

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

### Meeting Minutes

July 17, 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. Chairman Winder called the meeting to order at 9:00 am.

#### **Members Present:**

Senator Chuck Winder, Chairman

Robert Geddes, Director, Department of Administration

Wayne Meuleman, Executive Director, Idaho State Building Authority

Clay Carley

Representative Robert Anderst

#### **Others Present:**

Keith Reynolds, Deputy Director and CFO, Department of Administration

Jan Frew, Administrator, Division of Public Works

Marilyn Whitney, Deputy Chief of Staff, Office of the Governor

Jill Randolph, Analyst, Legislative Services Office

Scott Stokes, Deputy Director, Idaho Transportation Department (ITD)

Charlene McArthur, Chief Administrative Officer, ITD

Michelle Doane, Business and Support Management Manager, ITD

Tony Pirc, Program Manager, ITD

Julie Hart, Love Communications

Diane Blume, Program Specialist, Department of Administration

Chairman Winder commented on a letter he received from the Idaho State Historical Society regarding the warehouse that it owns and occupies on ITD's headquarters building site. The letter explained that it could cost as much as \$20 million to acquire or build another facility and move the valuable items stored there. This is something that will need to be considered as the committee reviews what will become of the property, he said.

#### **REVIEW OF AVAILABLE INFORMATION**

##### **Idaho Transportation Department Site**

As requested by the committee, ITD provided documents describing an inventory of spaces at its headquarters property. It does not represent a needs assessment, Mr. Stokes clarified. The committee agreed that a legal map and description should also be acquired, and Representative Anderst offered to pursue both.

Because the site has a workshop and once had a gas station and paint shop, an environmental assessment must be done, Senator Winder added. Mr. Geddes agreed to work with the Department of Environmental Quality (DEQ) to get that accomplished. The department was very helpful when the Chinden Campus was purchased, he said. DEQ secured an EPA grant to help with costs of the assessments.

Mr. Meuleman offered to meet with Administration's Deputy Attorney General, Julie Weaver, about the possibility of conveying the ITD buildings and property to the Idaho State Building Authority for disposal. Senator Winder commented that all buildings on site should be demolished to realize maximum value of the property.

Representative Anderst suggested ITD conduct a needs analysis to determine the cost for a new building. Mr. Geddes added that if the department were to move into an existing facility at the Chinden Campus it would be far less expensive and the relocation process much quicker. Building #4 will be vacated in June 2020, he said, and ITD has investigated the existing industrial space on campus. Lab space would be the most expensive, and Ms. Frew added that Building #6 could be a possibility to house ITD's 22,000 square foot materials lab.

### **Department of Labor Building**

As mentioned at the last meeting of the study group, Ada County has approached the state with a proposal to purchase the Labor Building on 3<sup>rd</sup> and Main Streets as well as its annex on the opposite corner to help alleviate overcrowding at the court house. Mr. Geddes indicated meetings have been held with Director Smyser regarding a potential move to the Chinden Campus. Senator Winder indicated that the Ada County Commissioners have approached him and are serious about this property exchange. Mr. Geddes said Director Smyser's concern is that right now Labor only pays for upkeep of the building and if relocated, may have to come up with funds for tenant improvements.

Representative Anderst remarked if Administration could come up with the general costs involved for tenant improvements at the Chinden Campus, agencies that want to move there would have a target number for requesting an appropriation from the legislature. Ms. Frew indicated the department just recently received bids for improvements for the Tax Commission and the square foot amount has not yet been verified, but it looks like it's about \$100. Mr. Geddes noted the Public Utilities Commission is going to move into Building #8 and it has already transferred funds for the project. This fall, he added, the Joint Finance and Appropriations Committee will tour the campus and will get a good idea about the potential for consolidating agencies there.

### **OTHER CONTRACT SERVICES REQUIRED**

Mr. Carley recommended the group consider engaging services offered through the Urban Land Institute. Utilizing national expertise, the group would pair agency needs with space and resources available. It could conduct a lot of the leg work and issue recommendations based on the scope of work assigned them. It's a quick analysis and very affordable, he said.

### **PROCESS FOR DETERMINING FUTURE AGENCY LOACTIONS**

Representative Anderst recommended the committee establish criteria for agencies that move to the Chinden Campus addressing such things as consistency in finishes, space built-out, etc. Locating tenants that function well with one another is another consideration for gaining efficiencies, Mr. Carley added.

Mr. Geddes explained Administration has considered similar criteria. However, as leases expire, agencies need a place to go. For example, the department has considered what agency would fit well with the Tax Commission; consequently, the Industrial Commission will be moved into Building #2. Both entities will share a common data center. As agencies fill spaces there will be opportunities to share conference rooms, hearing rooms, and other common spaces. Ms. Frew added that in planning for future campus occupancy, the department considers existing agency lease terms, current available space on campus, plus space becoming available in the future as tenant leases

expire. As practiced in the management of the Capitol Mall, she added, standards for finishes, carpet, paint, etc. will be established for the campus. If agencies want more than the standards, they will pay extra for it.

**NEXT MEETING**

The committee summarized that for the next meeting, ITD will have informed the Idaho Transportation Board of discussions by this study group and will have started a needs assessment including the option of utilizing an existing facility to save time and money.

Representative Anderst indicated that he will have a profile done on the existing ITD property including deeds, assessments, etc. by the next meeting. Mr. Meuleman will discuss with state legal counsel disposal requirements of the ITD property.

Mr. Reynolds noted that both ITD and Labor are unique situations in that they would be vacating and selling state-owned facilities. Both agencies have only been paying for maintenance and upkeep, and if moved, would also need an annual appropriation for a lease payment. There may be a way to maintain the proceeds for the sale of the property to use as debt service toward the bond. Mr. Meuleman explained bonds are redeemed in 10 years, and in the interim, payments can be defeased with an escrow account that is invested to match maturities to bring the debt service down.

The group agreed to meet at a date to be determined, once ITD is ready to discuss the information it has been assigned to gather.

**ADJOURNMENT**

**The Study Committee on Locations of State Agencies was adjourned at 10:30 am.**



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Diane K. Blume, Program Specialist  
Department of Administration