

**MINUTES
of the
FIRST MEETING IN 2012
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**May 8, 2012
Room 311, State Capitol
Santa Fe**

The first meeting of the Capitol Buildings Planning Commission (CBPC) in 2012 was called to order by Secretary of General Services Edwynn L. Burckle, co-chair, on Tuesday, May 8, 2012, at 1:40 p.m. in Room 311 of the State Capitol in Santa Fe.

Present

Edwynn L. Burckle, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair (participating via conference call)
Tom Church, designee for Alvin C. Dominguez, Secretary of Transportation
Tom Clifford, Secretary of Finance and Administration (with A.J. Forte as designee during the latter portion of the meeting)
Veronica N. Gonzales, Secretary of Cultural Affairs
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Elaine Olah, designee for Ray Powell, Commissioner of Public Lands
Patrick Simpson, designee for Petra Jimenez Maes, Chief Justice of the New Mexico Supreme Court
Clarence Smith, designee for James B. Lewis, State Treasurer
Rep. Thomas C. Taylor, House Minority Floor Leader

Staff

Raúl E. Burciaga, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Lisa Sullivan, LCS
Tom Pollard, LCS
Ric Gaudet, LCS
Chuck Gara, Director, Property Control Division (PCD), General Services Department (GSD)
Lemoyne Blackshear, Staff Architect, PCD

Guests

The guest list is in the meeting file.

Handouts

Handouts and other materials provided to the commission are in the meeting file.

Tuesday, May 8

Commission and Staff Introductions and Approval of Agenda

Commission members and staff introduced themselves. Chief Justice Maes became the newest member of the commission, with Mr. Simpson serving as her designee.

Action Item:

The order of the agenda was changed to accommodate commission members' scheduling conflicts. (Copies of handouts and presentations are to be posted on the legislative web site.)

Statewide Inventory Preliminary Report

John Petronis and Andy Aguilar, commission facilities planners, Architectural Research Consultants (ARC), presented to the commission a preliminary version of the statewide inventory of capital assets owned by the state. The inventory is a critical component of the state's strategic facility planning process and can be used by policymakers in planning for future capital asset needs. The completed statewide asset inventory will be accessible through a web-based application that will allow for extraction of facility information in a variety of formats.

Throughout the presentation, Mr. Petronis projected online "live" samples of the database. (See handouts in the meeting file.)

Mr. Petronis said that knowing the facility assets of the state is one of the keystones of successful facility asset management. The CBPC has recognized the importance of efforts to assemble a comprehensive, unified and accessible capital asset inventory. The CBPC supported successful legislation in 2007 to fund additional PCD staff to maintain hardware and software for use in master planning, which includes acquisition of the AIM asset management system, formerly known as FacilityMax. In 2009, the CBPC directed staff to create a consistent and comprehensive database of state assets and leased properties. However, limited state funding hindered the PCD's efforts to assist in accomplishing that task and managing its asset-management system. The master planners in that same year compiled a partial inventory of many statewide assets based on existing data sources. In 2011, the PCD, the Risk Management Division (RMD) of the GSD and representatives from the Statewide Human Resource, Accounting and Management Reporting (SHARE) system initiated an effort to establish a common campus and building number identifier. This information will eventually be used to match employees with buildings, which can be then used for better facilities management planning. Finally, in 2011, the CBPC directed the master planners to compile a comprehensive inventory of state-owned and -leased facilities and of properties controlled by state agencies and state courts, including facilities provided by the counties for state operations. This directive has resulted in the web-based preliminary inventory presented to the commission.

The master planners collected and reviewed existing information, including state agency inventories; partial facility condition assessments conducted in 2006 for PCD and higher education (HE) facilities, 2010 for 50% of PCD facilities and 2011 for special schools; insurance

data from the RMD and historic designations from the Cultural Affairs Department. They also interviewed state agencies about facilities and assets not under the jurisdiction of the PCD. The web-based database is being developed using MySQL open source software and Google's free mapping software. The asset inventory framework consists of three main sources of information: the AIM asset management system, the RMD's data and data from the SHARE system. In addition, the judiciary and legislature have provided data about their assets, and data were collected from counties about space provided to the state. Data are being compiled for all owned and leased space. The inventory does not include facility information about public schools or HE institutions. The consultants' reports capture data about schools and HE separately for presentation purposes only. The database will provide consistent naming for campuses and building names; current errors in the data are being corrected. Every facility will be accessible on a map, and detailed information will be immediately available about that facility.

The statewide inventory will provide foundational data for future planning efforts, foster collaboration and information-sharing among state agencies and provide greater transparency to the public, said Mr. Petronis. Several challenges remain in completing the inventory, including collecting and integrating data from some state agencies, getting consistently reported leased and land data from agencies, resolving data discrepancies and refining the user interface of the application.

Mr. Petronis and Mr. Aguilar then gave a demonstration of how the system works and showed the commission facility details of some capital assets around the state.

Mr. Church and Secretary Clifford asked the master planners to clarify how the building replacement values for structures shown in the inventory demonstration were generated and suggested that access to the details of the replacement estimates be included in the inventory database. Mr. Petronis said that many of the replacement value estimates were based on a 2006 study, but some estimates have been updated for certain buildings. Secretary Clifford said that the accuracy of those data should be verified, perhaps by comparing replacement values on a dollar-per-square-foot basis for each facility type.

Speaker Lujan asked whether the inventory accounted for the difference between leasable square footage (LSF) and usable square footage (USF). Mr. Gara said that the PCD has been using a USF figure of 65 percent, which is not an accurate measurement of USF. He said that typical buildings have a USF of 85 percent of the LSF and that the PCD will be changing its lease contracts to follow space standards established by the American National Standards Institute.

Secretary Burckle asked what data are still missing from the inventory. Mr. Petronis said that more detailed information from the AIM and SHARE systems still needs to be integrated and verified and that, while the data about buildings are excellent, there are gaps in the data about land. Mr. Gara said that the PCD gathered comprehensive lease information from all state agencies in 2011, but some of that new information did not match older leased data the PCD had.

Once those discrepancies are resolved, the AIM system will be used as the baseline for future updates.

Representative Taylor suggested that the inventory should distinguish between repair costs for facilities that have critical needs from facilities with non-critical needs. According to Mr. Petronis, there are such data from 2010, but only for one-fourth of the number of buildings in the state inventory.

Secretary Clifford said that the state should develop facility adequacy standards similar to the standards developed for public schools by the Public School Facilities Authority, including adequacy standards, which should be defined in the CBPC context. Secretary Clifford commented that determining the standards would be a useful step.

Review of Strategic Facility Planning Process and Next Steps

Next Steps

Mr. Petronis discussed with the commission the need for the state to implement a strategic facility planning process, and he reviewed the process detailed before the commission in 2011. A best-practice scenario would consist of a process that first determines facility requirements of state agencies from each agency's plan for agency outcomes and operations, followed by an evaluation of existing facilities and their ability to meet future needs. If additional facilities are determined to be necessary, comprehensive life-cycle costing analyses need to be performed in order to choose the right type of financing mechanism for the facility.

Facility asset management is an ongoing process, with constant attention being paid to the planning, implementing and operating facilities. Asset life cycles for each facility need to be considered, with scheduled system renewal and replacement during the course of an asset's life. This process allows policymakers to choose appropriate projects from equally valid competing asset needs. In New Mexico, the strategic facility planning process has been hindered by several factors, including:

- until very recently, no statewide facility inventory;
- no comprehensive assessment of facilities that provides reliable, comparable results;
- no unified process for strategic facility planning and budgeting;
- no linking of strategic planning and facility planning;
- no reliable source of funding for building renewal;
- fragmented ownership, responsibilities and procedures for managing facilities;
- no consistent process for acquisition or disposition of assets; and
- many different statutes and rules affecting state agencies in different ways.

The master planners recommended to the commission that the state adopt a strategic facility asset management model that consists of a complete inventory database of state facilities and sites; comprehensive and consistent assessment of state facilities; and linkage of agency master plans with facility plans. From that information, a statewide facility plan would be

prepared, encompassing owned and leased properties. A dedicated source of revenue should be identified for state capital facilities renewal. Finally, the master planners recommended the investigation of centralized ownership of state facilities under one state agency.

Review of Senate Bill 83

Ms. Knight reviewed for the commission Senate Bill 83 from the 2012 regular legislative session, which was pocket-vetoed by the governor. The legislation would have set up a five-year statewide program to plan, prioritize and finance all state capital improvement projects. State agencies would be required to prepare and update a five-year facilities master plan in compliance with guidelines developed by the PCD, and those plans would need to be consistent with the CBPC master plans and planning principles. The PCD would be tasked with developing a ranking system to determine the priority of projects across state agencies. State agency facility master plans would need to address deferred maintenance plans, including standards for facility maintenance, space and energy efficiency standards and requirements for life-cycle costing of new facilities or improvements to existing facilities. The bill included an appropriation of \$1 million for the PCD to implement the legislation and assist state agencies in developing their master plans. It also included an appropriation of \$2.3 million to conduct a comprehensive condition assessment of state facilities.

Direction on Next Steps

The master planners recommended that state agencies be required to integrate site and facility information and needs into their agency strategic and facility master plans. They also recommended that the commission appoint a subcommittee to explore what steps to take next regarding whether to continue pursuing legislation similar to the vetoed Senate Bill 83 or whether to take a different path.

Secretary Burckle asked Senator Ingle, the primary sponsor of the legislation, whether he got any feedback from the Office of the Governor about problems with the bill. Senator Ingle said that he did not have any indication from the governor about why she opposed the legislation. Secretary Burckle said that he heard from the Office of the Governor that the governor believes that the strategic planning process should be put into an executive order rather than statute.

Speaker Lujan said that a CBPC subcommittee should meet with the Office of the Governor to discuss what the problem was with the legislation. Executive orders typically only apply to the current administration and to agencies under the governor's jurisdiction. The commission needs to get feedback from the governor about what kind of legislation would be acceptable to her. Secretary Burckle said that he would help facilitate that meeting with the Office of the Governor.

Senator Jennings said that the governor has vetoed identical legislation two years in a row, so clearly she does not want a strategic facility planning process in statute. He stated that there is no reason for the commission to keep pushing the same idea and expect a different result, especially when the commission majority is composed of executive members.

Secretary Burckle said that Senate Bill 83 was a critical component in the reformation of the state's capital outlay process. He said that the administration is considering rearranging some staff positions at the PCD so that some employees will have as their main job the continuous study of state agency facility conditions. It was stated that this function should be the duty of the PCD rather than contracting out the function, to which Senator Ingle expressed concern that it would push private sector jobs into government positions.

Ms. Olah said that the subcommittee should focus on what the next steps should be, including finding alternative funding sources.

Secretary Gonzales said that direct communication with the Office of the Governor would be beneficial in finding a solution acceptable to all parties.

Mr. Simpson said that the judiciary had some problems with Senate Bill 83, especially the requirement that the judicial branch of government be part of the overall statewide prioritization process for facility funding. He said that the courts should not be forced to get in line behind other state agencies' needs.

Action Item:

On Ms. Olah's motion, seconded by Mr. Smith, the commission voted to form a subcommittee of the CBPC consisting of no more than five members appointed by the co-chairs from a list of interested members and representing all three branches of government, if possible. The subcommittee is tasked with exploring possible next steps for the state to take regarding the statewide strategic facility planning process and for dialogue with the Office of the Governor about the process, including a discussion of the provisions of Senate Bill 83 and the pocket veto. The vote was 7 for, 2 against, with Mr. Simpson and Senator Jennings voting no; Mr. Forte, on behalf of Secretary Clifford, abstaining; and Representative Taylor absent from the room.

Action Item: Adoption of 2012 Open Meetings Act Resolution

The commission unanimously adopted the 2012 Open Meetings Act resolution, which establishes procedures the commission will follow in conducting its meetings in accordance with law.

Action Item: Adoption of December 2011 Minutes

The commission unanimously adopted without changes the minutes of the December 6, 2011 meeting of the CBPC.

Action Item: Adoption of the 2011 Interim Report

The commission unanimously adopted the 2011 interim report of the commission.

Commission Staff Reports

PCD Activities

Mr. Gara presented to the commission an update of the PCD's recent activities. Ongoing

projects include:

- Replacement of the Water and Wastewater System at the Roswell Correctional Facility. The project is designed and ready for bidding.
- Assessment of Security Systems Statewide for the Corrections Department. A request for proposals (RFP) was issued, and the contract is currently being negotiated with the successful proposer.
- Clovis Bruce King Complex Renovations. Renovations are being planned to the building to accommodate a Motor Vehicle Division field office.
- Vacant Roswell Rehabilitation Center. The building is creating a health risk. Several nonprofit organizations have expressed interest in using the building, but they do not have the funds needed to upgrade the facility. The site is also being considered by the Children, Youth and Families Department for a location for a new southeast Cambiar facility, which would require demolition of the existing building.
- Old Ft. Bayard Hospital. The Department of Health is still operating the facility and is using a portion of the building. A disposition assessment and feasibility study for the 468-acre property determined no positive alternatives for the property. Several nonprofit organizations have expressed interest in using the facility, but they do not have funds needed to upgrade the facility.
- Las Cruces J.P. Taylor Facility. The gymnasium and classroom addition is complete, and equipment will be delivered in July. Installation of the security system and vocational greenhouse will be finished by July.
- Las Cruces State Police Building. The Department of Public Safety building is under construction and is 75 percent complete.
- Southern New Mexico Correctional Facility Heating, Ventilation and Air Conditioning (HVAC) Upgrades. Bids have been received, and a contract has been approved for the project.
- Southern New Mexico Correctional Facility Kitchen Renovation. The project has been designed, and bids will be let in July.
- Santa Teresa Port of Entry. Construction drawings are complete, and a land exchange with a local developer has been completed.
- Las Vegas New Mexico Behavioral Health Institute (NMBHI) New Meadows Project Phase 1. Construction of the facility is complete, and occupancy will take place by the end of May.
- NMBHI Forensic Sally Port. Construction of the project is 20 percent complete.
- NMBHI New Meadows Phase 2. An RFP has been issued, and competitive sealed proposals will be evaluated soon. The project should begin construction in August.
- Las Vegas State Police Building. The project is 75 percent complete, with occupancy expected in July.
- Santa Fe Bataan and Runnels Buildings HVAC. Both projects are complete.
- Santa Fe Lujan Building Phase A Renovation. Replacement of boilers and chillers is complete.
- Santa Fe Lujan Building Phase B. An RFP has been issued, and proposals are being evaluated for the project. Construction is scheduled to begin in September.

- Santa Fe Demolition of Barracks at the Former College of Santa Fe. The project is being designed, and an RFP will be issued in July.
- Santa Fe GSD Quonset Hut Demolition. The project located at the GSD surplus property location has been completed.
- Santa Fe Executive Office Building. The GSD is in the process of complying with the requirements of Section 3-22-6 NMSA 1978 regarding construction of state buildings within historic districts.
- Los Lunas Central New Mexico Correctional Facility Kitchen. The project has been designed and will go to bid in July.
- Albuquerque Youth Diagnostic and Development Center Water Line Replacement. The project is under way and is expected to be completed in September.

Lease Survey Results

The PCD has met with many state agencies to study their building leases. Eighteen leases have been modified or terminated, with a savings to the state of more than \$900,000 annually. Six other leases are currently being renegotiated. Some state agencies have relocated smaller functions into excess leased space that the Human Services Department currently has. The PCD is also forming a facilities council with the state agencies that have most of the leased space in the state. The council will develop strategies and policies regarding how to best manage leased facilities.

Mr. Church asked whether the state can terminate lease agreements. He said that the Department of Transportation is currently attempting to consolidate its space. Mr. Gara said that lease agreements typically have three methods for the state to terminate an agreement: (1) lack of funding from the legislature; (2) an executive order; or (3) if the state acquires a new facility and does not need the leased space any more. He said that all state agencies, except the State Land Office, must contact the PCD prior to any lease modifications.

Mr. Simpson inquired into the status of the executive office building and the Health and Human Services Complex proposed for potential siting at Las Soleras. He said the judiciary wants to know where its administrative offices will be in a few years. Mr. Gara said that the State Board of Finance approved the fourth amendment to the purchase agreement with Las Soleras to extend the time frame for purchase to six months but with several changes to the proposed amendment. The 2012 legislature reauthorized for another purpose \$4 million, which had been set aside for purchase of the land at Las Soleras, so another contract extension will be needed in order for the legislature to address funding. The contract extension also dropped the requirement that Las Soleras develop a Rail Runner train station at the site.

2012 Tentative Meeting Dates

Ms. Knight said that the commission is tentatively scheduled to meet in July, September and November. She said that the LCS will send members a list of proposed meeting dates in the near future.

There being no further business, the commission adjourned at 3:41 p.m.

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