for the purchase of additional lands and the construction of a new parallel taxiway at the Aurora State Airport. The existing taxiway, at 200' from Runway centerline to the taxiway centerline, will be moved an additional 100' to provide minimum separation standards for this FAA category of airport.

Bandon Apron and Taxiway Relocation: \$47,368 Other Funds and \$900,000 in Federal Funds is recommended to expand the aircraft parking apron and establish new taxi-lanes at the Bandon State Airport. The current parking apron is experiencing congestion due to the rising number of visiting aircraft. Additional taxi-lanes will support the increasing demand for individual hangar development.

Cottage Grove Runway Protection Zone, Lighting and Fence: \$47,894 Other Funds and \$910,000 in Federal Funds is recommended provide fencing and overhead lighting to enhance the security for the aircraft parking ramp and hangars at Cottage Grove State Airport. Because the Row River is beginning to encroach the Runway Safety Area (RSA) through bank erosion, considerable design and containment efforts will be required to stabilize and prevent further bank destabilization.

Chiloquin Apron/Taxiway Rehabilitation: \$33,947 Other Funds and \$645,000 in Federal Funds provide rehabilitation for existing aircraft parking aprons and taxiways on the Chiloquin State Airport. The current material condition has deteriorated below the minimum threshold for the Pavement Maintenance Program (PMP) to sufficiently maintain the pavement at a safe and functional level.

Independence Land Acquisition: \$39,124 Other Funds and \$743,350 in Federal Funds is recommended to acquire an additional 18 acres of land to the northwest of the Independence State Airport. The FAA strongly encourages and recommends airport sponsors to own the land underlying the Runway Protection Zones (RPZ) as the ultimate guarantee that neither future development nor intrusive height structures, which are not conducive to safe airport operations, can be established in this critical airspace.

Lebanon – Runway Widening and Protection Zone: \$72,920 Other Funds and \$1,385,500 in Federal Funds is recommended to correct an existing encroachment of the runway RSA and to widen the runway at Lebanon State Airport. The airfield drainage ditch currently fails to meet the prescribed RSA limits for the runway. Runway width needs to be increased from 50’ to 60’ to meet the minimum FAA standards for this category of airport. The widening of the runway would have seriously exaggerated the RSA encroachment problem. In addition to the above discussed work, the runway lighting is being upgraded to Medium Intensity Runway Lights (MIRL), the visual approach path guidance is being upgraded and some taxiway overlay will be completed to correct deteriorating pavement condition.

Salem Office Building: During the 2003 Legislative session a Capital Construction limitation was established for the Department’s Salem office building. That project is not going forward, so language has been added to remove the limitation.

Legislative Administration

Capitol Renovation: The recommendation provides \$33.5 million to renovate and upgrade the offices of the Legislature and staff in the State Capitol.

Summary of Performance Measure Action

None.