

## **STUDY GROUP ON LOCATIONS OF STATE AGENCIES**

Meeting Minutes

June 27, 2018

A meeting of the Study Group on Locations of State Agencies was held on this date in Room #155, Len B. Jordan Building, 650 W. State Street, Boise, Idaho. Director Geddes called the meeting to order at 1:30 pm.

### **Members Present:**

Robert Geddes, Director, Department of Administration  
Wayne Meuleman, Executive Director, Idaho State Building Authority  
Clay Carley

### **Absent and Excused:**

Senator Chuck Winder  
Representative Robert Anderst

### **Others Present:**

Keith Reynolds, Deputy Director and CFO, Department of Administration  
Jan Frew, Administrator, Division of Public Works  
Tony Eldeen, Analyst, Division of Financial Management  
Scott Stokes, Deputy Director, Idaho Transportation Department (ITD)  
Michelle Doane, Business and Support Management Manager, ITD  
Chris Rich, Ada County Clerk of the District Court  
Diane Blume, Program Specialist, Department of Administration

## **INTRODUCTION / FOCUS OF THE COMMITTEE**

Mr. Geddes thanked members for their participation and noted the study group was created as a result of the recent acquisition of the Chinden Campus, and after learning about the needs of various agencies. Idaho and its government are growing, he said, and if not for the purchasing the Chinden Campus, Idaho would have run out of state-owned space.

Mr. Reynolds explained House Concurrent Resolution #51 (HCR51), which authorized the Study Group, was also contemplated over a year ago when ITD approached the department with questions and ideas about exchanging its current location on Whitewater Boulevard and State Street for a new facility. Since, he said, the Governor's Office asked Administration to come up with an idea how to free up that property for the tax rolls and place the state's investment at the Chinden Campus. Ada County also approached the department with some needs of its own and interest in parcels of state property downtown. The intent of the HCR is to encompass as many agency facility needs as possible within the next six months and provide a recommendation to the legislature next year. The committee was appropriated \$100,000 to get this accomplished, he said.

Specifically, HRC51 outlines the need to provide sufficient office space efficiently and economically while acknowledging that the state owns high value properties in both Ada and Canyon Counties. When this resolution was presented in committee, he said, legislators from around the state expressed it should be applied to properties statewide. Mr. Geddes agreed but clarified that the immediate priority is Ada and Canyon Counties although the study group can broaden the concept for future assessment of facilities across the state.

Mr. Reynolds pointed to portions of the resolution that describe the committee's role in support of the policy of the legislature to deploy assets for their highest and best use; to transfer high-value properties for private development and return them to a taxable status for cities and counties to benefit directly and taxpayers to benefit indirectly; and, to utilize the Chinden Campus. He said when the campus was purchased, the state was criticized for taking it off the tax rolls; however, should the ITD property be sold to the private sector, that 45 acres of high-value property would return to a taxable status. In addition to the 100,000 square-foot headquarters building, the ITD property also consists of several out-buildings in addition to a warehouse owned by the Idaho State Historical Society.

Mr. Geddes remarked that when the Tax Commission set out last year to find a new location due to the sale of its space in the Washington Plaza, the Governor stipulated that new state office space not be located in downtown Boise contributing to traffic and parking problems, and he wanted a facility large enough not only for expansion of the Tax Commission but also for other state agencies. The Chinden Campus consists of 200 acres of which 50 are undeveloped, 1.5 million square feet of facility space (built in the 70's and 80's), 5,370 parking spaces, and all at a cost of \$110 million. This purchase presented a whole new aspect of what could be done in the consolidation of state agencies, he said.

Mr. Meuleman inquired whether the ITD headquarters and its District 3 Office in Garden City could be consolidated. Mr. Stokes responded that it would be the department's preference to keep them separate. Mr. Meuleman remarked that the District Office is also located on high-value land and if sold could provide the District the opportunity to relocate and expand onto less expensive property such as in Canyon County, for example. Mr. Stokes also pointed out that its Aeronautics Operations will be moving from one side of the airport to the other. The land belongs to the airport but the building belongs to ITD, he said.

Mr. Rich addressed the group to explain the Ada County Court House has insufficient parking for staff and jurors. A new courtroom should have been constructed on-site by now but it was deferred in 2012 because of the economy. If constructed now, the expansion would eliminate some of the much-needed parking area and jurors would not be able to be seated. He said the Supreme Court is requesting three more judges for Ada County which will exacerbate the problem. The court is interested in the state facility and parking at 317 Main Street for the court's administrative functions, as well the building annex next door to help alleviate the crowding issue. This problem is now being addressed by moving functions to leased facilities a distance from the court house. New court rooms, judges and staffs will displace the administrative functions of the court.

To finance facilities, the county must have cash on hand for the entire project or it would have to bond, he explained. The county also owns property downtown that houses medical and law enforcement for abused women. Although the property is of high value, it has no parking. It would be desirable for the county to move that operation to the annex building on the corner of 3<sup>rd</sup> and Main Streets. Mr. Geddes said he proposed to Labor Director Smyser that the department move to the Chinden Campus. He said about 95% of the department's funding comes from the federal government and limitations for selling the Labor building to Ada County are unknown. The Department of Labor has not committed to move.

## **ELECTION OF A CHAIRMAN**

Mr. Geddes remarked that Senator Winder not only has a tremendous real estate background, has also served as chairman of the State Transportation Board, and would be key in passing any legislation this committee may propose.

**MOTION: Mr. Carley moved and Mr. Meuleman seconded that Senator Winder be nominated as chairman of the committee, pending his agreement. The motion passed unanimously.**

## **CONTRACT SERVICES REQUIRED AND AGENCY SERVICES NEEDED**

Director Geddes indicated the department is familiar with the ITD property through the help of some very qualified land development appraisers. At one point there was a mechanical shop and a gas station located on site. He said if ITD were to move, a determination would need to be made whether the property would be more valuable if the buildings were removed.

Mr. Stokes remarked that there has been some preliminary work done to determine what ITD functions would be moved to a new headquarters building and what functions could be housed in more industrial square footage, such as its lab operation and sign fabrication.

Mr. Meuleman suggested a cost estimate be acquired for clearing the ITD campus of buildings, as well as a determination whether any of the structures can be utilized. The land's environmental status should also be analyzed through the help of the Department of Environmental Quality. Over time, he said, some of the costs to move to a new facility will be offset by economies realized in sharing of services at the Chinden Campus, and other efficiencies gained with a new building design.

It seems that Department of Labor services could be better provided to customers from the Chinden Campus than from the downtown location, Mr. Meuleman added. Mr. Carley suggested a study be done on the Labor building as well. Before that is done, Mr. Rich agreed to contact Director Smyser about potential positive consequences for the state, the county, and tax payers if Labor were to move to the Chinden Campus.

Mr. Stokes agreed to pull together an inventory of assets on the ITD campus as well as any environmental reports to share with the committee at its next meeting.

## **PROPOSED MEETING SCHEDULE**

The group agreed to meet again in mid-July when Senator Winder and Representative Anderst can participate. Mr. Meuleman suggested that at the next meeting the committee discuss a broader process for addressing agency locations in the future.

## **ADJOURNMENT**

**The Study Committee on Locations of State Agencies was adjourned at 2:50 pm.**



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Diane K. Blume, Program Specialist  
Department of Administration