

MINUTES OF THE MEETING
LONG RANGE BUILDING SUBCOMMITTEE

March 29, 1979
8:15 a.m.
Room 104
State Capitol Building

Subject: SB 326, SJR 11
HB 417 - Health Department
- Supreme Court
- State Library

Tape 1: Side 2, Track 4 (573)

The meeting was called to order by Chairman Dan Yardley, Sen. Etchart was excused, all other members were present. Also present was Fiscal Analyst, Judy Rippingale.

Phil Hauck, Department of Administration began with a presentation of the Energy Conservation Program for State Buildings, and explained what has been done and what they propose to do. Annual utility bills are approximately \$6,500,000 for the state. Proposals could save 30% to 40% in utilities or as much as \$2,500,000 each year. However, it is going to cost money to save money.

Alex Drapes, Drapes Engineering, explained the program. In 1977 the legislature appropriated \$200,000 to begin a study of conservation methods in state owned buildings. The subsequent proposal includes; conservation in new constructions, conservation in the existing state owned buildings and changing energy forms or sources in buildings.

Gregg Conniff, Drapes Engineering, presented a slide show explaining their program. Mr. Conniff predicted energy prices will continue to increase through the 1980's. The United States is doubling its energy consumption every 15 years, while relying on nonrenewable resources. The cheapest form of energy today is energy conservation. The problem is convincing individuals to save energy. The first step is to make it economically feasible to save energy. In this way, the consumer is shown he can save energy and money at the same time. The last alternative is to enact a program of forced energy conservation.

The department proposes a five point program:

- (1) An education and awareness program to include the Montana Energy Conservation Guidelines which contain suggestions for implementing low cost or no cost energy conservation ideas.
- (2) An energy metering program of state-owned buildings.
- (3) An energy auditing and monitoring program of state-owned

buildings. The goal is to reach a 20% savings level in all state buildings.

(4) Survey buildings using life cycle analysis evaluations to determine economically feasible energy saving options.

(5) Retrofit or installation of economically feasible energy saving options.

The potential costs and benefits of an intensive monitoring program would be on going, assuming that 20% can be achieved. This is using a base year of 1973. Potentially, by spending some \$21,000,000 to retrofit 10 million square feet, the savings could be over \$40,000,000 for a 20 year period. This represents a 20% savings.

In summary, Mr. Drapes said through expenditures of capital dollars we can return dollars to the state. The \$1,300,000 requested is what is needed to continue the program. However, the scope of the program is going to be in direct proportion to the amount of money spent. He suggested that some of the money could come from the coal severance tax, however, at this time they are asking for it out of the Long Range Building Program. Mr. Drapes did not feel that this fund could sustain the program on a permanent basis.

Sen. Fasbender asked if there were specific buildings that could be done immediately at significant cost savings. They have to go through and decide which of the 20 buildings under consideration they want to put money into now. The Department of Administration will be responsible for making these decisions. The money will be directed to where they can realize the greatest utility.

In response to a question from Rep. Kvaalen, it was noted that less than \$300,000 of this amount will be for studies. About \$1,000,000 will be for actual construction. The original study called for \$2,000,000 for the biennium. You can only go so far in educating the people, then you have to spend money to retrofit the buildings. The time to do this is now!

Rep. Yardley asked if it was their feeling that construction codes required greater expenditures than are necessary. It was explained that there are provisions to take into account. However, this program does propose optimum energy conservation.

SENATE BILL 326. Sen. Lowe presented SB 326 of which he is sponsor. The bill provides for the construction of a new legislative wing to the existing State Capitol. Sen. Lowe maintained that if the legislature is to perform responsibly they should be equipped with proper facilities. The bill calls for a massive, one time expenditure, but it is something that has to be done sometime. Two years ago this project was estimated at \$5,200,000. Today the cost is

\$7,000,000.

Sen. Lowe explained that the project would probably require four years to complete. Other states have some kind of private office facilities for their legislators. According to Sen. Lowe, there is no question that the facilities are needed in Montana.

Sen. Lowe proposed putting this new wing off of the back of the Capitol, preserving the drive-around. It would be a three story structure to match the present Capitol Building. It would include private office space for each legislator, provision for the stenoclerk help, a reception lobby, a small library, conference rooms and a cafeteria. The offices of the Legislative Council and the Fiscal Analyst would also be located in this wing.

Sen. Lowe also suggested that the Law Library for the Supreme Court could be located in the basement of this building, with unlimited space for book stacks.

Sen. Lowe stated that the Governor thinks this is a proper consideration, but it was not included in his priority list at this time. The present chambers would not be altered.

With regard to financing, Sen. Lowe stated that the annual debt service, considering the present budget, is going to drop from \$3,400,000 to \$2,700,000 in 1981, which is when this building would require funding. This building could be funded totally with the drop in the bonding servies; of approximately \$700,000. He urged the committee to look at that particular situation. This is not distrubing the budget amount in this year's budget.

In response to anticipated questions about only using the building three months of the biennium, Sen. Lowe said this should not be considered as a factor. All of this building is not fully used all the time, except the floor with the legislative offices. He also anticipated that legislators would use their offices throughout the biennium.

He concluded his presentation, saying this should be a top priority and hoped the committee would examine the proposal very seriously.

Mr. Hauck introduced the next project, the Supreme Court Building. This project is budgeted in the bonding program at \$4,300,000 and has been under consideration since 1967. He felt there was a greater need for this building than the Legislative Wing because this proposal presents a better solution to the space problems.

Mike Abley, Court Administrator, was present to support the proposal and to answer questions from the committee.

Justice John Harrison spoke in support of the project. He said

the Idaho Legislature appropriated \$2,500,000 for a similar building and how has the most adequate judiciary building in the U.S. Montana's court has grown beyond the existing facility. He cited the Law Library as one example where they have had to move 5,000 books to the library at UM. The library is at capacity now and they have no place to go. Even if this session does not provide the two requested justices, they have run out of space for personnel. The Law Library presents the most significant spatial problems. Ten years ago this proposal came from the Senate and the House, this session the court has decided to ask for the space themselves. The whole Justice Department would also be included in the new building.

Justice Harrison did not feel the Law Library in the basement of the Legislative Wing would be acceptable. The library is used continually and proximity to the Supreme Court is important. In his opinion this would not be a good decision.

The site for this proposal is the corner of 6th and Sanders. The \$4,300,000 does not include the renovation of the present area.

In response to a question from Rep. Bardanouve, it was explained that the library has 55,000 volumes. They would like to weed out the volumes that are never used, but do not have the staff to do it. Many volumes have been moved to a room in the basement for storage, but these volumes are not available for reference.

Rep. South asked if there was any possibility of combining the State Library with the Law Library in the basement of this proposed building. It was explained that the original plans are now obsolete, therefore, the plans will have to be redrawn and this could be a consideration. The plans submitted for the State Library are for 50,000 square feet. It was generally agreed that both libraries would oppose such a move.

Sen. Himsel asked if any consideration had been given to moving the Law Library to the library at UM. It was explained that this had been considered, but not very seriously.

Claire Engel, Law Librarian, pointed out that she has measured the space left in the library and they will be out of shelf space before the end of this Fiscal Year. The library has gone heavily to microfiche but there is no more room left, even for the microfiche. The library does not have sufficient room for its personnel. They have been given more staff, but they have no place to put them. They also have to limit the number of people using the library at one time. She closed, saying they are desperate for space and urged the committee's favorable consideration.

The next proposal was the State Library: a request for \$70,000 for planning. Alma Jacobs, State Librarian, said this is a request for planning money for a State Library for this biennium, with

construction to begin in the next biennium. The lease for the present building will not be renewed and they will have to move by 1983.

The State Library began in Missoula, but it was not convenient to have it there because one of their responsibilities is service to the Agencies of State Government which accounts for 40% of their requests. For this reason, they would like to move closer to the Capitol Complex.

They have problems of heating and light in the present location. There is also a problem of space arrangement which is inefficient for their responsibility to serve the blind and physically handicapped patrons. They would like to have their service to the blind located in a more convenient area. They also have a large mailing operation for the blind and handicapped.

They do a tremendous amount of inter-library loan through their involvement in the federation system. Another program is their service state institutions, serving both the staff and the inmates. In addition, they are responsible for library development in the state and administer a federal grant program enabling Montanans to have access to material not in their particular area.

Mrs. Jacobs concluded, saying they would like to have this proposal in the planning this biennium because of space problems and bad working conditions. If the planning is done this biennium, construction could begin in the next biennium.

Margaret Warden, former Senator who served on the Capitol Complex Building Committee during the interim, recommended the \$70,000 to be spent for the planning of the State Library. The State Library could be combined with the Supreme Court Building if the committee wanted to make that building big enough to accommodate them. The consolidation of the State Library and the Law Library is not impossible, but they serve different functions and she thought consolidation would meet with a great deal of resistance from both parties. If this were to be done, they would both have to operate in a different space.

The interim committee's recommendation was to make the State Library part of the Educational Building. One of the over-riding arguments for placing this in the Capitol Complex is that the State Library is authorized and required to serve state agencies. If it were within walking distance it would be used more efficiently. State Libraries traditionally have been in the Capitol Complex.

Ms. Warden closed, urging the committee to consider the \$70,000 for the planning in this biennium. Something has to be done and she asked for the committee's favorable consideration.

J. D. Holmes, Montana Institute of the Arts Foundation, spoke in

support of the planning money for the State Library to get authority for construction in the next biennium. This would allow the library to meet the moving deadline. He asked for the committee's support on this project.

Rep. South asked if given the weight problems, both libraries could be placed in the basement of the Justice Building, even if the basement had to be extended out under the parking lot. Mr. Hauck felt that this was a possibility, that in fact, this had been part of the original proposal in the Education Building. He felt the committee could see the complexity of this problem and thought the planning money could be used to address these problems. The solution will probably be to combine some of the proposed projects. The land in the Capitol Complex area is too valuable to be building smaller separate buildings.

Sen. Fasbender was concerned that if the Supreme Court Building is approved this session it will go as planned and will be too small to include the library. The size of the building would have to be doubled to include the library. It was explained that the functional space requirements for the Supreme Court are 37,500 square feet. The gross building area is about 50,900. The library needs 27,000 square feet. The gross square footage for the proposed library is 37,500.

The proposal from the Department of Health is for the renovation of, and an addition to the Cogswell Building. The addition would be four stories added to the south of the building.

Bob Redpath, Department of Health, explained they are now renting 5 different facilities in the Helena area and pay \$169,000 a year for leased properties. This is the first chance the department has had to be centrally located. The move would involve some 250 employees and help to create many economies in the daily operations of the department. Renovation will be done at an estimated cost of \$400,000, the remaining funds are for the addition.

Dr. Knight, Director of the Department of Health, said it is a nightmare to administer in so many locations. It will really help the administration to be in one building. He concluded, saying he thought this approach would be the most reasonable solution to their problem.

John Bartlett, Board of Health, said he would like to have the committee approve this allocation. This move would give the department a better control. He urged the committee's favorable consideration of the proposal.

Rep. Yardley asked if they had looked at the feasibility of doing the renovation without the addition. It was explained that another building would have to be redesigned if this option was

selected. They would also only be able to move part of the department into the building without the addition.

Rep. Bardanouve asked how many additional employees would be brought into the capitol complex area and would there be parking available. An estimated 150 more employees would be moved to the area. Parking would be provided around the SRS building which was designed to accommodate these additional employees. They would lose about 20 parking spaces with the new addition.

Rep. Kvaalen asked about the possibility of building additional stories on the existing facility. It was explained that they had looked into this and it was more economical to add on to the south. Also, they could never verify that the building was designed to accommodate additional floors.

SENATE JOINT RESOLUTION 11. Dave Fuller, Labor and Industry, said their problem is similar to that of the Department of Health. They have six divisions, each in a different location. To have the department in a single location clearly makes sense. This is not a general fund appropriation, it would be used as an investment of the trust fund.

Jim Murphy, Labor and Industry, presented a financial analysis of the proposal. He said the cost of housing the five divisions in one place is approximately \$4,000,000. The new facility will house about 260 employees and allow for a 15% expansion. The proposed facility would improve customer services in addition to increasing management efficiency and effectiveness. The new facility would also provide greater energy conservation at a considerable savings. One division is presently located in the old Safeway building which is poorly insulated and very energy inefficient.

Most important, the economical analysis justifies the construction of the new facility. He cited an analysis which was done comparing the option to rent or to build. The analysis showed that over a 20 year period the state would realize \$400,000 in savings to construct as opposed to renting. He pointed to the investment potential of this facility. The building is going to be an asset to the state with a 14% rate of return to the state fund.

One other alternative would be to sell bonds at 8% or 9% interest.

Mr. Murphy closed saying he believed this proposal is justified and makes good sense. It will improve the operation and efficiency of state government. The construction does not require state funds and he hoped the committee would concur with their request.

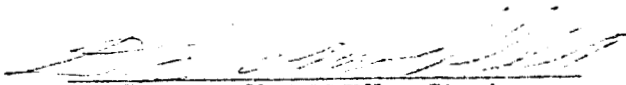
Senator Blaylock spoke in support of the proposal. He also felt

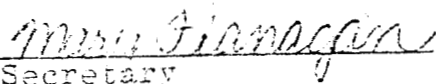
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that the savings to the state over a 20 year period was good and believed this was a good, sound investment.

There was no further business, the meeting was adjourned at 10:15 p.m. The next meeting was scheduled for Tuesday evening, April 3, 1979.

Respectfully submitted.


REP. DAN YARDLEY, Chairman


Secretary