

# CAPITAL BUDGETING

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## Capital Budgeting

### Capital Needs: Supreme Court Building

The Supreme Court Building is the oldest building located on the State Capital Mall. Built in 1914, the 65,000 square foot building houses the Supreme Court offices and courtroom and the State of Oregon Law Library. While regular maintenance is performed on the building, and some larger remediation projects have been performed (roof replacement in 2010), no major remodel has taken place concerning the building or its infrastructure. Since the building is approaching 100 years old, many of the internal systems (HVAC, lighting, elevator, power, etc.) are reaching the end of their useful life. The building has not been seismically retrofitted, as other state-owned facilities on the Capital Mall have been. Additionally, serious safety concerns have arisen pertaining to the exterior façade and windows. Due to water penetration from a variety of sources, including dry-rotted windows and frames, the present terracotta exterior is delaminating from the building, creating a grave safety issue. During the 2011-13 biennium, the Legislature permitted some limited maintenance expenditures out of Other Funds to mitigate some of the worst safety issues. In 2012, temporary safety netting was installed to provide some short-term relief for some of the worst areas of the building, until a more permanent solution to the exterior façade issues can be put into effect.

With the serious exterior issues, concerns around seismic stability, and the age of many of the systems in the building, OJD is seeking Capital Construction funding to perform a major renovation of the existing structure to remedy the existing problems. The request for funds to finance the reconstruction is contained in Policy Option Package No. 216. This Policy Option Package also has a companion package through the Facilities Group of the Department of Administrative Services – DAS Policy Option Package No. 116.

# CAPITAL BUDGETING

With the extensive renovation needs of the Supreme Court Building, the proposed Policy Option Package will need to finance relocation costs, outside rent, and project management, along with the structural upgrades and replacements. The following table outlines proposed project costs by area.

<b>Building &amp; Infrastructure</b>	<b>\$ 18,055,000</b>	<b>Exterior</b>	<b>\$ 3,500,000</b>	<b>Design</b>	<b>\$ 350,000</b>
Seismic Upgrades	\$ 2,600,000	Terracotta Façade and Sealing	\$ 2,200,000	<b>Project Administration</b>	<b>\$ 601,082</b>
Structure Build Outs	\$ 1,600,000	Window Replacement/Repair	\$ 1,300,000	<b>Legal/Permits</b>	<b>\$ 240,000</b>
Elevator Upgrades	\$ 2,100,000	<b>Land Improvements</b>	<b>\$ 200,000</b>	<b>Relocation/Rent</b>	<b>\$ 545,550</b>
Heating and Ventilation	\$ 3,480,000	Parking/Pedestrian	\$ 200,000		
Air Conditioning	\$ 1,500,000	<b>Fixtures/Equipment/Furniture</b>	<b>\$ 1,550,000</b>		
Plumbing and Restrooms	\$ 1,250,000	Acoustics	\$ 300,000	<b>Contingency</b>	<b>\$ 2,371,661</b>
Fire and Security	\$ 870,000	Courtrooms	\$ 95,000		
Power	\$ 1,550,000	Chambers	\$ 450,000		
Lighting	\$ 1,375,000	Security	\$ 150,000		
IT Systems and Sound	\$ 330,000	Furniture	\$ 480,000		
Accessibility	\$ 1,400,000	Public Service	\$ 75,000	<b>PROJECT BUDGET</b>	<b>\$ 27,413,293</b>

## Critical Exterior Needs for 2013-15 Biennium

The most critical needs for the 2013-15 biennium, if the full renovation cannot be funded at this time, are the exterior façade of the building and existing windows. While temporary mitigation has been done in some areas, the façade of the building and dry-rotted window frames continue to allow for water penetration, contributing to the overall deterioration in the structure of the building. Over time, some portions of the exterior could break away from the building, creating a serious life/safety situation outside the building. Exterior work could be performed on the building during the 2013-15 biennium and would not be impacted by or need to be redone in a future project. The proposed reduced-scope project for exterior of the Supreme Court Building only is estimated to cost \$4.4 million. A targeted exterior project would stabilize and seal the terracotta façade and replace, paint, and seal exterior windows.

# CAPITAL BUDGETING

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## *Policy Option Package: 216 – Supreme Court Building Preservation*

**Companion Package:** Yes – Department of Administrative Services Package No. 116 – Supreme Court Building Renovation

### **Purpose**

Opened in 1914, the Supreme Court Building is the oldest building on the Capital Mall. While regular preventative maintenance has been performed, the building has never undergone a major renovation and much of the infrastructure requires major upgrades or replacement. During the 2011-13 biennium, major issues were identified involving the exterior façade of the building, requiring emergency repairs and patching, including the installation of temporary safety netting to prevent pieces of the exterior from breaking loose and falling. Additionally, the facility has not been seismically retrofitted for employee and public safety. This package is intended to finance a major renovation of the Supreme Court Building, including exterior, interior, seismic retrofit, HVAC/power/lighting system replacement, temporary space and moving expenses, and Department of Administrative Services project management. The project is expected to extend into the 2015-17 biennium.

Alternatively, due to major safety issues with the exterior of the building, water penetration through the façade, and dry-rot in wooden-framed windows, an alternative project to handle the critical exterior issues could be performed for an overall project cost of \$4.4 million. This project would fund terracotta exterior repair and sealing, window repair, and project management. The work performed on the exterior could be done without impacting future work and would be eliminated from future project costs.

### **How Achieved**

Provides Capital Construction funding for major renovation and systems replacement for the Supreme Court Building. This package would also fund moving expenses, temporary housing expenses for court activities, and Department of Administrative Services project management.

### **Staffing Impact**

None.

### **Revenue Source**

\$ 26,812,211 – General Obligation Bonds

# CAPITAL BUDGETING

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# CAPITAL BUDGETING

***ORBITS and PICS Reports***

**BPR013 – ORBITS Essential and Policy Package Fiscal Impact Summary**

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Judicial Dept Cross Reference Name: Capital Construction  
 Pkg: 216 - Supreme Court Building Preservation Cross Reference Number: 19800-089-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Obligation Bonds	-	-	27,413,293	-	-	-	27,413,293
<b>Total Revenues</b>	-	-	<b>\$27,413,293</b>	-	-	-	<b>\$27,413,293</b>
<b>Transfers Out</b>							
Tsfr To Administrative Svcs	-	-	(601,082)	-	-	-	(601,082)
<b>Total Transfers Out</b>	-	-	<b>(\$601,082)</b>	-	-	-	<b>(\$601,082)</b>
<b>Capital Outlay</b>							
Technical Equipment	-	-	489,347	-	-	-	489,347
Land and Improvements	-	-	206,259	-	-	-	206,259
Building Structures	-	-	12,887,528	-	-	-	12,887,528
Equipment - Part of Building	-	-	6,909,640	-	-	-	6,909,640
Professional Services	-	-	2,724,217	-	-	-	2,724,217
Contingencies	-	-	2,409,429	-	-	-	2,409,429
Other Capital Outlay	-	-	1,185,791	-	-	-	1,185,791
<b>Total Capital Outlay</b>	-	-	<b>\$26,812,211</b>	-	-	-	<b>\$26,812,211</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	26,812,211	-	-	-	26,812,211
<b>Total Expenditures</b>	-	-	<b>\$26,812,211</b>	-	-	-	<b>\$26,812,211</b>

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Essential and Policy Package Fiscal Impact Summary - BPR013

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Judicial Dept

Cross Reference Name: Capital Construction

Pkg: 216 - Supreme Court Building Preservation

Cross Reference Number: 19800-089-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# CAPITAL BUDGETING

**BPR012 – ORBITS Detail of Lottery Funds, Other Funds, and Federal Funds Revenue**

*DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE*

Judicial Dept				Agency Number: 19800		
2013-15 Biennium				Cross Reference Number: 19800-089-00-00-00000		
<i>Source</i>	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Rec. Budget	2013-15 Leg Adopted Budget
<b>Other Funds</b>						
General Fund Obligation Bonds	-	-	-	27,413,293	-	-
Tsfr To Administrative Svcs	-	-	-	(601,082)	-	-
<b>Total Other Funds</b>	-	-	-	<b>\$26,812,211</b>	-	-

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Detail of LF, OF, and FF Revenues - BPR012

# CAPITAL BUDGETING

**BPR007A – ORBITS Program Unit Appropriated Fund Group and Category Summary**

*Judicial Dept*

*Agency Number: 19800*

Program Unit Appropriated Fund Group and Category Summary  
 2013-15 Biennium  
 Capital Construction

Version: V - 01 - Agency Request Budget  
 Cross Reference Number: 19800-089-00-00-00000

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Rec. Budget	2013-15 Leg Adopted Budget
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**CAPITAL CONSTRUCTION (Policy Packages)**

**PRIORITY 0**

**216 SUPREME COURT BUILDING PRESERVATION**

**CAPITAL OUTLAY**

Other Funds

-                      -                      -                      26,812,211                      -                      -

**TOTAL CAPITAL CONSTRUCTION (Policy Packages)**

Other Funds

-                      -                      -                      26,812,211                      -                      -

**TOTAL CAPITAL CONSTRUCTION (Including Packag**

Other Funds

-                      -                      -                      26,812,211                      -                      -

**TOTAL BUDGET**

Other Funds

-                      -                      -                      26,812,211                      -                      -

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 Program Unit Appropriated Fund and Category Summary- BPR007A