



FOUNDATION SAYS “LET’S TALK FACTS” ABOUT RENOVATION

We, in the Oregon State Capitol Foundation, strongly support the Oregon State Capitol Renovation Project (OSCR). We believe there is room in this session’s capital construction budget to design a program that will accommodate the Capitol Renovation Project as well as initiating a long-term program to help local school districts and other jurisdictions with their seismic upgrades, and there would still be further bonding capacity available for other deserving proposals. It is a big decision, and it is the Legislature’s to make. We want them to make it based on the facts.

It is good to see the Oregon State Capitol Renovation Project getting more attention of late. Some background and facts are useful in understanding the decisions facing the 2015 Legislature.

AN OPEN AND TRANSPARENT PROCESS

How we got to the present package of seismic upgrades and other building improvements has taken nearly a decade. The project was conceived during deliberations of the Public Commission on the Oregon Legislature, appointed jointly by Senate President Courtney and Speaker of the House Karen Minnis, during 2005-2006. The 15-member commission included four members of the Legislature and five former legislators. The Master Plan was subsequently developed by SRG Partnership and presented to the Legislature in 2009. Many meetings and interviews were conducted in the development of the plan. Establishment of the Capitol Master Plan Review Committee was approved by the Legislative Administration Committee in May 2012. The Review Committee’s report was submitted to the Legislature in February 2013, and every Legislator received a copy of that report. All of the many meetings were open to the public and recorded.

The Legislature, in 2013, passed SB 5507, approving bonding authority for \$34.5 million to finance the design phase of the project. Since early 2014, the design team has had office space on the Third Floor of the Capitol, very open and accessible to legislators, staff and others. The design team has held regular meetings with stakeholders, including legislators, and has distributed a regular newsletter featuring current items of interest and progress of the project’s design phase.

DETERMINING THE PROJECT’S COST

\$337 million is the actual budget figure for the project. All previous estimates were just that – estimates, and those estimates were always in the \$250 - \$300 million range for the project with a start date of 2013 or later. The original Master Plan was completed in 2009. Since that time, costs of building materials for the project have

significantly increased. The design phase has included preliminary engineering work and some very complicated testing that has enabled the team to produce a much more accurate cost figure. Admittedly, the project is expensive, but it is not out of line with similar projects around the country or even right here in Oregon. The project will not become less expensive with time.

The \$337 million figure was finalized and made public on April 20, 2015, as the project team began contacts with key legislators to make sure they had the number. Then, on May 8th, the Ways and Means Capital Construction Subcommittee was fully briefed by Marina Cresswell, OSCR Project Manager, on the costs of the project, covering all three biennia: 2013-15, 2015-17 and 2017-19.

Of the total project costs, the Legislature authorized \$34.5 million for the project in this current biennium. Of the remaining amount necessary, \$161.8 million is requested for 2015 – 2017. During this Legislative Session, the Legislature can authorize nearly a billion dollars in new General Obligation bonds. That doesn't mean they have to or that they will, but in addition to the authorization for the Capitol Renovation Project, there is still adequate room for financing many of the other requests such as the additional amount for seismic upgrades for schools, courthouses and other public buildings.

The Capitol is the only State building for which the Legislature has total responsibility. We have all seen enough information by now to realize the building is unsafe in terms of its ability to withstand a significant seismic event. We are unwilling to simply roll the dice as to whether the building will be occupied by employees, public officials, school kids and others during our next earthquake. We are likewise unwilling to guess what the Richter scale is going to say – 5.0, 6.0, 7.0, 8.0, 9.0? We want to know that, as concerned citizens and taxpayers, we have met our responsibility. Additionally, the building is 77 years old and needs work. Along with the seismic upgrades, the project includes major upgrades to mechanical, electrical and plumbing facilities, life safety improvements, ADA access improvements, preservation of historic elements and additional hearing rooms. We should act now while the construction industry is looking for projects, while many in our work force are still looking for jobs and while bond rates remain favorable.

WHAT'S NEW, WHAT ISN'T

Out of context, some have claimed that OSCR created cushy new quarters for several occupants of the building. Base Isolation (the major seismic upgrade work) will require removal and rebuilding of the entire Ground Floor (basement) of the building. The café and Lobby Message Center as well as the Press Room are currently located on the Ground Floor and are proposed to remain there. Thus, they will be in new space, but the Lobby Message Center and the Press Room will both have reduced square footage. The café and kitchen have needed upgrading for decades. They will be relocated to a new 4500 square foot area on the Ground Floor. This gives them an additional 300 square feet for a more modern and safe kitchen and an improved seating area for their customers. The proprietors of the café, the Capitol Club (lobby) and the press corps all pay rent for the space they occupy. The new legislative lounge will be located on the Third Floor, midway between the House and the Senate. It will be a joint facility for both House and

Senate members. Where there are now two separate lounges with a total square footage of 3700, the new joint lounge will have a total of 2900 square feet, a reduction of 800 square feet. The joint nature of the lounge creates an opportunity for significant improvement in communications between House and Senate members. When the Legislature is not in Session, the legislative lounge will be available for public use. These all seem to us to be appropriate changes and necessary under the circumstances.

WHAT ABOUT SCHOOLS?

How we deal with the seismic retrofitting of our public school (and also public safety) buildings is a high priority and somewhat daunting challenge. There are over 2000 public school buildings and nearly 1000 public safety buildings in Oregon. Approximately half of the public school buildings are in need of some level of seismic upgrade. While the primary responsibility for these buildings lies with the local district boards, it is certainly reasonable to look to the State for help. To that end, the Legislature has previously created a program to assist local government and school districts with the cost of seismic upgrades. Currently, there are proposals from both Senate President Courtney and Senate Republican Leader Ted Ferrioli to significantly increase the financial support available in that program. Speaker of the House Tina Kotek also expressed concern for schools early in our discussions of the project. Seismic upgrades of the Capitol and public school buildings are major, long-term projects. We are certainly not prioritizing one over the other. It seems to us the responsible approach would be to formulate a Capital Construction package that accommodates the OSCR project, the public schools/public safety buildings and other priorities determined by the Legislature on a structured long-term basis. It shouldn't be a question of all or nothing for either the public schools or the State Capitol. Such a reasonable and balanced Capital Construction package can and should be put together and adopted this Legislative Session.

Fred Neal, Chair
Jane Cease, Past Chair
Fred VanNatta, Past Chair

Gary Wilhelms, Building Committee Chair
Kim Duncan, Member