



Oregon

John A. Kitzhaber, MD, Governor

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MEMORANDUM

State Land Board

March 21, 2013

John A. Kitzhaber, MD
Governor

To: Ways and Means Subcommittee on Natural Resources

Kate Brown

From: Mary M. Abrams, Director

Secretary of State

RE: SB 5540 Policy Option Package 103

Ted Wheeler
State Treasurer

During the public hearings for SB 5540 – Department of State Lands 2013-15 budget request, we talked about our package that requests limitation to upgrade the HVAC system in our Salem Headquarters building.

Attached is a copy of the energy study done in 2009 on the DSL headquarters building. Page one – the executive summary – has a summary of the benefits of the “DDC control system” upgrade (item 7). The estimated \$13,545 savings in annual operating costs is a little under 5% of the \$287K estimate from 2010 to do the work. This is close to what the 10-year returns have been for the CSF, which could mean ‘a wash’ in terms of impact on CSF interest returns compared to the status quo. In addition to the capital improvement and energy savings, benefits would include improved marketability for future leases as a result of the improved climate control/work environment. The POP DSL has drafted rounds up to \$300K to allow for inflation, given the work would not commence until summer/fall of 2013.