



**STATE CAPITOL COMMITTEE  
Legislative Building  
Senate Rules Room  
Olympia, Washington 98504**

**October 17, 2013  
11:00 a.m.**

*(Approved: March 20, 2014)*

---

**MEMBERS PRESENT**

Brad Owen, Lieutenant Governor  
Kim Wyman, Secretary of State  
Kelly Wicker, Governor Inslee's Designee  
Lenny Young, Commissioner Goldmark's Designee

**OTHERS PRESENT:**

Mark Arras, House of Representatives  
Katie Blinn, Secretary of State  
Rick Browning, Department of Enterprise Services  
Kim Buccarelli, Department of Enterprise Services  
Paul Campos, Senate  
Hans Dunshee, House of Representatives  
Jim Erskine, Department of Enterprise Services  
Karen Fraser, Senate  
Steve Friddle, City of Olympia

Tom Gow, Puget Sound Meeting Services  
Tom Henderson, Department of Enterprise Services  
Bob Jacobs, Citizen  
Nouk Leap, Department of Enterprise Services  
Chris Liu, Department of Enterprise Services  
Steve Masse, House Capital Budget Committee  
Ken Raske, Office of the Secretary of State  
Bonnie Scheel, Department of Enterprise Services  
Brad Shannon, The Olympian

**Welcome and Introductions**

Lieutenant Governor Brad Owen called the State Capitol Committee (SCC) meeting to order at 11:06 a.m. A quorum was present.

A notice of the meeting was published in *The Olympian*.

Public comments for any agenda items can be offered at the conclusion of each agenda topic. Other public comments may be offered at the end of the meeting.

Lt. Governor Owen recognized the attendance of Representative Dunshee and Senator Fraser.

**Approval of Agenda**

**Secretary Wyman moved, seconded by Kelly Wicker, to approve the agenda as published. Motion carried.**

SCC will review two items on the Agenda for Action: Approval of the Minutes - *September 26, 2013*, SCC 2014 Meeting Calendar; and two item for Information: 1063 Block Replacement Office Building - *Status Report*, DES Facilities Report - *Current Capitol Campus Projects Underway and the Capital Program for Department of Enterprise Services (DES)*.

**Approval of Minutes – September 26, 2013**

**Secretary Wyman moved, seconded by Kelly Wicker, to approve the minutes of September 26, 2013, as published. Motion carried.**

**SCC 2014 Meeting Calendar**

Tom Henderson, Assistant Director, Facilities Division, DES, presented the proposed 2014 meeting schedule for the committee, which follow the Capitol Campus Design Advisory Committee meetings:

- Thursday, March 20, 2014
- Thursday, June 12, 2014
- Thursday, October 9, 2014
- Thursday, December 11, 2014

Members acknowledged that the meeting dates are subject to change dependent upon the availability of members.

**Secretary Wyman moved, seconded by Kelly Wicker, to approve the 2014 meeting schedule as presented. Motion carried.**

**1063 Block Replacement Office Building – Status Report**

Project Director Rick Browning updated the committee on the status of the 1063 Block Replacement Office Building project.

The project site is located at the north end of the West Campus. The site is currently occupied by the 80-year old 1063 Building and an adjacent 1950s two-story concrete parking structure. The proposal is clearing the site and constructing a building partially covering the block. Project Director Browning displayed a photograph of the 1063 Building in the 1930s and an aerial photograph of the entire site. The site is similar to the prominence of the National Gallery of Art or one of the Smithsonian Buildings on the National Mall because it fronts the campus on one side creating a hard edge while on the other side an urban edge fronts downtown Olympia.

Current tenants in the General Administration (GA) Building will be transitioned to the new building, leaving the GA Building empty for future demolition.

Legislation creating the project was unusual in terms of specificity and goals. The 200,000-225,000 square foot building will be a high-performance, high efficiency, with a minimum LEED rating of Gold making it the most energy efficient building constructed by the state. The Design-Build (DB) procurement method will be utilized to design and construct the building. The DB community is submitting qualifications for the project, which are due to DES later in the day. A five-year performance guarantee is required of the successful DB team on energy, operations, and maintenance through a fiscal commitment. Tenant lease cost is established at no more than \$26 per square foot. Legislation requires the Office of Financial Management (OFM) to validate the square footage tenant cost at the time a design is selected.

Main tenants include the Washington State Patrol occupying over 100,000 square feet and two other groups comprised of legislative and OFM employees. The building is not designated as an essential facility and no special hardening or special security is included.

*SCC MEETING MINUTES*

*October 17, 2013*

*Page 3 of 7*

The Capitol Campus Design Advisory Committee (CCDAC) received a presentation on the project on October 9. The committee is very interested in the project and no change in scope is planned based on the committee's feedback. However, the committee is assisting in the design approach and to ensure the correct style of building is selected for conformity with the site. The CCDAC is issuing a position paper on design elements prior to the release of the Request for Proposal (RFP) to enable staff to incorporate any recommendations that might be applicable.

Project Director Browning reviewed the project schedule. Later in the day, staff will receive the RFQs from design teams. During the next two weeks, the RFQs will be reviewed for selection of three teams to complete RFPs. The deadline for submittal of the RFPs is January 30, 2014. The RFPs include design, costs, and guarantees for energy performance. Selection of the DB team is scheduled during the first quarter of 2014 with an award of a contract in April 2014. Tenants are scheduled to move in to the building by fall 2016.

Lt. Governor Owen questioned whether the rate of \$26 per square foot is sufficient to afford a design of a building consistent with the design and quality of existing buildings on Capitol Campus. Assistant Director Henderson explained that the total project includes the direct appropriation through the general obligation bond of \$13 million, as well as \$69 million from certificates of participation. The \$26 rate is the debt service element, which is included within the \$69 million. The total project cost doesn't bear the entire burden of debt service. Project Director Browning added that the cost per square footage to construct the building is projected to be more than \$200. However, costs are unknown at this time as the project cost is determined by the DB team, which has some latitude in determining certain variables as well as achieving efficiencies. Hypothetical models completed for comparison with existing buildings validated that the funding level is sufficient to construct a comparable building. The total project budget is \$82 million. Approximately \$62 million is allocated for the DB with remaining funds for various soft costs and ancillary services necessary to complete the building.

Lenny Young asked about parking for the building. Project Director Browning replied that the legislation included no parking within the project budget. Because the building is occupied by existing campus tenants, parking needs are minimal and current parking on campus should accommodate most parking needs. That information will be validated through an update of the 2009 Parking Study to ascertain whether there's been an increase in demand and whether excess parking identified in the study can sufficiently cover parking needs of the building. An alternate option may be provided to the DB teams for one level of parking below grade.

Lt. Governor Owen asked whether tenants in the GA building currently use the parking garage scheduled for demolition. Project Director Browning affirmed the parking garage is used by some GA tenants along with the north surface parking lot behind the GA Building.

DES Director Chris Liu explained that the Columbia parking garage is not fully occupied. Other agencies use both parking lots. When parking is removed at the site, some crowding will likely occur at the Columbia Tower parking garage. At this time, it's unknown whether the garage will be totally occupied. Current surface parking at the GA Building will continue to provide parking for the new building.

Secretary Wyman asked whether a net reduction in parking occurs because of the project. Director Liu affirmed parking would be reduced by approximately 270 spaces.

*SCC MEETING MINUTES*

*October 17, 2013*

*Page 4 of 7*

Secretary Wyman asked about the next steps of the state budgeting process for funding the project. Assistant Director Henderson said \$13 million is available in general obligation bonds through next summer when the certificates of participation are borrowed totaling \$69 million. Currently, \$82 million is available in the current biennium for the project.

Secretary Wyman referred to the previous proposal for the Heritage Center project and preliminary design work for conforming to Capitol Campus standards. Those standards directly increased the cost of the building significantly. She asked whether the budget for the project is reasonable based on required campus standards and the next steps if the budget is deemed insufficient. Assistant Director Henderson advised that the building provides many choices in terms of usable spaces to help offset some of the development costs for interior spaces. RFQs from the DB teams will determine what each team can offer. Other examples of this type of building exist that were completed within the cost range. DES believes completion of the building within the budget is possible. However, some concerns exist surrounding some of the limitations for the tenant cost of \$26 a square foot because at that time, some assumptions were factored, which are subject to change in the next year when the bonds are sold. Some elements could increase the cost and could require legislative action.

Senator Fraser commented that the period between receiving the RFPs and the April contract date is important to continue the GA tradition of providing community meetings and opportunities for public input. She encouraged scheduling and publicizing those opportunities to the extent possible to afford public participation. Additionally, the elimination of 270 parking spots is a serious consideration. She encouraged DES to pursue a parking and circulation study, as the state should consider the flow of traffic within the campus and determine ways for the campus, as a whole, to either provide parking in other locations with shuttle service or build more parking garages. She often attends meetings at the Jefferson Building where parking is problematic. Visitors to the campus often encounter difficulty in finding parking on the campus. She encouraged a review of parking and circulation and involving the City of Olympia and Intercity Transit. With the advent of Sound Transit service to Olympia and to the campus, circulation and parking are even more important.

Senator Fraser said the CCDAC has previously provided feedback on prior proposals for the site. It's clear the community wants Columbia Street to remain open. A number of concerns were raised about the proposed new building, which she was assured would be considered, such as art deco placed on the exterior. The site is located in a major transitioning area between downtown Olympia and the campus, which also needs to be considered to avoid designing a long wall. Pedestrian circulation and interfacing with the downtown must be considered. Others are interested in having retail along the street edge of both private and public services, such as the prior Department of Natural Resources Map Store or another government map store or retail services.

Kelly Wicker asked about the public comment process. Project Director Browning reported DES included a page on the DES website for the 1063 Block Project. The page includes the project schedule and the public process. A series of public meetings and informational events are scheduled throughout the project. The first public meeting is scheduled early in the process to afford an opportunity for public input on the design process during the three-team competition period ending January 30, 2014.

Representative Dunshee commented that the genesis for the building was created because of several dilapidated buildings on campus – the GA Building and the 1063 Building. The costs associated with the Wheeler Building at approximately \$700 per square foot created public concerns about the state's ability to construct buildings within budget. The House Capital Committee explored options for both sites and the future tenancy of the Washington State Patrol. Fiscal constraints within the legislation are

to ensure the state remains on task and meets its fiscal responsibilities to taxpayers. He is confident the building will be a cohesive fit within the campus. Interest rates have increased since the initial calculation; however, he believes it's possible to remain within the budget because it's critical to prove to the taxpayers that a building can be constructed at a good price and within budget.

Secretary Wyman asked about height restrictions for the site. Project Director Browning replied that the 2006 Capitol Campus Master Plan adopted a 1992 height limit, which was established for all buildings on West Campus limiting buildings height to no more than the height of the Cherberg/O'Brien Buildings above grade. The measurement is somewhat ambiguous because it could be a measure of the building, which is 60 feet. Another interpretation is an imaginary line across the campus from the top of the Cherberg Building. The 1063 Block is on a sloped site and could encompass a multistory building without breaching the height limit. Without explicit direction, the team is encouraging a conservative approach of employing a height limit of 60 feet rather than using the datum line extended across the campus. The team may request an allowance for a mechanical penthouse on top of the building similar to the O'Brien and Cherberg Buildings. The team will seek guidance from the CCDAC.

Secretary Wyman asked about the height of the existing structure. Project Director Browning said the existing building is a two-story building of approximately 35 feet in height. The GA Building is over 70 feet near the top of the mechanical penthouse and is taller than the Cherberg and O'Brien Buildings.

Representative Dunshee shared that within the GA Building, a plaque located near the ground floor elevators speaks to a lawsuit filed by local realtors in the area about the location of the state capitol because of the migration of agencies to Seattle. The GA Building was quickly conceived and built to respond to the lawsuit to bring the agencies back to the campus from Seattle.

Project Director Browning added that the GA Building is listed on the historic register. The mural will be moved and preserved.

### **DES Facilities Report**

#### ***Current Capitol Campus Projects Underway***

Assistant Director Henderson provided an update on the status of current projects:

- Legislative Building Critical Exterior Repairs – current activity includes cleaning and repairing lower elevations of the building at and around the north steps. The work should be completed by the end of October.
- Legislative Building Hydronic Loop Repairs – the project upgrades the heating system within the building. The project should be completed by the end of October.
- Capitol Lake Dredge Study - the study was completed in June documenting the permitting process for dredging Capitol Lake. The Legislature directed the use of the remaining funds from the initial appropriation to study options for cost-sharing of the dredging project based on the value and benefits provided to local governments.
- General Administration Building Reuse for Heritage Center, State Library, and State Patrol – DES was directed within the capital budget to review the suitability of space in OB2 vacated by the Department of Information Services.

***Capital Program for Department of Enterprise Services***

Bonnie Scheel, Deputy Assistant Director, Facilities Division, provided an update on capital projects for DES.

Over the last three biennia, DES continues to experience a positive trend in the availability of capital to support infrastructure improvements and critical building repairs. In the 2011-13 biennium budget the appropriation was cut in half from the previous biennium. In the 2013-2015 biennium budget the capital budget increased to \$36.3 million.

Additionally, Thurston County Surcharge Fund 289 is experiencing a positive funding trend in the biennial capital budget used to fund projects on Capitol Campus and buildings within Thurston County managed by DES. The 2013-15 biennium is the first time in two biennia that the fund received funding from the Legislature of \$3.2 million.

The 2013-15 capital budget included consideration of the need to address non-performing and under-performing buildings on Capitol Campus with the direct appropriation and alternative financing provided to replace the 1063 Bock. There are additional non- or under-performing buildings on Capitol Campus that need to be examined for changing program needs, particularly on the south and north perimeters.

Deputy Assistant Director Scheel reported the project appropriations will continue based on the themes established in the capital budget request to the Legislature:

- Safety
- Asset preservation
- Sustainability

All capital projects embody those themes:

- The Campus Steam System and Chiller Upgrades project corrects serious life safety issues and includes essential repairs to the Capitol Campus steam system and replacement of the 40-year old Powerhouse chiller serving West Campus buildings.
- Capitol Campus Underground Utility Repairs project replaces substandard underground utilities on campus of older water lines experiencing leaks and loss of insulation materials.
- Legislative Building Exterior Repairs – Phase 2. The project completes the sandstone preservation, cleaning, re-pointing, and exterior leak repairs.
- Natural Resource Building Repairs – Phase 1 replaces the 22-year old roof and repairs to eliminate water infiltration into the building.
- The Archives Building and Capitol Court HVAC Upgrades project upgrades and repairs the HVAC systems of the two facilities to gain energy savings and improve performance.
- Legislative Building Re-Commission HVAC System project re-commissions the building's HVAC system for improved energy savings and performance.

Secretary Wyman complimented the DES team and contractors for their outstanding work on the Legislative Building and for accommodating staff and the Legislature during construction activities.

*SCC MEETING MINUTES*

*October 17, 2013*

*Page 7 of 7*

**Adjournment**

**With there being no further business, Lt. Governor Owen adjourned the meeting at 11:50 a.m.**

Prepared by Valerie L. Gow, Recording Secretary/President  
Puget Sound Meeting Services, psmsoly@earthlink.net