

MINUTES
of the
SEVENTH MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION

Wednesday, December 16, 2009
Room 311, State Capitol
Santa Fe

The seventh meeting of the Capitol Buildings Planning Commission (CBPC) in 2009 was called to order by Secretary of General Services Arturo Jaramillo, co-chair, on Wednesday, December 16, 2009, at 1:22 p.m. in Room 311 of the State Capitol in Santa Fe.

Present

Arturo Jaramillo, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Gary Giron, Secretary of Transportation
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Larry Kehoe, Designee for Patrick H. Lyons, Commissioner of Public Lands
Emilio Martinez, Designee for Stuart Ashman, Secretary of Cultural Affairs
Rick Martinez, Designee for Katherine B. Miller, Secretary of Finance and Administration
Patrick Simpson, Deputy Director, Administrative Office of the Courts
Clarence Smith, Designee for James Lewis, State Treasurer
Rep. Thomas C. Taylor, House Minority Floor Leader

Staff

Paula Tackett, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Tom Pollard, LCS
Ric Gaudet, LCS
Larry Miller, Deputy 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.

Wednesday, December 16

The minutes of the November 16, 2009 meeting of the commission were adopted without changes.

GSD and PCD Capital Project Reporting

Mr. Miller updated the commission on the status of some capital outlay projects the PCD has been developing and how they have been affected by the recent executive order freezing capital projects. The Department of Finance and Administration (DFA) has been identifying projects to be voided that have not been fully funded or are not progressing, and it has frozen all projects that do not have contracts in place. The executive office building project, which will be funded from state office building tax revenue bonds, was not frozen or identified as voidable. The Health and Human Services (HHS) complex appropriation of \$4 million for land acquisition has been recommended by the DFA for release. Appropriations for the demolition of buildings at the Los Lunas hospital campus and in Roswell were also released. Most other PCD projects are still frozen, and PCD staff is working to get projects released, especially those that have already gone to bid or are ready to bid.

Speaker Lujan said that it is very important to get capital appropriations spent in order to create jobs. He said that contractors are currently bidding at very low prices and the state stands to save much money by letting contracts to bid. Mr. Miller agreed, saying that the PCD is ready to bid in the next quarter on approximately \$30 million in contracts. He said the Motor Vehicle Division (MVD) contract for \$3.4 million was given final approval by the State Board of Finance (SBOF) the previous day. The bid for that project was well below the maximum allowable construction cost.

CBPC — Planning — Exceptions

Ms. Knight and John Petronis briefly reviewed a draft letter urging that shovel-ready capital projects be allowed to proceed. The letter, which is addressed to the secretary of finance and administration and the directors of the LCS and the Legislative Finance Committee, is in response to the administration's preliminary freeze of capital projects and those agencies' efforts to identify projects that can be voided. The letter recommends allowing certain projects to proceed if they have been planned and designed to be consistent with appropriate master plans and have demonstrated that they add value to the state as well as represent prudent investments of state funds.

Mr. Kehoe asked what would happen after the letter is sent. Ms. Knight responded that the letter would represent the CBPC's formal position that encourages the consideration of planned and designed projects and of those projects that are ready to proceed.

Secretary Jaramillo said that several projects currently on hold have been supported by the CBPC and have been developed sufficiently to be able to proceed.

Mr. Simpson moved that the letter be amended to reflect the vote of commission members present and voting, as some CBPC members not in attendance had not read the letter before its adoption.

Action Item: The letter was approved by the commission unanimously, with those voting being Secretary Jaramillo, Speaker Lujan, Emilio Martinez, Secretary Giron, Mr. Smith, Mr. Kehoe, Mr. Simpson and Representative Taylor.

Legislation

GSD Proposals

Mr. Miller reviewed for the commission five proposed changes to laws for the upcoming legislative session.

Require Agency Preventive Maintenance Plans for Projects (.179492.ISA) — The draft bill requires agencies under the jurisdiction of the PCD to develop and implement preventive maintenance plans for any new proposed capital outlay project. The PCD is charged with developing guidelines to assist agencies in developing their plans. The division will also develop a uniform web-based facility information management system that will provide a central database of maintenance activities, provide comprehensive maintenance request and expenditure information and facilitate the training of maintenance personnel.

Mr. Kehoe asked how many maintenance plans will need to be developed if the legislation passes. Mr. Miller said that each state campus would need a plan. He estimated that there are 750 buildings under the jurisdiction of the PCD and that 50 maintenance plans would be developed.

Representative Taylor asked about the fiscal impact of the bill and whether it creates another unfunded mandate. Mr. Miller said that preventive maintenance plans will be submitted on a spreadsheet until the funding and development of the comprehensive database is complete. This process should be part of agencies' regular budgeting process. He said that it should not be too difficult for state agencies to tell the PCD what they are doing with their facilities.

Exempt the PCD from the \$10 Million Threshold for the Design-Build Project Delivery Method (.179495.ISA) — The proposed bill would remove from statute the minimum threshold amount required in order for state agency projects to be able to use the design-build project delivery method, which, in the past, has proven to save money for the state, as reported by the PCD. The bill would not change the law with regard to local public bodies.

Exchange State-Owned Land for Private Land for the Santa Teresa Port of Entry (.179526.1) — The draft resolution authorizes the trade of state land for private land to be used for the Santa Teresa port of entry. After the design of the facility was complete, it was determined that an additional 3.8 acres is needed for drainage purposes.

Eliminate SBOF Approval for Construction Contracts (.179570.ISA) — The proposed bill removes the requirement that the SBOF approve all construction contracts into which the PCD enters for the redesigning, major renovation and remodeling of current state buildings and the erection of additional state buildings when needed. The requirement was enacted prior to the development of the Procurement Code, and it is no longer necessary, as reported by the PCD.

Mr. Miller said that there is already sufficient oversight of PCD contracts; therefore, approval by the SBOF is redundant. The SBOF does not oppose the legislation.

Senator Jennings said that the PCD needs more oversight, not less, and that he would probably oppose the legislation.

Expansion of Purpose for Two Appropriations from 2007 and 2009 (.180442.ISA) — The proposed bill expands the purpose of appropriations to purchase adjacent land at the West Capitol campus from the federal government to include the purchase of certain parcels of land adjacent to the campus on the College of Santa Fe property. The PCD is pursuing options to trade state land for the federal land at the campus, which would free up appropriations for purchasing land at the college. The state proposes to purchase Tracts A, B, C and D, located contiguous to each other on the southeastern portion of the campus, close to the state printing facility.

Speaker Lujan emphasized that the bill does not appropriate new money but uses existing appropriations for the purpose. He said he would sponsor the legislation, if requested.

Action Item: The commission endorsed all GSD legislative proposals, with Secretary Jaramillo, Emilio Martinez, Secretary Giron, Senator Ingle, Mr. Smith, Mr. Kehoe and Mr. Simpson voting in favor, and with Senator Jennings and Representative Taylor opposed.

Cultural Affairs Department (CAD) Capital Outlay Proposals

Emilio Martinez presented to the commission a list of capital outlay projects for which the CAD is seeking funding. The list represents only those repairs and maintenance needs that have been deemed critical. The department originally identified \$7.4 million in needed repairs at its facilities statewide, but that list has been trimmed to \$1 million of the most important needs.

Mr. Martinez said the CAD had applied for federal stimulus funding and only received \$500,000 in funding for window repairs, which will replace or weatherize windows at one museum.

Senator Ingle commented that rural areas of the state are not slated to receive much funding for repairs this year.

Speaker Lujan asked what would happen if money was not appropriated for repairs and a critical heating or cooling system broke down. Mr. Martinez said that the facility could be

forced to shut down, because there is no room in the department's operating budget to transfer funds to make repairs.

Action Item: The commission unanimously endorsed the CAD's \$1 million capital outlay request for repairs and maintenance.

CBPC Staff Proposal

Ms. Tackett and Mr. Miller presented a draft bill for the commission's consideration that would strengthen the infrastructure capital improvements plan (ICIP) process for state agencies. The bill requires each state agency to submit an annual five-year facilities master plan, and it directs the PCD to develop rules for the development of those plans. The GSD and DFA would jointly prepare a capital project program for the state, as current statutes dictate, but projects would be classified into those groups for which the initial planning and design have been completed and those needing initial appropriations for planning.

Rick Martinez asked how the legislation would be different from the current ICIP process. Ms. Tackett said the bill adds prioritizing, time sequencing and planning components to the existing ICIP process. State agencies need to plan better before spending large sums of money for projects. Mr. Miller said that the PCD would like agencies to study their needs before asking for new buildings. This planning process should be part of an agency's strategic plan.

Mr. Kehoe asked about language in the bill that removes from the DFA's responsibilities the development of standards for measuring the need for and utility of proposed projects. Ms. Tackett said the PCD is the state agency that is best suited to perform that task.

Rick Martinez asked whether state agencies will be required to have their own employees with the expertise to develop master plans. Ms. Tackett said that would not be required and that the PCD would assist state agencies in the development of their plans and will develop rules that will make agency master planning consistent for most executive agencies. Mr. Miller said the PCD has already begun discussing better planning processes with its constituent agencies. The proposed bill would add some more duties for the PCD and state agencies, but he said it would not be that difficult for agencies to comply. Ms. Knight said the idea discussed by staff is to set up a process for the planning of capital projects that is similar in concept to those planning processes already in place for agency budgeting and information technology.

Speaker Lujan wondered if state agencies would have sufficient funding to perform the new requirements being proposed.

Action Item: The commission endorsed the CBPC staff proposal unanimously, subject to the making of amendments to specifically exempt the Department of Transportation and to provide that the PCD assist agencies with life-cycle costing analyses. The commission also instructed staff to make conforming changes to the bill that would make the new process mesh better with existing statutes.

Meeting Procedures

Ms. Knight presented a proposed public comment procedure to the commission. The procedure is designed to allow people to make comments to the commission using a fair and efficient process. People would sign up to comment, either in advance or at the meeting, and comments would be limited to two minutes per individual or group.

Commission members discussed whether limiting the amount of time to speak was a good idea — other than at those times when many people wish to speak. Concern was raised that the proposed procedure would end up stifling public comment. The public comment procedure was amended to read as follows:

PUBLIC COMMENT PROCEDURE FOR THE CAPITOL BUILDINGS PLANNING COMMISSION

The commission will provide a sign-up sheet for individuals or entities requesting to make public comment in meetings. If there are several persons in one group, they should designate a representative from the group to comment. The commission may limit the time for individual public comment.

Action Item: The commission adopted the public comment procedure, with Secretary Jaramillo, Speaker Lujan, Emilio Martinez, Secretary Giron, Mr. Smith, Mr. Kehoe, Rick Martinez and Mr. Simpson voting in favor, and with Senators Jennings and Ingle opposed.

Public Comment

Mark Bertram, representing the Zia station, asked about the status of the HHS project. He also distributed a recent editorial from *The Santa Fe New Mexican* that encouraged the redevelopment of buildings and empty space within the City of Santa Fe.

Secretary Jaramillo said that the HHS facility plan will be presented to the commission at its next meeting. He said the HHS project is not one of the projects that has been frozen. He said that Las Soleras is still the best choice for the project, and he will have a proposed contract before the next meeting. There is one more property appraisal underway, which will reconcile the two previous appraisals.

Senator Jennings said that the HHS facility could create a glut of private leased space in the city, which could be devastating to the local economy. He related a story in which he and his brother had renovated a building in Roswell and leased it to the state for six years, with an option to renew for another six years. After the original term expired, the state canceled the lease, and the building has sat vacant ever since. Senator Jennings said that the state needs to consider what will happen to building owners if the state suddenly cancels leases.

Secretary Jaramillo said he believes that the GSD has never undercut an existing lease, at least not in recent memory. He said that the MVD building in Santa Fe was the state's most expensive lease. After attempts to renegotiate the lease with the building owner were rebuffed, the GSD decided the best and most cost-effective solution would be to build its own facility.

Some leased buildings occupied by the state have been paid for several times over, he said. Finally, he said that the GSD always studies the impact on local businesses before making capital project decisions.

There being no further business, the commission adjourned at 3:17 p.m.