

CAPITAL BUDGETING

Capital Budgeting

Supreme Court Building – Preservation and Seismic Retrofit

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.

Exterior Rehabilitation

During the 2013 Legislative Session, \$4.4 million in Capital Construction funds and bonding authority were authorized to address serious safety concerns that had arisen pertaining to the exterior façade and windows. Due to water penetration from a variety of sources, including dry-rotted windows and frames, the terracotta exterior was delaminating from the building, creating grave safety issues. Funding will address major safety concerns while trying to address the historic nature of the building and the materials used. Starting in October of 2014, funding will rehabilitate the following exterior components:

- Terra Cotta Tile Exterior – All exterior tile cleaned and resealed; identified tile will be repaired / replaced / refinished dependent on condition assessment. This includes all flat field tile as well as columns, cornices, moldings and accent pieces.
- Windows – Wood windows stripped of old finishes, and the frames, sashes and hardware repaired/refurbished/refinished as applicable.
- Fire Escape – West side fire escape repaired and refinished.
- North Entrance Canopy – Assessed and repaired as needed

Exterior work will not interfere with future renovation and seismic upgrade work intended for the interior of the Supreme Court Building.

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Policy Option Package–315: Supreme Court Building Preservation and Seismic Retrofit

Companion Package: No

Purpose

This package seeks additional Capital Construction funds and bonding authority to perform further replacement, renovation and seismic upgrades to the 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. During the 2013 Legislative Session, \$4.4 million in Capital Construction funds and bonding authority were authorized to address serious safety concerns that had arisen pertaining to the exterior of the building. OJD is requesting additional capital construction funds to perform interior renovation and upgrade work

How Achieved

In partnership with DAS Facilities, OJD has contracted with Hennebery Eddy Architects to assess and plan the next phase of capital construction work to the Supreme Court Building. Based upon a July 2014 project estimate, the overall cost of the project would be \$19.8 million, though this includes only moderate seismic stability. If the level of seismic reinforcement that is currently being recommended for the State Capital Building is applied to this project it will increase the cost approximately another ten million dollars. This current price is lower than the \$25.8 million bonding request submitted in May 2014. Major components and cost areas of the project include:

- Seismic and Structural upgrades
- Mechanical Systems replacement and upgrades
- Power and Electrical
- Lighting
- Plumbing
- ADA
- Fire and Life Safety
- Internal Controls
- Professional Services and DAS Project Management

Due to the extensive nature of the project, relocation of personnel and court operations will need to take place. Estimated costs for relocation, leasing of temporary office and courthouse space and setup costs may vary do to timing of the project, vacancy rates in the Salem market, and other State

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renovation projects in the area, and could increase the overall cost of the project. POP #315 does not include any debt service or cost of issuance for bond sales to support capital construction work.

Staffing Impact

None

Revenue Source

\$19,779,025 – Other Funds

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ORBITS and PICS Reports

BPR013 – ORBITS Essential and Policy Package Fiscal Impact

Summary

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Judicial Dept
Pkg: 031 - Standard Inflation

Cross Reference Name: Capital Construction
Cross Reference Number: 19800-089-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Land and Improvements	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

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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
Pkg: 315 - Supreme Court Building Preservation & Seismic Retrofit

Cross Reference Name: Capital Construction
Cross Reference Number: 19800-089-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Obligation Bonds	-	-	19,779,025	-	-	-	19,779,025
Total Revenues	-	-	\$19,779,025	-	-	-	\$19,779,025
Capital Outlay							
Building Structures	-	-	10,015,372	-	-	-	10,015,372
Equipment - Part of Building	-	-	3,500,000	-	-	-	3,500,000
Professional Services	-	-	2,485,215	-	-	-	2,485,215
Contingencies	-	-	2,071,562	-	-	-	2,071,562
Other Capital Outlay	-	-	1,706,876	-	-	-	1,706,876
Total Capital Outlay	-	-	\$19,779,025	-	-	-	\$19,779,025
Total Expenditures							
Total Expenditures	-	-	19,779,025	-	-	-	19,779,025
Total Expenditures	-	-	\$19,779,025	-	-	-	\$19,779,025
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

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BPR012 - ORBITS Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

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

Judicial Dept
2015-17 Biennium

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

Source	2011-13 Actuals	2013-15 Leg Adopted Budget	2013-15 Leg Approved Budget	2015-17 Agency Request Budget	2015-17 Governor's Budget	2015-17 Leg Adopted Budget
Other Funds						
General Fund Obligation Bonds	-	4,400,000	4,400,000	19,779,025	-	-
Total Other Funds	-	\$4,400,000	\$4,400,000	\$19,779,025	-	-

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Detail of LF, OF, and FF Revenues - BPR012