

STUDY GROUP ON LOCATIONS OF STATE AGENCIES

Meeting Minutes

April 15, 2019

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 10:00 am.

Members Present:

Senator Chuck Winder, Chairman

Wayne Meuleman, Executive Director, Idaho State Building Authority (ISBA)

Clay Carley

Representative Robert Anderst (at 10:10 am)

Bryan Mooney, Director, Department of Administration

Others Present:

Keith Reynolds, Deputy Director and CFO, Department of Administration

Jan Frew, Administrator, Division of Public Works

Jill Randolph, Analyst, Legislative Services Office

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

Tony Pirc, Program Manager, ITD

Trent Tripple, Chief Deputy, Ada County Clerk's Office

Diane Blume, Program Specialist, Department of Administration

APPROVAL OF MINUTES

MOTION: Mr. Carley moved, and it was seconded by Mr. Meuleman that the minutes of the June 27, 2018 and July 17, 2018 be approved as written. The motion passed unanimously.

UPDATE ON THE ITD SITE

Mr. Stokes reported that there are two new members on the ITD Board—Bob Hoff from Idaho Falls and Jim Thompson from Sandpoint. The Board meets this week, he said, and the ITD site issue will be discussed and new members brought up-to-date.

Mr. Reynolds added that he and Director Mooney met with the Governor and Mayor Bieter to talk about how the city would like to see the ITD site developed differently. The Governor indicated it was entirely up to the ITD Board whether the department moves from the site.

APPRAISAL OF THE DEPARTMENT OF LABOR BUILDING

At the last meeting, Mr. Reynolds explained, then County Clerk, Chris Rich, expressed interest by the county in acquiring the two Labor buildings on opposite corners of 3rd and Main Streets. In January, Director Mooney received an official letter of interest from the Ada County Board of Commissioners. He said the thought was to go about approval to dispose of the building through a Concurrent Resolution (CR) during this last legislative session. The ISBA would then be engaged for bonding and a lease would be put in place with the county to service the debt on the

bonds through lease payments. Bond moneys would be used to renovate Building #4 on the Chinden Campus in July 2020 for occupancy by the Department of Labor. Labor Director, Jani Revier, is enthusiastic about the idea which would allow consolidation of several department operations around the Boise area into newly renovated office space. Ada County is completely out of space, he said, and are basically landlocked.

In developing the CR, he continued, it was agreed to get an appraisal from the Ada County Assessor to establish value. However, Ada County's legal team was not supportive of this idea; consequently, it was determined to have an independent appraiser conduct the appraisal, which delayed introduction of the CR during this last session. When this Study Group was formed by the legislature, \$100,000 was also approved for expenses, such as an appraisal. He asked the group whether it agrees that the appraisal is the right way to go and if so, he asked for approval of the expenditure. Chairman Winder agreed an independent appraisal would be the proper direction.

Mr. Reynolds added that the CR authorized the bonding and laid out the intent of the transaction. He said there may also be a need to add explicit authority within Administration's statute regarding this transaction providing the ability to enter into a lease. The Department of Labor also has requirements with their federal partners regarding how the transaction is structured and how funds are used. An immediate appraisal would be a justification to the legislature; however, federal requirements stipulate two additional appraisals be done during the process of entering into a contract. The cost of those appraisals would most likely be split with the county.

Another consideration, Mr. Reynolds proposed, is that this group or the legislature answer whether it is in the best interest of the state to enter into a transaction with Ada County, or whether there is a better way to dispose of the building. Chairman Winder suggested the department work with LSO and the Attorney General's Office to put a plan together. Once a plan has been crafted, he advised it should be communicated with leadership in both the House and Senate as well as the Governor's Office.

Mr. Carly questioned whether Ada County might already have enough land to satisfy their needs and perhaps it would be best if the Department of Labor building be returned to the tax rolls through a sell to the private sector. Mr. Tripple pointed out that there have been public meetings to discuss the garage currently under construction. It is a public-private partnership and will provide parking needs for the court's normal operations. However, office space is the larger concern because the court recently hired three new judges but there is only room for two. Remodel of the courthouse will accommodate another courtroom, he said, but the plan is to move the administrative functions out of the courthouse to expand judicial services. A master facilities planning group was convened and confirmed that the only land that the county can expand on is where the garage is being constructed. If construction were to occur on the triangular lot that the county also owns, it would eliminate 60% of the parking while construction is underway. WinCo had allowed some parking in its overflow area, but that is soon going away, he explained.

Chairman Winder asked that the Department of Administration solicit bids for the appraisals and bring them back to the Study Group for approval.

Mr. Meuleman inquired if there are cost estimates for remodeling the building at the Chinden Campus for the Department of Labor. Mr. Reynolds indicated that current tenant improvements underway on the campus will provide a good idea of costs.

Senator Winder remarked that to identify efficiencies on the campus between agencies, some space planning will be necessary and that could be accomplished with some of the allocated funds. Mr. Reynolds indicated that efficiencies are already being identified. For example, there will be two hearing rooms on campus—one at the Industrial Commission and one at the Public Utilities Commission. These rooms will be available for other agencies to schedule. Building #8 first floor currently has training rooms that will remain and can be scheduled for use by all

agencies. Building #6 will be available for storage and the north side of the same building will be used for temporary space for the Controller's Office when it remodels the fourth and fifth floor of the Joe R. Williams Building. Mr. Mooney added that over time there will be needs by agencies for temporary space while offices are remodeled.

He suggested that a statewide space needs assessment should be done to identify how all existing spaces can be more efficient. He recommended a third-party study be done, complete with recommendations. It's time to put a grand plan together for the Chinden Campus, he said. Chairman Winder asked that the department review the authority of this Study Group and determine if it has the authority to make this type of recommendation. Mr. Meuleman added that the study should be an ongoing, dynamic project, so it doesn't need to be reinvented down the road.

Representative Anderst inquired whether the department has the capacity to oversee the relocation of agencies to the campus and everything else that comes with it. Ms. Frew replied that work for DPW's Facilities Services has more than doubled what it is responsible for maintaining and over the last year it has been a mad scramble to figure out the extent of, and how best to manage the property. She proposed a model be devised for acquiring moneys to conduct planning for the next group of agencies that move there--it's been different so far for each of the entities. Once there's a plan, it will be manageable, she said.

Additional personnel have been approved in FY20 for maintaining the campus and its buildings. Down the road, she said, an additional project manager for the Design and Construction team will be requested to help oversee construction projects on campus.

Mr. Mooney added that there is a lot of deferred maintenance associated with the campus and before too many agencies relocate there, funding to improve its infrastructure will need to be requested for such things as parking lots and grounds. Representative Anderst indicated he believes the legislature understands that the campus is a large asset that must be maintained.

OTHER BUSINESS/ MEETING SCHEDULE

Senator Winder suggested a meeting be scheduled after quotes for appraisals are received.

ADJOURNMENT

The Study Committee on Locations of State Agencies was adjourned at 10:50 am.



Diane K. Blume, Program Specialist
Department of Administration