



Office of the Commissioner

Department of Buildings & General Services
Agency of Administration

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MEMORANDUM

TO: Special Committee on Waterbury Complex Design
(Joint Fiscal Committee, the House Chair of Corrections and Institutions and the Senate Chair of Institutions)

FROM: Michael J. Obuchowski, Commissioner Buildings and General Services *MJO*

DATE: November 6, 2012

SUBJECT: Request for Approval; Waterbury State Office Complex proposed Modified Option B design as presented to Joint Committee on Institutions and approved 10-1 on October 19, 2012

Vermont General Assembly No. 104 Public Acts, 2012 Section 9 (f)(1)(A) calls for A Special Committee consisting of the Joint Fiscal Committee and the chairs of House Corrections and Institutions and Senate Institutions to review, recommend alternations and approve a Modified Option B design in accordance to the general assembly's vision for the Waterbury State Office Complex.

The Department of Buildings and General Services proposed a Modified Option B plan to the Joint Institutions Committee on October 19, 2012. Approval was granted on that day and the plan is a follows:

Recommendation

After completing the financial analysis of three options in accordance with Act 104 Sec. 3 (f) (1) our recommendation differs only in the following respects from the General Assembly approved design of March 9, 2012. The modified plan:

- Accommodates 192 more state employees by increasing the size of the new addition (total of 974 AHS employccs).
- Relies on new construction rather than renovation and relies on the utilization of telework.
- Sets the new construction on elevated grade instead of a raised structure.
- Banks Hanks and Weeks buildings for future use (stabilize and save for future expansion or other opportunities such as public private partnerships),



Less Project Cost

1. Revised project cost is \$124,655,000. (July 2012 estimate was \$125,385,000)
2. Cost estimates and designs are based on new design standards for modern workspace @150 square feet.
3. Recommend modified design realizes 10% reduction in occupancy rate does support telework.

O & M Savings

1. Projected operating savings over 30 years is \$2.65 million for the recommended design (October 19, 2012) in comparison to the March, 9 2012 plan.

Energy Savings

1. The life cycle cost analysis has determined that the best option for the heat plant is to proceed with heat generated by wood fired biomass boilers, and cooling by electric chillers. Further thought indicated that the addition of ice storage as a supplemental cooling technology will provide additional operating cost savings.
2. The new building is targeting a 30% reduction in energy consumption as compared to ASHRAE National Standards. The building is also targeted to achieve LEED Gold.

Various other Building Plans

The plan to demolish 15 buildings as proposed in July 2012 has not changed.

1. Plan to divest of Stanley, Wasson, 121 & 123 South Main Street, and Ladd buildings.
 - October 11, 2012 issued a letter to Waterbury Manager Re: our interest to enter into Option for the town and village to obtain title to Stanley and Wasson Hall.
 - October 11, 2012 issued a letter to Central Vermont Community Land Trust an Option to obtain title to Ladd Hall after final assessment of the proposal.
 - October 12, 2012 issued a letter to Board of Directors for Hunger Mountain Children's Center Re: our interest to enter into Option for them to obtain title 121 & 123 South Main Street.
2. Plans for divesting of 5 Park Row, 43 Randall or Father Logue are under development.

More details on the Modified Plan

More Occupancy

1. Renovate the historic core; expand the new addition to accommodate an additional 192 occupants.
 - Modified Option B approved by legislature March 9, 2012 – 800 Occupants
 - Modified Option B presented on October 19, 2012 – 992 Occupants (AHS and BGS)

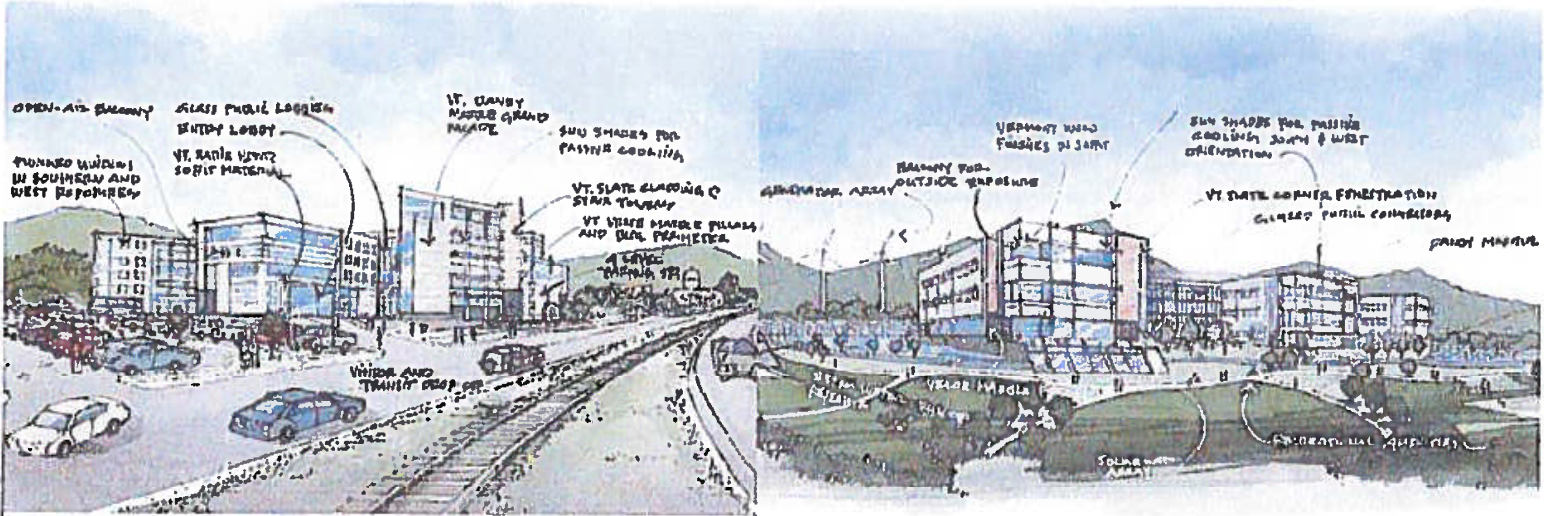
2. The proposed design consists of housing 974 Agency of Human Service (AHS) employees, programming of service was completed in August, 2012. The written program adds up to 934 employees, after final review of programming an additional 40 people were added to accommodate flexibility in design to support AHS programs. An additional 18 BGS employees total 992 occupants.
3. Potential to eliminate lease space for approximately 158
 - a. 66 employees currently in lease
 - b. 90 employees in state owned space move to Waterbury freeing 90 spaces in state owned to relieve other lease holds

Banking for the Future

1. Bank Weeks and Hanks after stabilization for future expansion or other opportunities for State use such as public private partnerships.
 - Project includes all common cost associated with project. Weeks and Hanks will be connected to the new central plant, dry flood proofing, site work, limited renovation, clean-up and stabilization, but are banked.

Reference Attachments:

Freeman French Freeman PowerPoint Proposed Design
Freeman French Freeman Memo 10/12/2012
Economic and Policy Resources, Inc Option Analysis Summary
Flood Plain Analysis – Memo to Representative Cynthia Browning



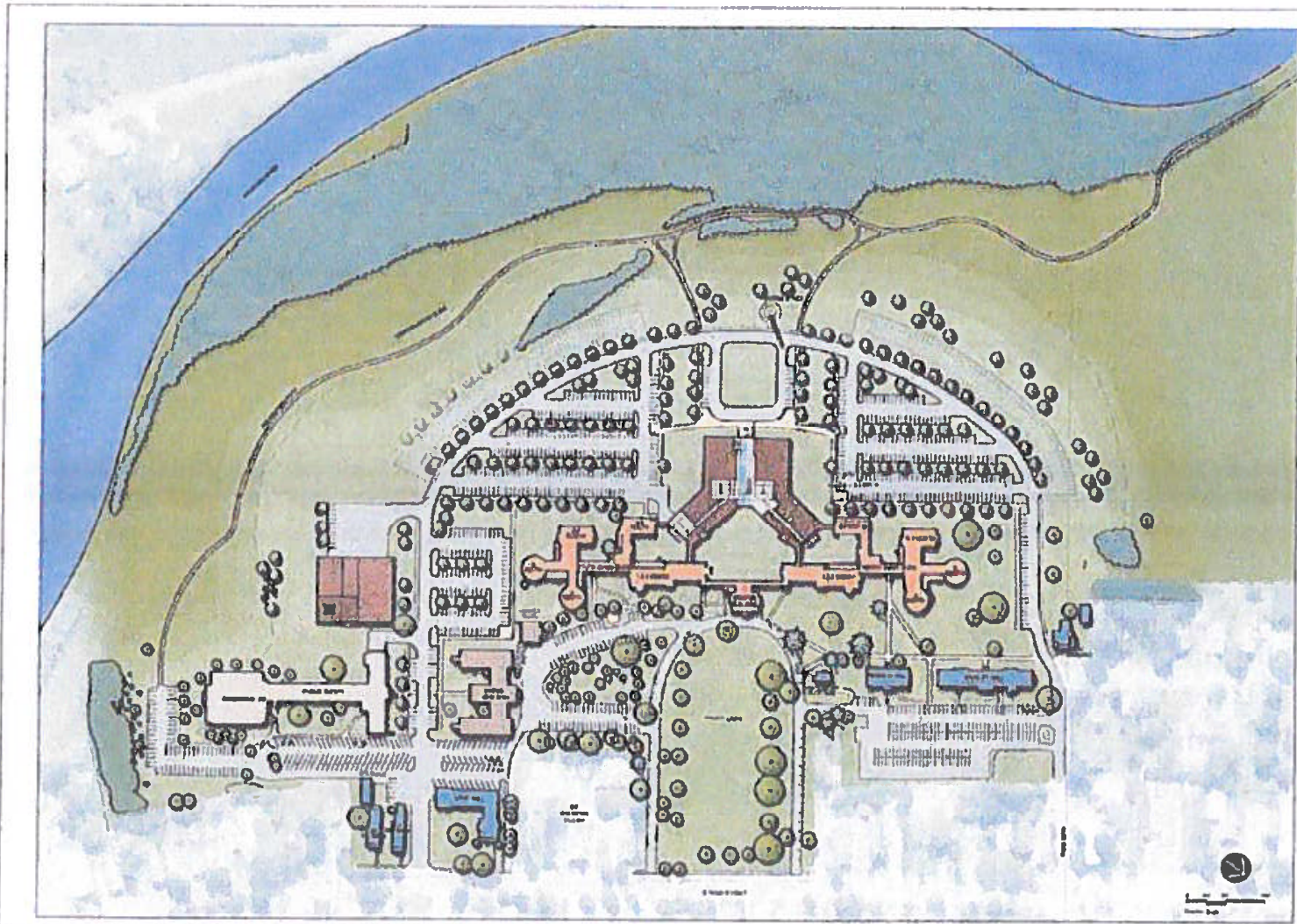
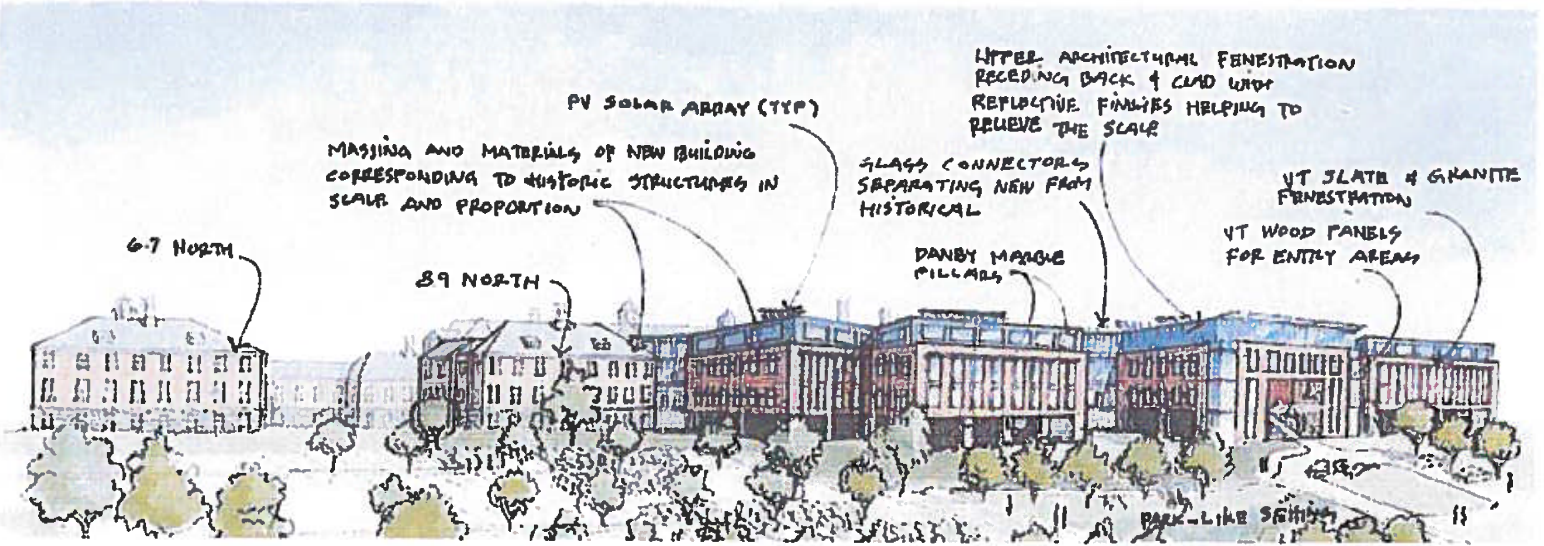
OPTION B - FEASIBILITY DESIGN OBJECTIVES

I) AESTHETICS (CREATE BEAUTY TO RESTORE DIGNITY TO THE WSOO)

- VERMONT NATIVE MATERIALS - EXTERIOR: GRANITE, MARBLE, SLATE
INTERIOR: MARBLE TILES, WOOD, PAINTS
- MASSING AND SHAPE TO COMPLIMENT BUT BE DISTINCTIVE FROM HISTORIC
- OPEN OFFICE ENVIRONMENT UTILIZING NEW SPACE STANDARDS

II) SUSTAINABILITY (SAVING ENERGY AND TAX PAYER DOLLARS)

- ACHIEVE LEED GOLD / HIGH PERFORMANCE BUILDING DESIGN.
- HARVEST DAYLIGHT TO REDUCE ELECTRICITY.
- LIMIT WINDOWS TO 40% AND USE TRIPLE PANE.
- INCREASE R-VALUES TO MEET OR EXCEED VERMONT ENERGY CODE.



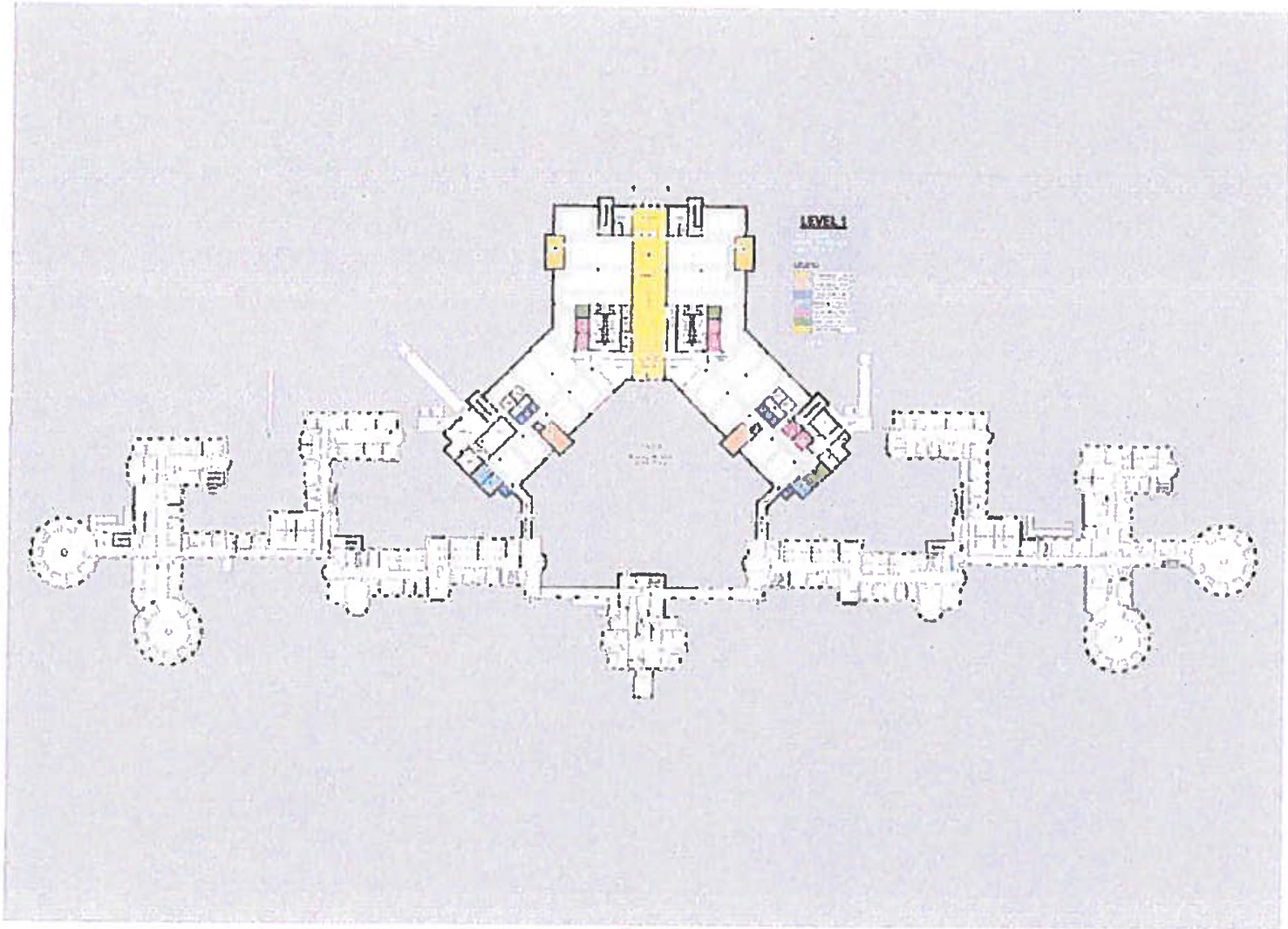
Waterbury State Office Complex
103 South Main Street
Waterbury, Vermont
August 16, 2012

Site Master Plan

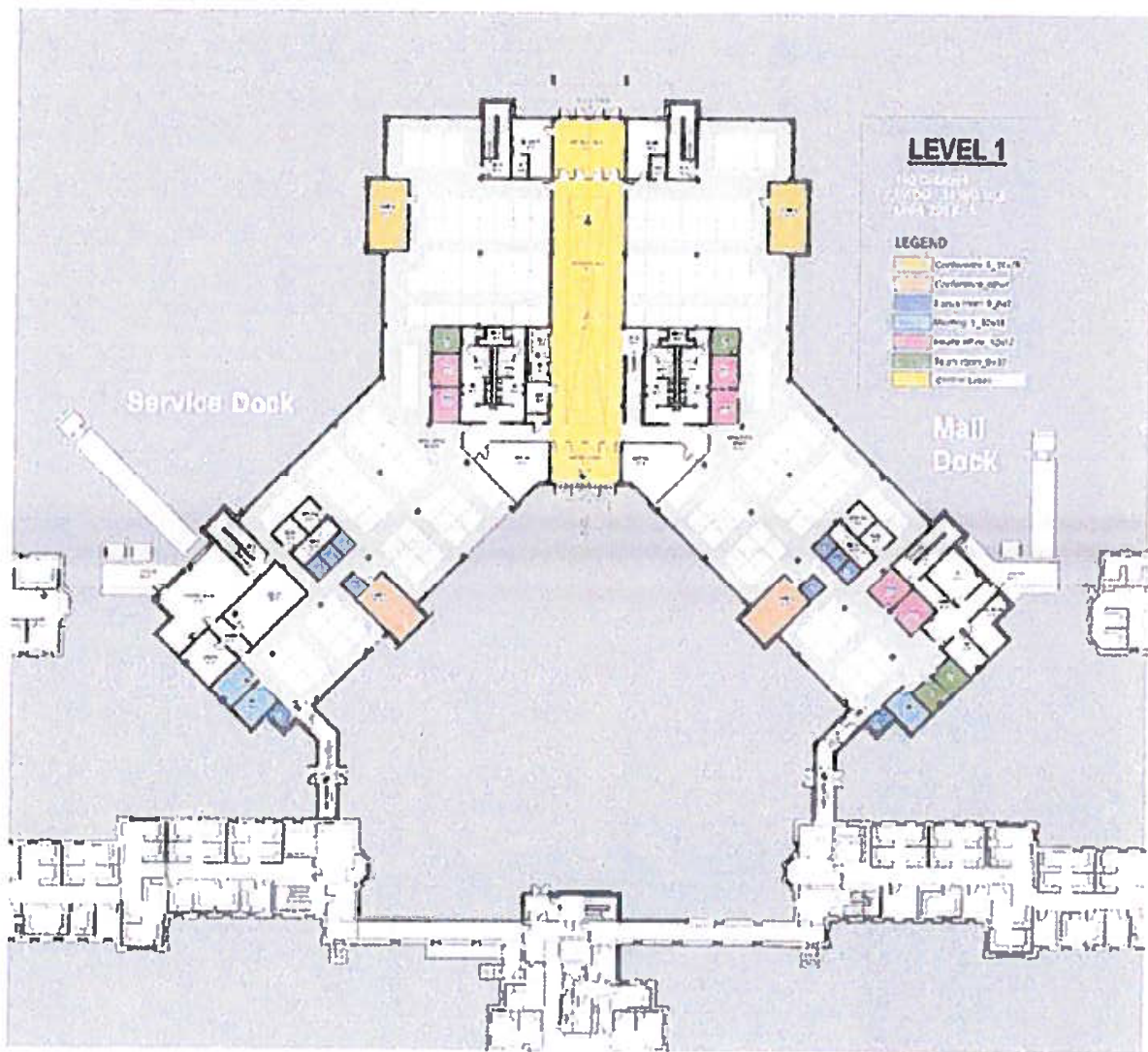


GOODY CLANCY

Urban Fresh Studio

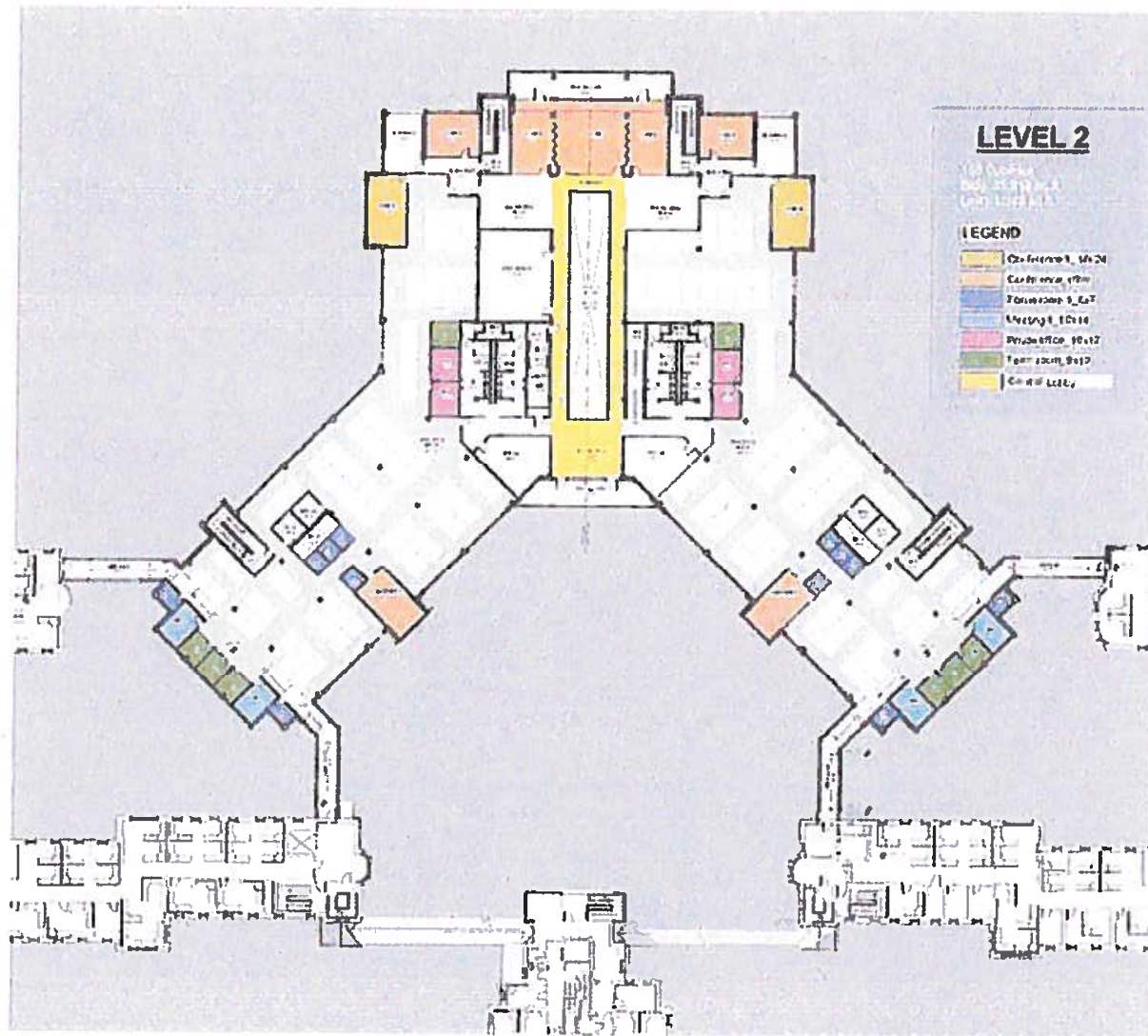


Overall 1st floor Plan



Level 1 Plan





Level 2 Plan



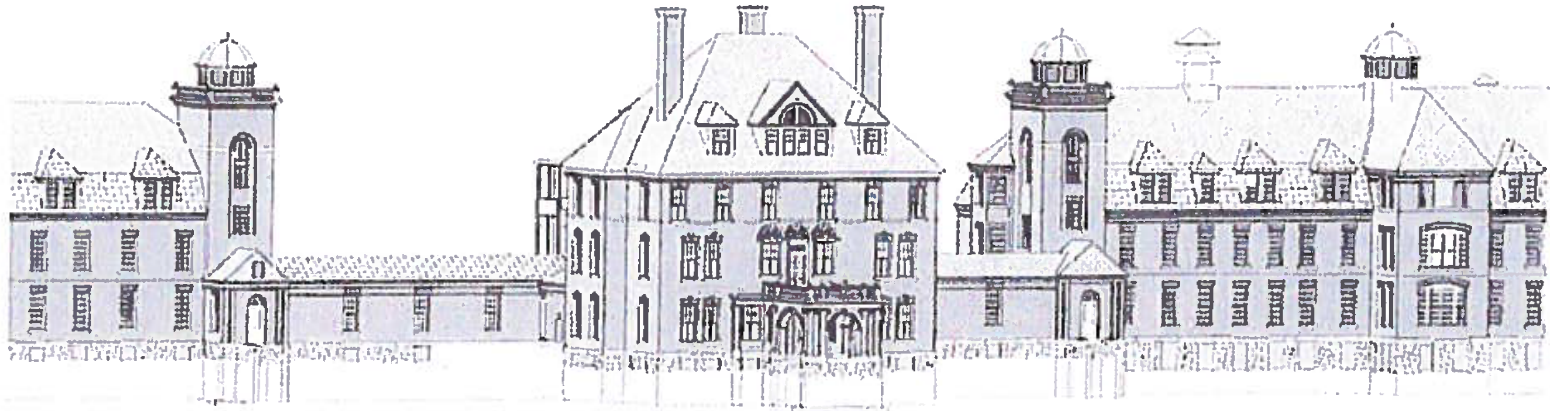
TYPICAL HISTORIC CORE LAYOUT

PARTIAL FIRST FLOOR PLAN - CENTER BUILDING 1, 2, 3 NORTH 4, 5, 6, 7 NORTH 8 & 9 NORTH

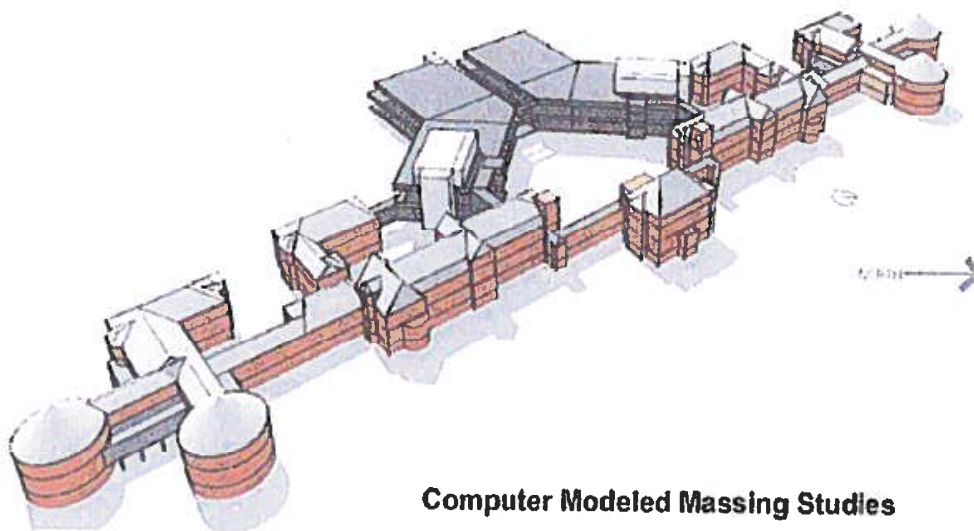
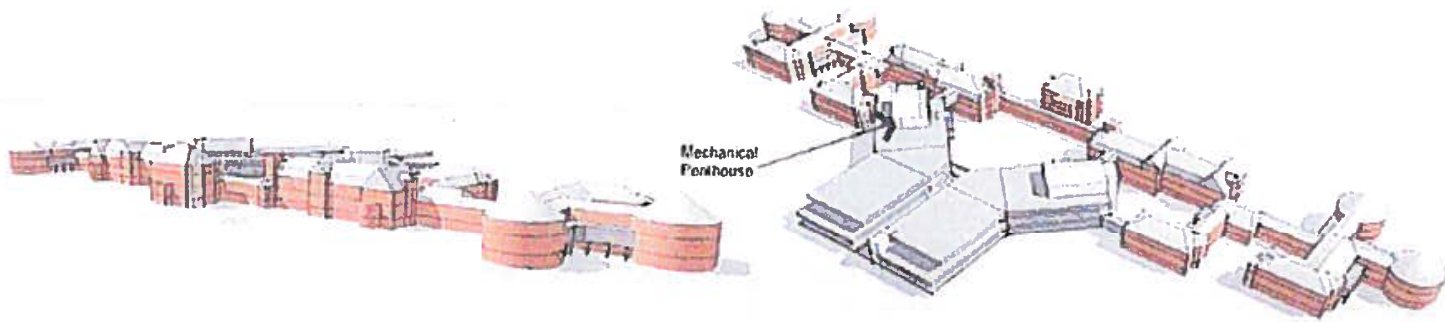


Typical Historic Core Layout



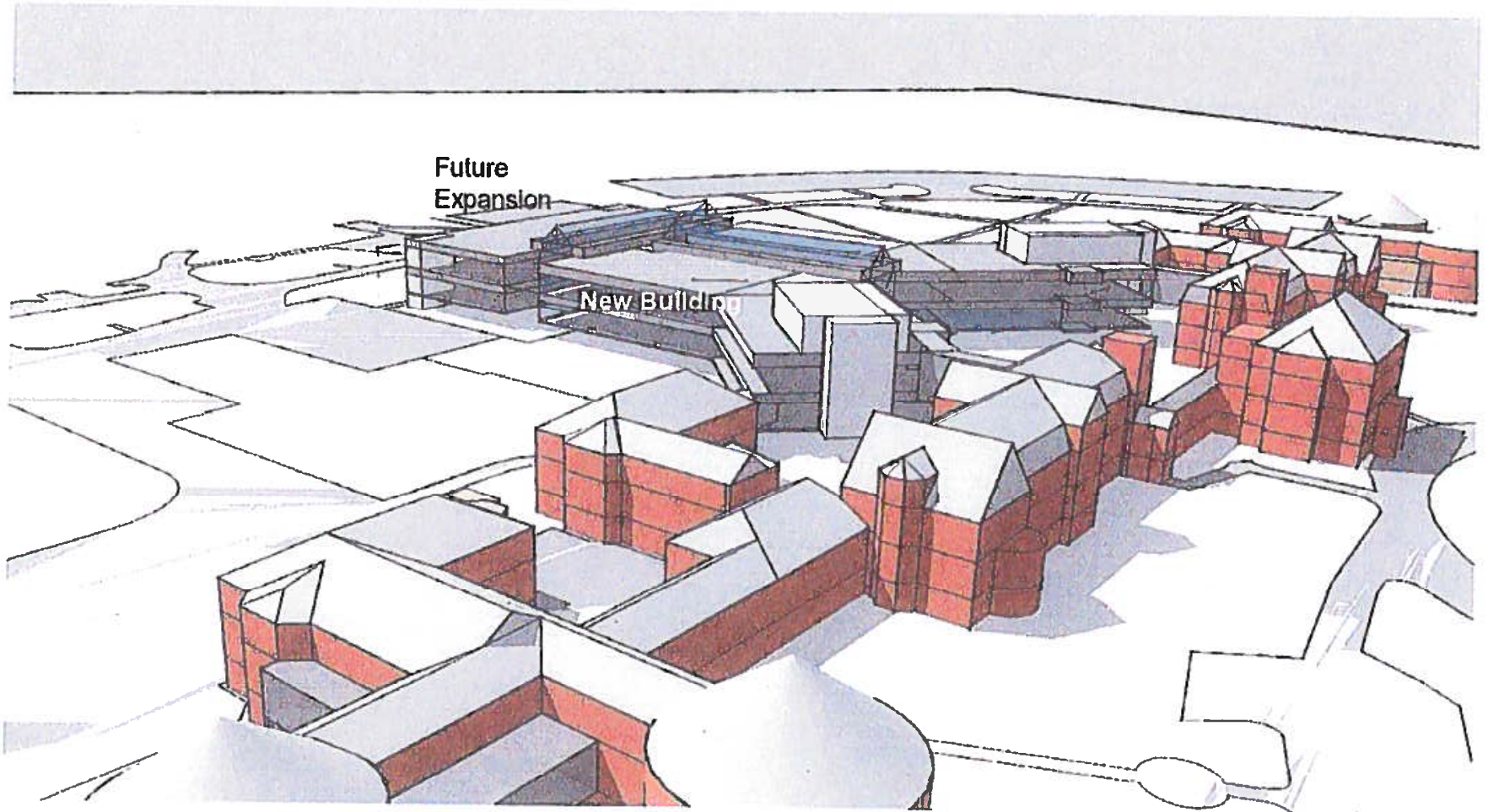


Historic Core

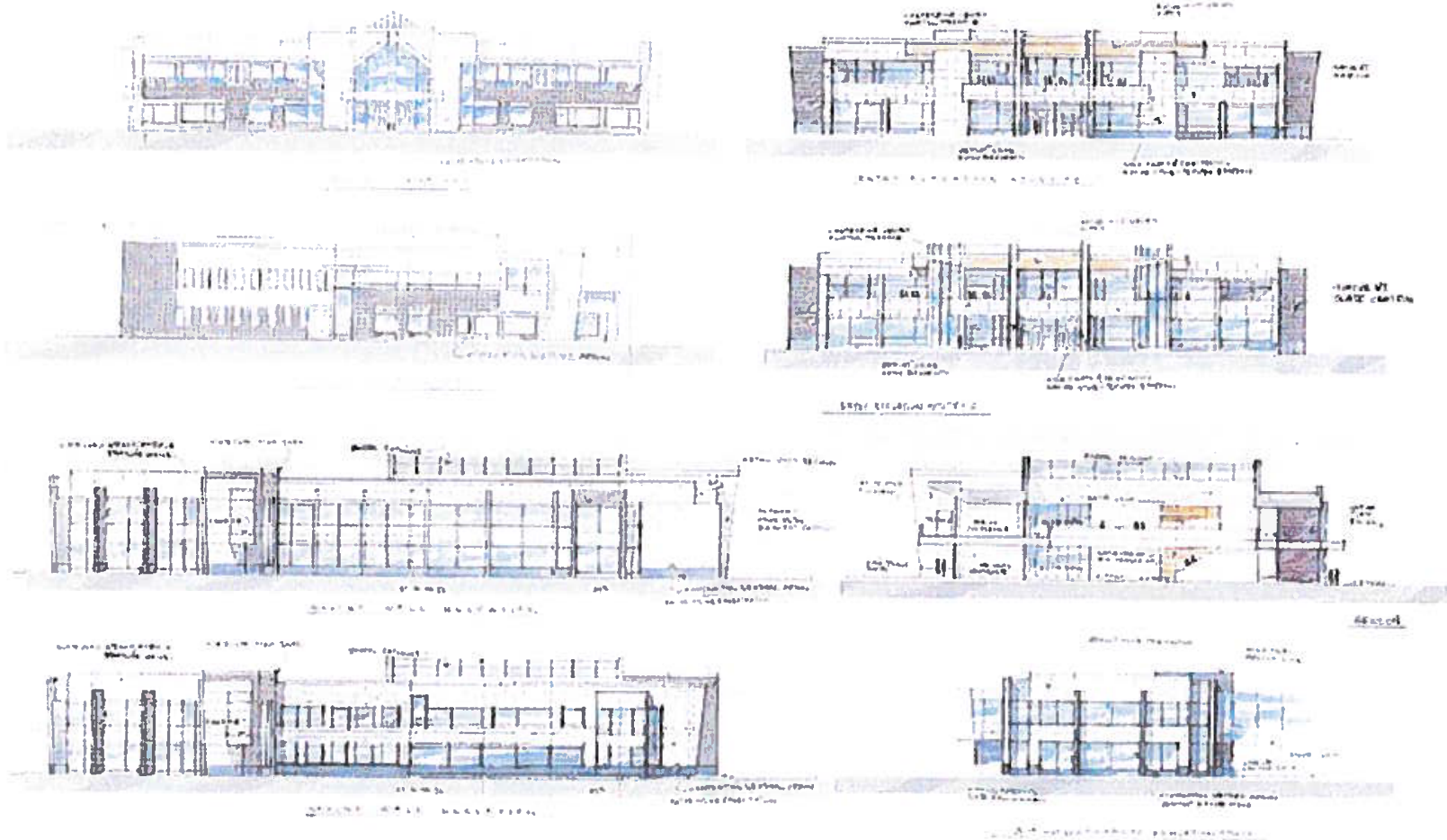


Computer Modeled Massing Studies



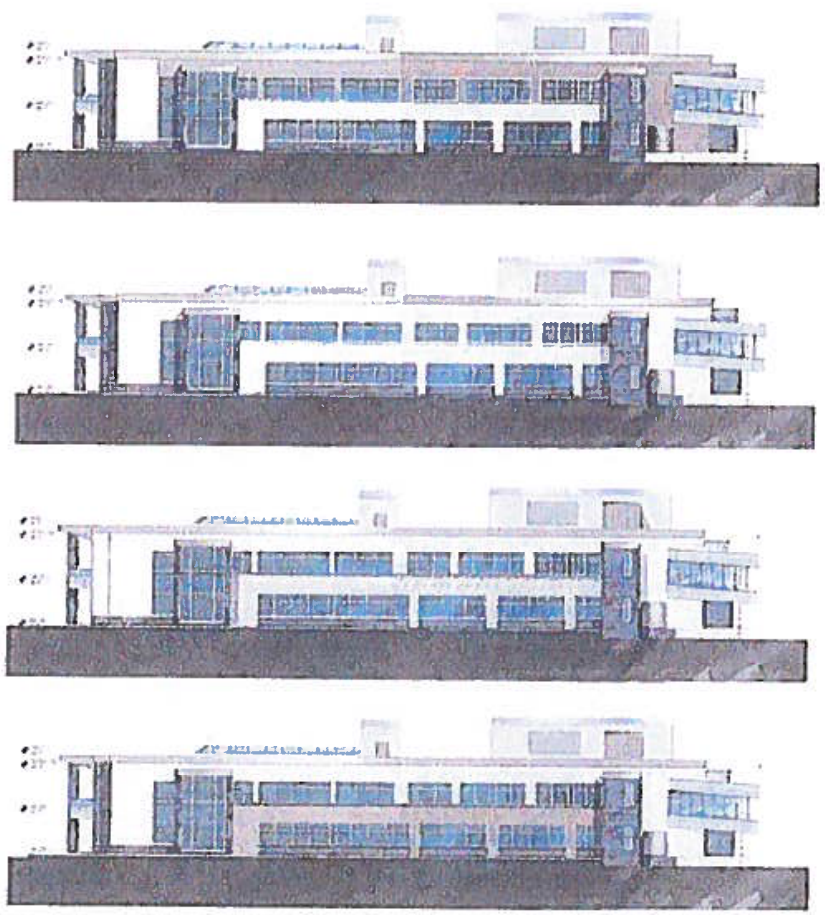
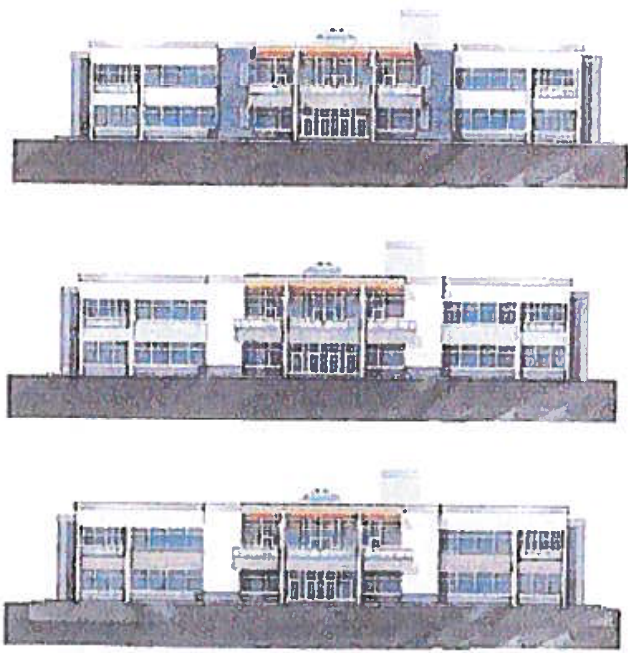


Existing, New Building and Expansion

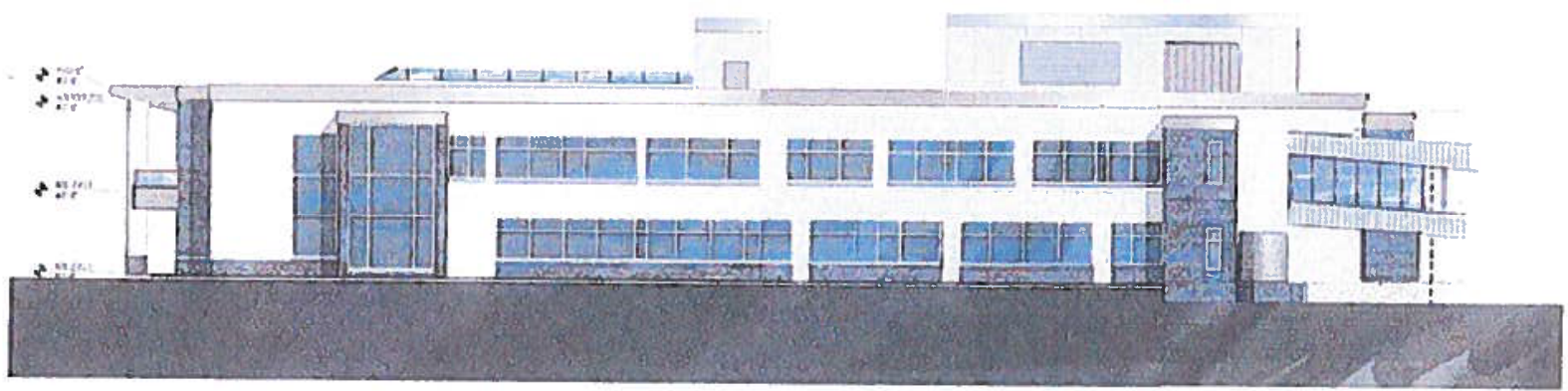
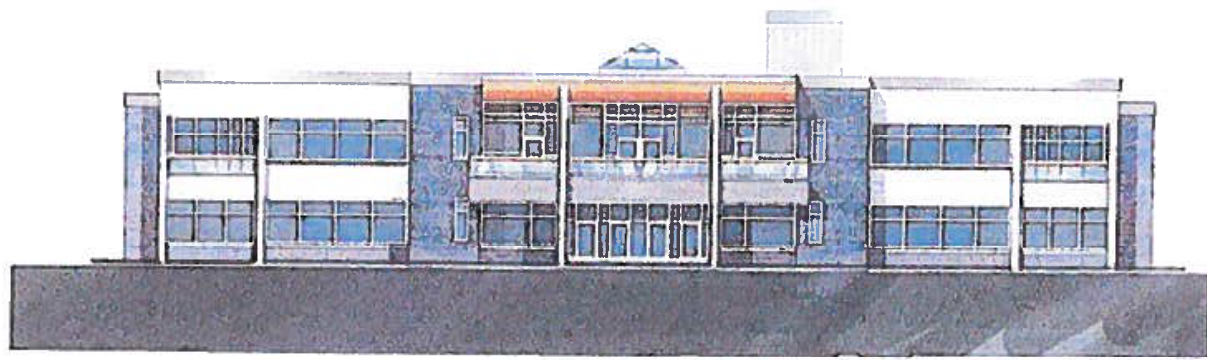


Early Schematic Elevation Studies



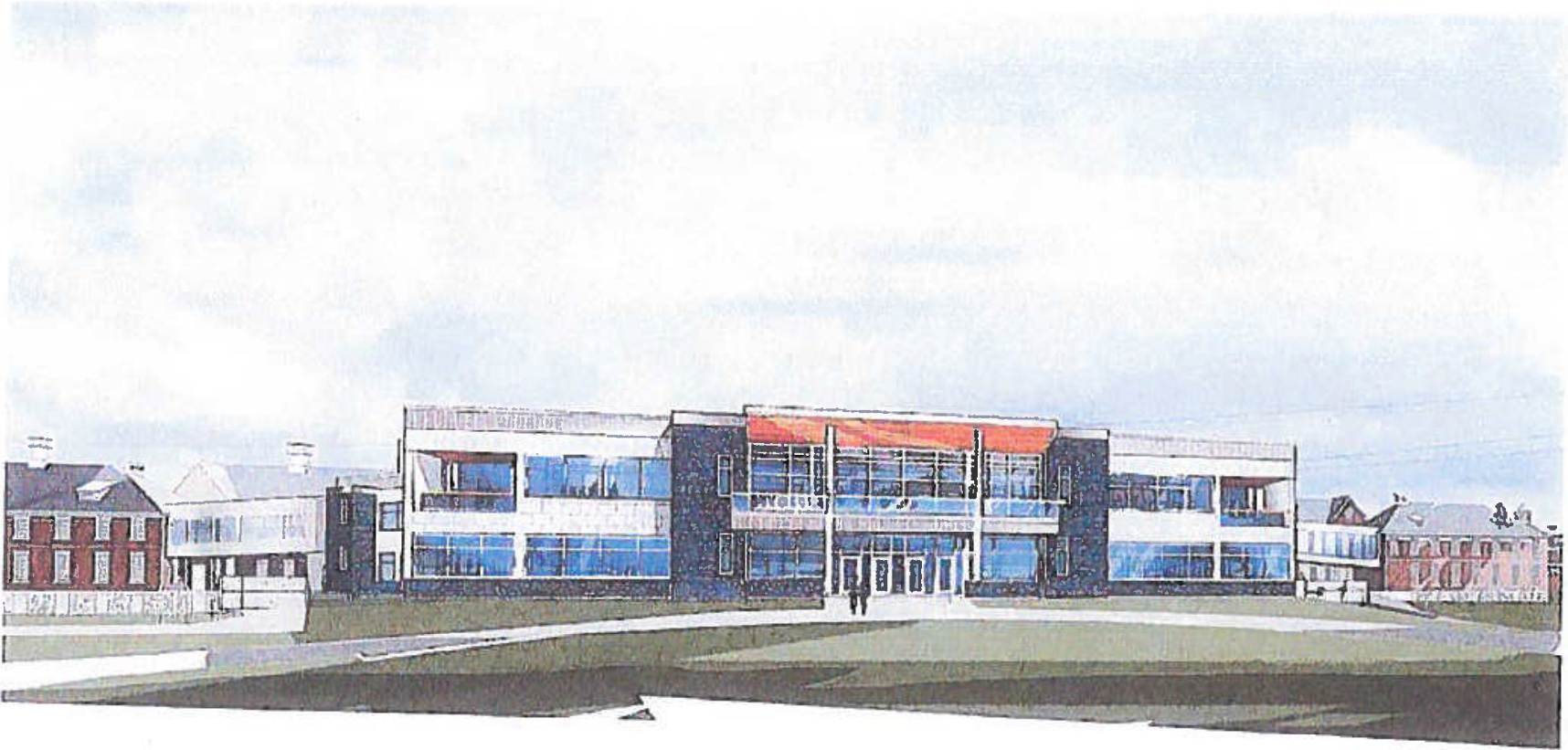


Materials and Color Studies

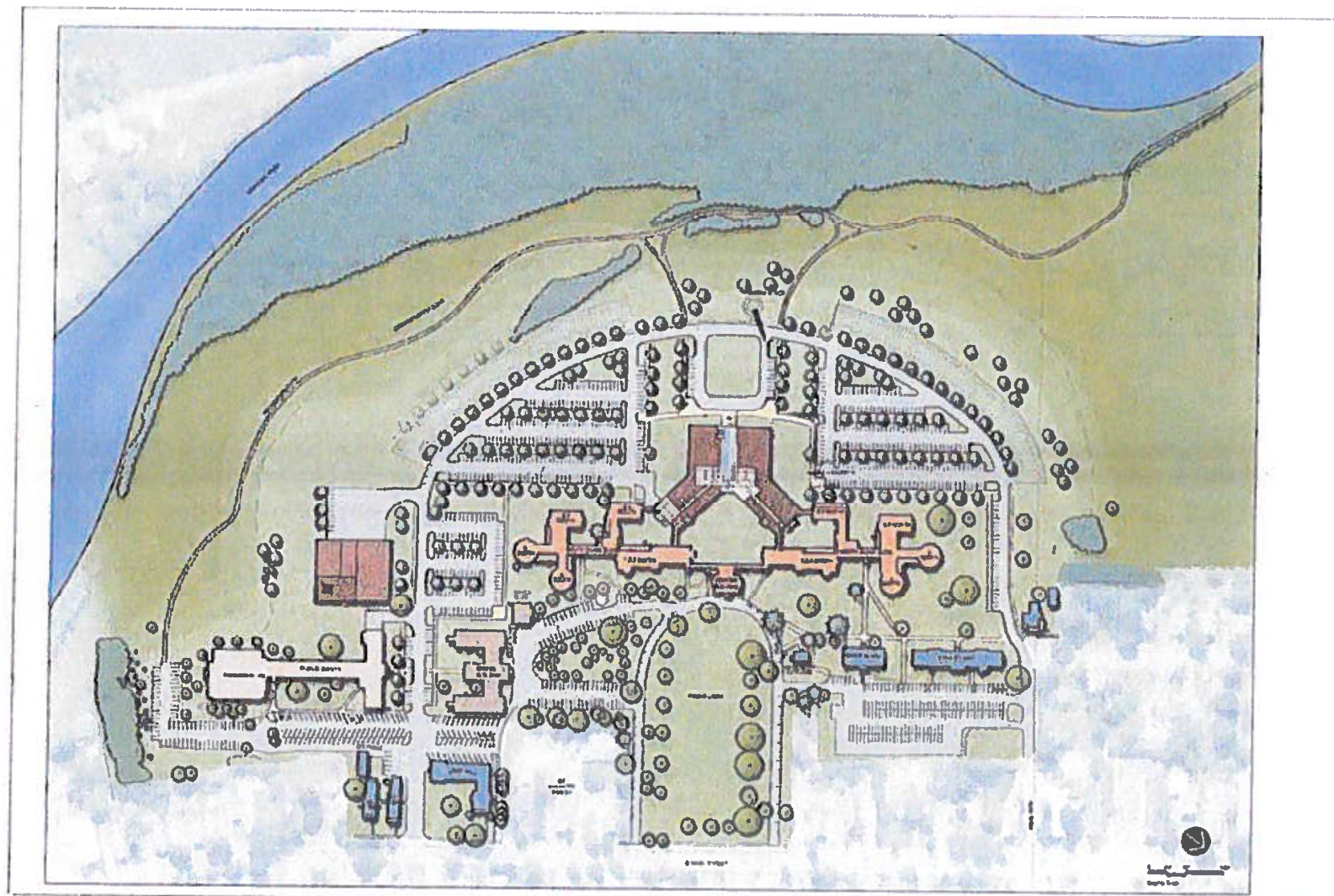


Materials Palette A





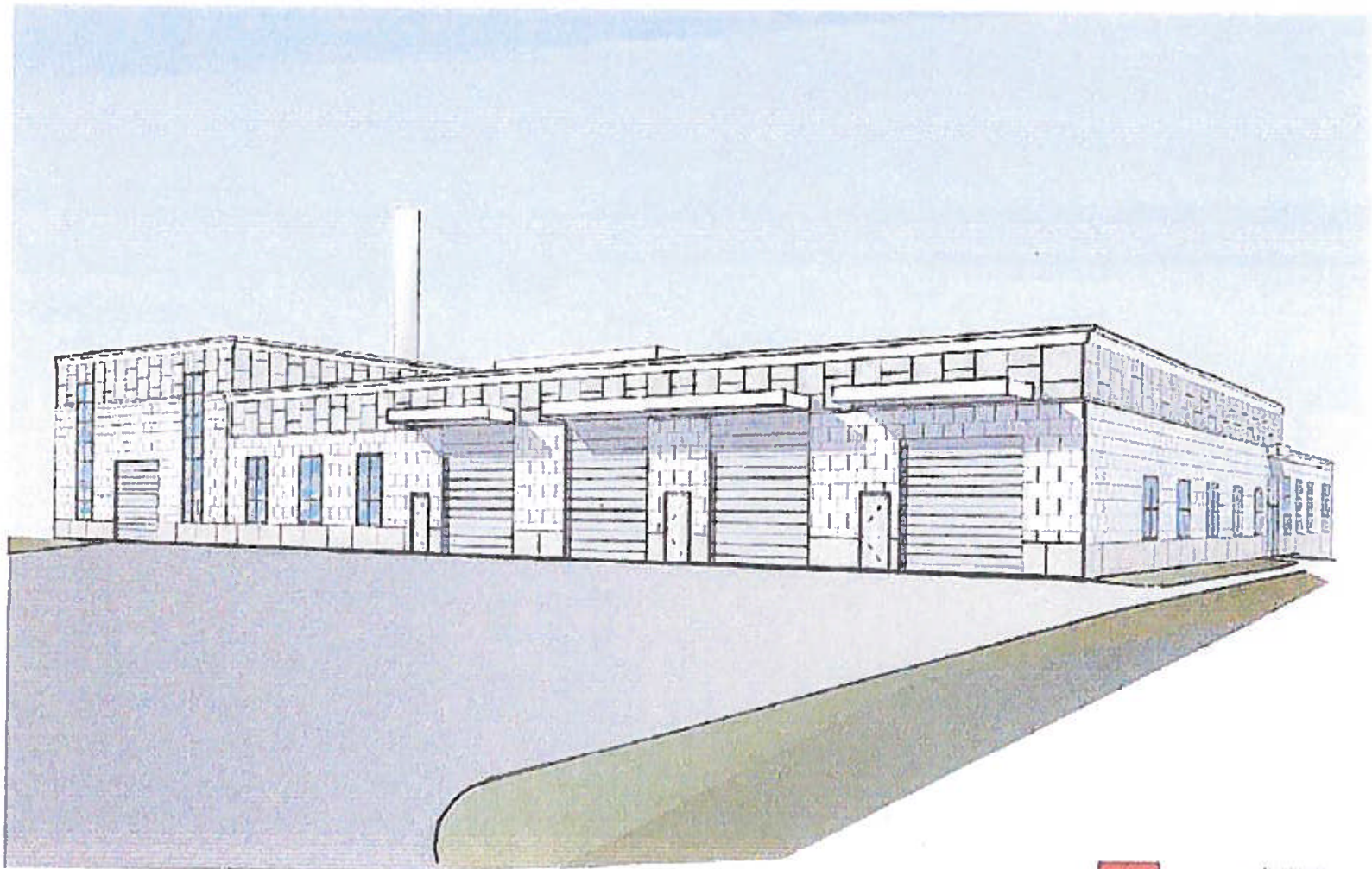
Schematic Design Concept Perspective



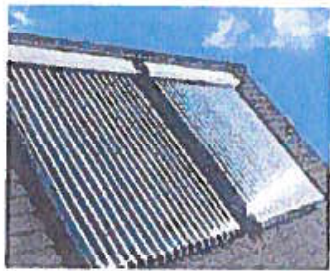
Waterbury State Office Complex
 103 South Main Street
 Waterbury, Vermont
 August 15, 2012

Site Master Plan





Cerntal Plant Perspective



SOLAR HOT WATER



VERTICAL AXIS WIND



SKYLIGHT & DAYLIGHTING



CHARGING STATIONS



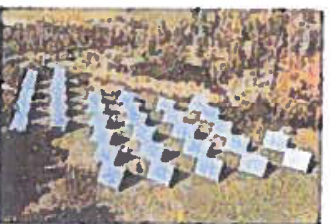
PHOTOVOLTAIC ON ROOF



DAYLIGHTING CONTROL



RAINWATER REUSE



PHOTOVOLTAIC TRACKERS



BLADE TIP WIND



ROOF GARDEN



INFORMATION DISPLAY

POTENTIAL GREEN FEATURES





Project Name: Waterbury Complex

Project Number: A1210.00

Date: 10/12/12

freeman | french | freeman

MEMORANDUM

To: Mike Stevens, BGS

From: Jesse Beck, FFF

Subject: WSOC Option Analysis - Option B2B – New Option With Stabilizing Weeks and Hanks

A.) Occupants Required Plus Capacity

AHS Program Required	934 FTEs	} Occupants
Others (add to Program)	40	
BGS Program Required	<u>18 FTEs</u>	
	992 Program	
Capacity of Weeks	0	} Capacity
125		
Capacity of Hanks	0	
16		

Total 992 Occupants Required

B.) Telecommute Reduction – Physical Building Occupants

Location	W/O T.	W/T.	Cost
Historic Core	500	(-10%) 450	Fixed Cost
New Construction	474	(-10%) 426	Variable
BGS Building	<u>18</u>	(-10%) <u>16</u>	Variable
	992	892	
Weeks	0	(-10%) 0	Fixed Cost
Hanks	0	(-10%) 0	Fixed Cost

Physical Building 992 (Occupants) 892 (Physical Seats)

C.) Construction Costs

Demo	New(442)	Reno(450)	Site	Parking	Flood Protect	CP	Total Construction
4,746	25,560	24,523			4,783		
750	2,247	1,500			764		
		500			223		
\$5,496	\$27,807	\$26,523	\$10,275	\$9,353	\$5,770	\$14,500	\$99,724

D.) Project Cost

\$99,724 + 25% = \$124,655 (does not include \$6,000 for displaced AG lab)

- Note:
1. Weeks and Hanks Has Dry Flood proofing and Limited Reno for Stabilizing
 2. Additional 76 occupants in new building, plus 16 in new BGS Maintenance Facility
 3. Increased SF for 76 occupants – approximately 14,000SF
 4. BGS Maintenance Facility for 16 seats, plus work areas – approximately 8,000SF
 5. Physical Capacity (Seats) is sized by applying a 10% Reduction for Telework

cc: Mike Obuchowski, BGS
Wanda Minoli, BGS
Larry Copp, EPR

Conclusions and Recommendations Pertaining to No. 104 Public Acts, 2012 Session

>> Waterbury State Office Complex (WSOC) Options Analysis:

Conclusions:

- The 30-year net present value analysis of the options for reuse of the WSOC shows a narrow bandwidth between the lowest cost option and the highest cost option.
- The analysis also shows that if the State of Vermont wishes to locate more than 818 positions back to the WSOC, it should do so by building new space.
 - The marginal cost of additional new space is \$58,500 per position, while the marginal cost of additional renovated space is \$80,119 per position.

Recommendation:

- The State of Vermont should relocate the entirety of the Agency of Human Services (AHS) that has been identified for possible relocation back to Waterbury to the WSOC thus achieving the programming goal of co-location of AHS personnel while also reducing costs into the future to the lowest marginal capital cost.

>> Potential Cost Savings Resulting from Telework Analysis

Conclusions:

- The potential economic benefits per 10 full-time equivalent employees over a 30-year period (2013\$) of increased telework by State employees is as follows:
 - For newly constructed space -- \$913,200
 - For renovated space -- \$1,048,100
 - For leased space -- \$491,500¹

¹ Caution: The 30-year net present value savings for leased space are not directly comparable to those for newly constructed space and renovated space due to the State having to provide other services not covered by the lease costs (e.g. security). Therefore, the potential savings to the State may be understated.

Recommendation:

- The State of Vermont should actively pursue increased utilization of the State's telework policy now as the best time to realize savings is prior to the construction or renovation of office space.

>> Considerations for Leasing Space versus Building Ownership

Conclusion:

- Decisions to lease versus own must be made in consideration of factors associated with the specific circumstances of the need for space including, but not limited to, the amount of the space needed, the duration of time the space is needed, and the use for which the space will serve.

Recommendation:

- The State of Vermont should consider the specific needs for space in each instance prior to making a decision as to whether or not leased space is preferable to building space to own.

>> Relocation Option Analysis for the Department of Education

Conclusion:

- The State of Vermont can save approximately \$5.3 million over a 20-year period by co-locating the 170 DOE positions in leased space in Central Vermont as opposed to co-locating them at the WSOC.



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MEMORANDUM

TO: Representative Cynthia Browning

cc: Representative Alice Emmons, Chair House Corrections and Institutions
Senator Robert Hartwell, Chair of Senate Institutions
Steve Klein and Catherine Benham, Joint Fiscal Office

FROM: Michael J. Obuchowski, Commissioner Buildings and General Services *MJO*

DATE: November 6, 2012

SUBJECT: "Fill Footprint" – Modified Option B Presented 10/19/2012

Representative Browning - on October 26, 2012 you posed several questions regarding our site design for the modified option B plan presented to the joint committees on institutions on October 19, 2012. My staff and our design team have reviewed your questions, and have the following answers. I'm hopeful that you will find these answers helpful to your understanding of our project and why we are proposing to do the work we are intending to do.

To facilitate your understanding of this project, and to address other aspects of site stability and insurability I've attached a memorandum and drawings prepared by Freeman French Freeman, memorandum by Economic and Policy Resources, Inc, and an email from Bill Duchac, Risk Manager Department of Buildings and General Services regarding future insurability of the Waterbury State Office Complex:

- "WSOC Flood Plain Approach": {dated 10/31/2012} from FFF to Mike Stevens, and
 - C400 – Proposed Site Section,
 - C401-E - Existing Site with Flood Lines,
 - C401 -P – Proposed Site with Flood Lines,
 - C402 - Cut and fill Volumes (with Basins).
- "Questions Raised by Representative Browning": {dated 11/5/2012} prepared by Lawrence Copp and Brian Halloran of EPR.
- October 23, 2012 Email - Insurability



The following are specific questions you addressed to David Burley on October 26, 2012 and his corresponding responses.

Can you tell me what the dimensions of the filled plateaus or embankments that the new heating plant and new office building at WSOC might be?

It is very difficult to give you specific dimensions as the shapes of the fills and cuts are not simple figures that lend themselves to articulating dimensions without extraordinary effort; but I've attached plans showing the dimensions as well as sections that convey the depths of both fill and cut sections. What I can do - fairly simply - is give you a summary of the quantities of cuts and fills associated with our planned development. Basically our objective is to balance the cuts and fill quantities equally so that we qualify for "Zero-rise Certification". This certification attests to the fact that at Zero-rise our fills will not cause any rise in flood waters as a result of these fill and cut activities.

Here's the analysis from the engineers (10/31/2012 FFF Memo Attached) in summary form:

- Fill:
 - 2 new buildings (Central Plant and New Building) – 21,000 CY
 - Parking sub-base – 25,400 CY
 - General Site - 8,000
CY
 - **Total Fill Volume:** 54,400 CY
- Cut:
 - Demolished buildings - 21,000 CY
 - Future outer park loop road - 6,700 CY
 - Compensatory Storage North - 19,800 CY
 - Compensatory Storage South - 6,900 CY
 - **Total Cut Volume:** 54,400 CY
 - Additional available cuts if necessary:
 - Compensatory Storage North - 6,900 CY

Would the open courtyard area have to be filled in as well? Yes. Would it average 6 to 8 feet in height, or more? It appears the average fill depth in this area is about 5'. It appears to vary from a low of 1 or 2 feet to a high of about 7 or 8 feet.

At the Friday meeting I believe that Mr. Beck of FFF said that the construction approach would be to create the compacted filled plateau, and then lay a concrete slab on top, on which the buildings would be built. Is this correct? The slab would not be the structural element holding up the building. The building will be supported by either spread footings or piles. The type of structural support depends on what the soils engineers tell us is necessary given the loads as well as the soil conditions beneath the structure. The final decision on what type of structural support to use has not been determined at this point but should be made relatively soon.

Please let me know if you would like to meet and discuss our responses in a more detailed manner.



freeman | french | freeman

GOODY CLANCY ARCHITECTURE PLANNING INTERIOR DESIGN

Project Name: Waterbury Complex

Project Number: A1210.00

Date: 10/31/12

MEMORANDUM

To: Mike Stevens, BGS
From: Jesse Beck, FFF
Subject: WSOC Floodplain Approach

Introduction

This memo is written to address questions asked about the WSOC design and floodplain approach. The information contained in this memo is from discussions and input from:

Freeman French Freeman (FFF) - Architect of Record
Engineering Ventures (EV) - Civil Engineers
Vanasse, Hangen, Brustlin (VHB) - Floodplain Civil Engineers

The current design of the WSOC project is following FEMA regulations and the team is working with the Agency of Natural Resources to have no adverse impact on the floodplain. The engineering goal is to achieve a No-rise Certification for the project.

The current design places the Central Plant and new Agency of Human Services building on compacted engineered fill to achieve the design height of 500 year flood level plus 6". This is an accepted method for building in a floodplain.

Floodplain Cut & Fill

FEMA standards, State Agencies and the Town of Waterbury allow projects in a floodplain through careful regulation. The WSOC project is being designed to achieve a No-rise Certification, which means floodwaters will not be negatively altered and there will be no adverse impacts. In fact, we feel the current design will improve the situation due to the buildings being removed.

The attached drawings illustrate the areas of cut and fill proposed to restore the floodplain and create storage volume for the flood waters. We feel this approach is the best way to minimize risk to the WSOC Campus and buildings within.

A.) In summary:

Table with 2 columns: Fill and Cut. Rows include 2 New Buildings, Parking Sub-base, General Site, Compensatory Storage N., Compensatory Storage S., Future Outer Park Loop, Demolished Buildings, Total Fill, and Total Cut.

B.) Notes:

- 1. Additional compensatory storage has been identified if needed.
2. Storm water retention ponds will be created in addition to compensatory storage.
3. Average cut depth for compensatory storage is 2.7 feet.
4. Fill areas under the two new buildings range from 4 to 8 feet.

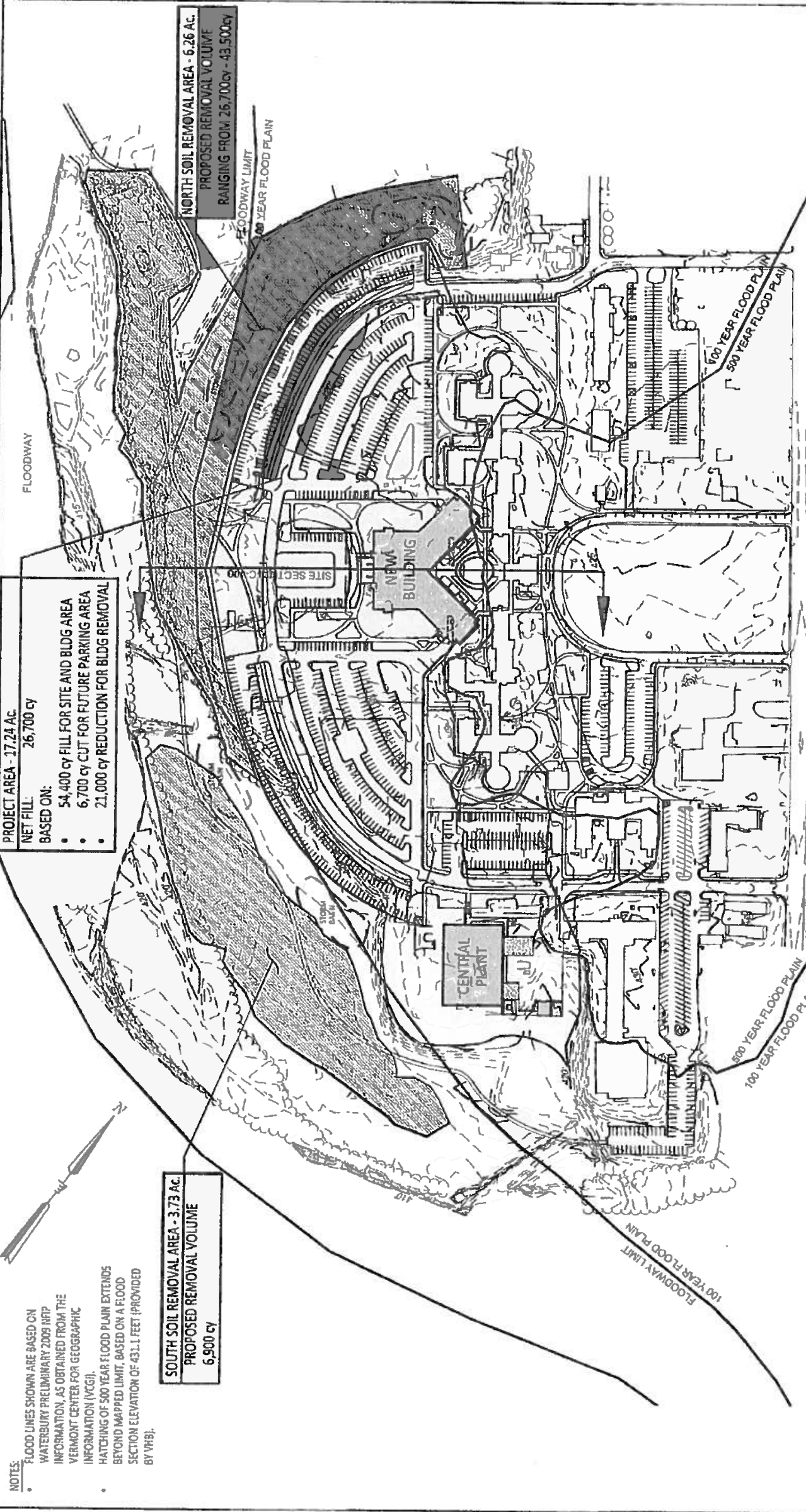
Questions Asked

1. **Will flooding destabilize or liquefy the fill?** No, the engineered fill under the building will be granular, and specified to have a low "fines" content (silt and clay sized particles), to increase stability and reduce this potential. Existing soils are removed and the fill is compacted in several layers to form a solid platform for the building. Footings and foundations help anchor the building to the ground. The building slab has proper drainage to protect from water infiltration. Water saturation does not affect the stability of the compacted fill. A specification can be provided for further information.
2. **Will the flooding over the curve of the river create erosive forces and cause a problem?** No, the erosive forces of a flood are where the velocities and volume are the greatest. This is termed the floodway and is mapped on the drawings. The current design does not build in the floodway and is a very safe distance back from the floodway. Also worth noting is that the site lies within an inside curve of the river, and correspondingly the greatest risk of erosion lies toward the Duxbury side. This was evident after Irene, with significant deposition across the site and erosion concentrated on the Duxbury side of the river. It is worth noting that FEMA mapping denoted Zone AE (where the new buildings would be located) as having very slow velocities which would not be sufficient to generate significant erosion.
3. **Can you place a new building on the WSOC property not in the floodplain?** Yes, but there is very little area available that is not in the 100 year, and even less in the 500 year floodplain. Our design elevation is 500 year plus 6" and the building square footage required is 88,000 SF, which results in a large footprint. The only area out of the floodplain that is large enough is in front of the Historical Core and the most likely location in that area is the large common referred to as the "Front Lawn". Building a structure in this location is not acceptable to the Town of Waterbury or The State Historic Preservation Office (SHPO).
4. **Will the fill and building placement make the river flooding elsewhere more intense?** No, to help mitigate the floodplain we are removing 15 buildings and removing a large volume of materials straddling the floodway and the floodplain. This volume will allow the Historic Core to be flood proofed and the new building to be on compacted fill. The result will be a net zero impact to floodplain capacity. ANR is working closely with the Engineers to achieve a No-rise Certification of the project.
5. **Why did the project eliminate parking under the new building so that water could flow under the building?** There were multiple reasons for eliminating the parking under the building and using compacted engineered fill. As we looked at floor elevations for the new building, it became apparent that placing parking under the building would require depressing grade under and around the building which would have increased the vulnerability to flooding. For safety reasons we did not want people from cars accessing the building from underneath. Accessing from underneath meant elevators, stairwells, and lobbies would be built in the floodplain and would have to be flood proofed. Any flood event would mean extra maintenance and clean up under the building. Any floating debris could be carried under the new building causing damage. A capitol cost comparison of compacted fill to parking under the building resulted in a savings of approximately \$3,000,000.

Summary

After reviewing many options and considering many factors, the Architectural and Engineering team believes the current design direction is the best way to work with the floodplain and achieve a successful building design for the Agency of Human Services and new Central Plant above the 500 year elevation.

Attachments: Site Section; Cut & Fill Map; Existing Plan; Proposed Plan



NOTES:

- FLOOD LINES SHOWN ARE BASED ON WATERBURY PRELIMINARY 2009 HRP INFORMATION, AS OBTAINED FROM THE VERMONT CENTER FOR GEOGRAPHIC INFORMATION (VCGI).
- HATCHING OF 500 YEAR FLOOD PLAN EXTENDS BEYOND MAPPED LIMIT, BASED ON A FLOOD SECTION ELEVATION OF 431.1 FEET (PROVIDED BY VHB).

PROJECT AREA - 17.24 AC
 NET FILL: 26,700 cy
 BASED ON:

- 54,400 cy FILL FOR SITE AND BLDG AREA
- 6,700 cy CUT FOR FUTURE PARKING AREA
- 21,000 cy REDUCTION FOR BLDG REMOVAL

SOUTH SOIL REMOVAL AREA - 3.73 AC
 PROPOSED REMOVAL VOLUME
 6,900 cy

NORTH SOIL REMOVAL AREA - 6.26 AC
 PROPOSED REMOVAL VOLUME
 RANGING FROM 26,700cy - 43,500cy

SITE AND BLDG AREA

SOIL REMOVAL AREA

--- 1 FT CONTOUR

--- 5 FT CONTOUR

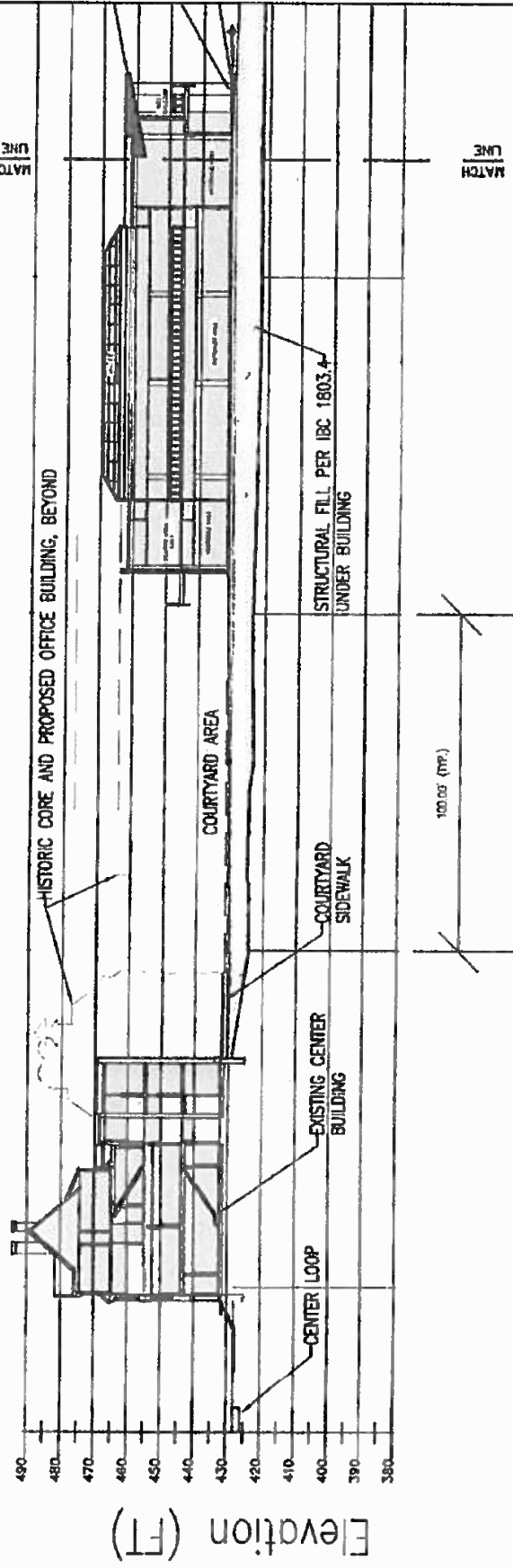
SCALE: 1" = 200'

ENGINEERING
 VENTURES PC
 225 Flynn Avenue, Suite 204, Burlington, VT 05401
 TEL: 802.693.6222
 FAX: 802.693.6200
 info@engventures.com

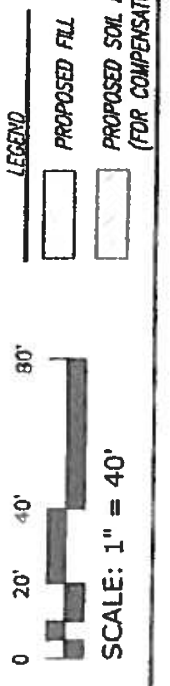
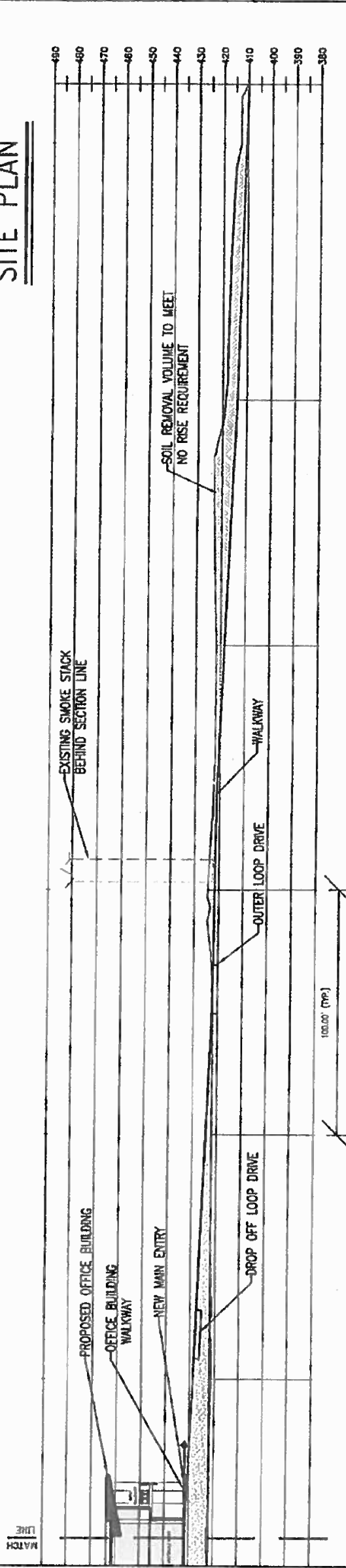
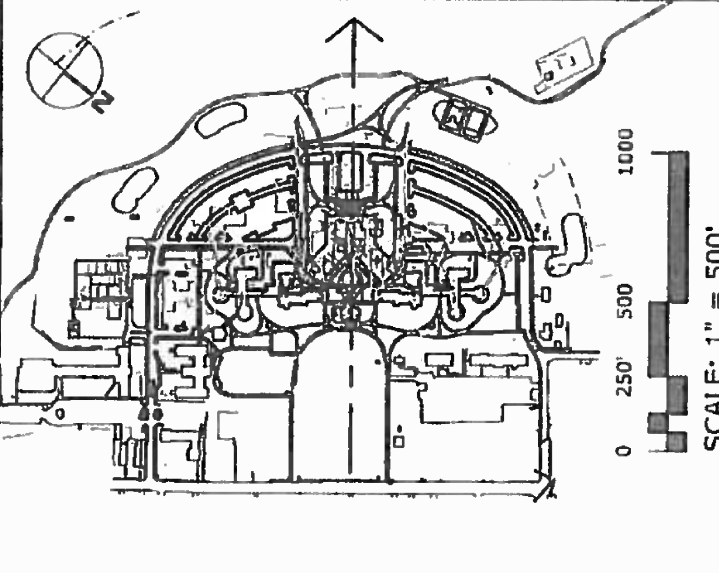
WATERBURY STATE OFFICE COMPLEX
 CUT AND FILL VOLUMES
 VERMONT BUILDINGS & GENERAL SERVICES
 WATERBURY, VERMONT

Checked By: RW
 Drawn By: PMB
 Date: 2012-10-30
 Scale: 1" = 200'
 Project No.: 12276
 Drawing No.: C402

PROPOSED SITE SECTION



SITE PLAN

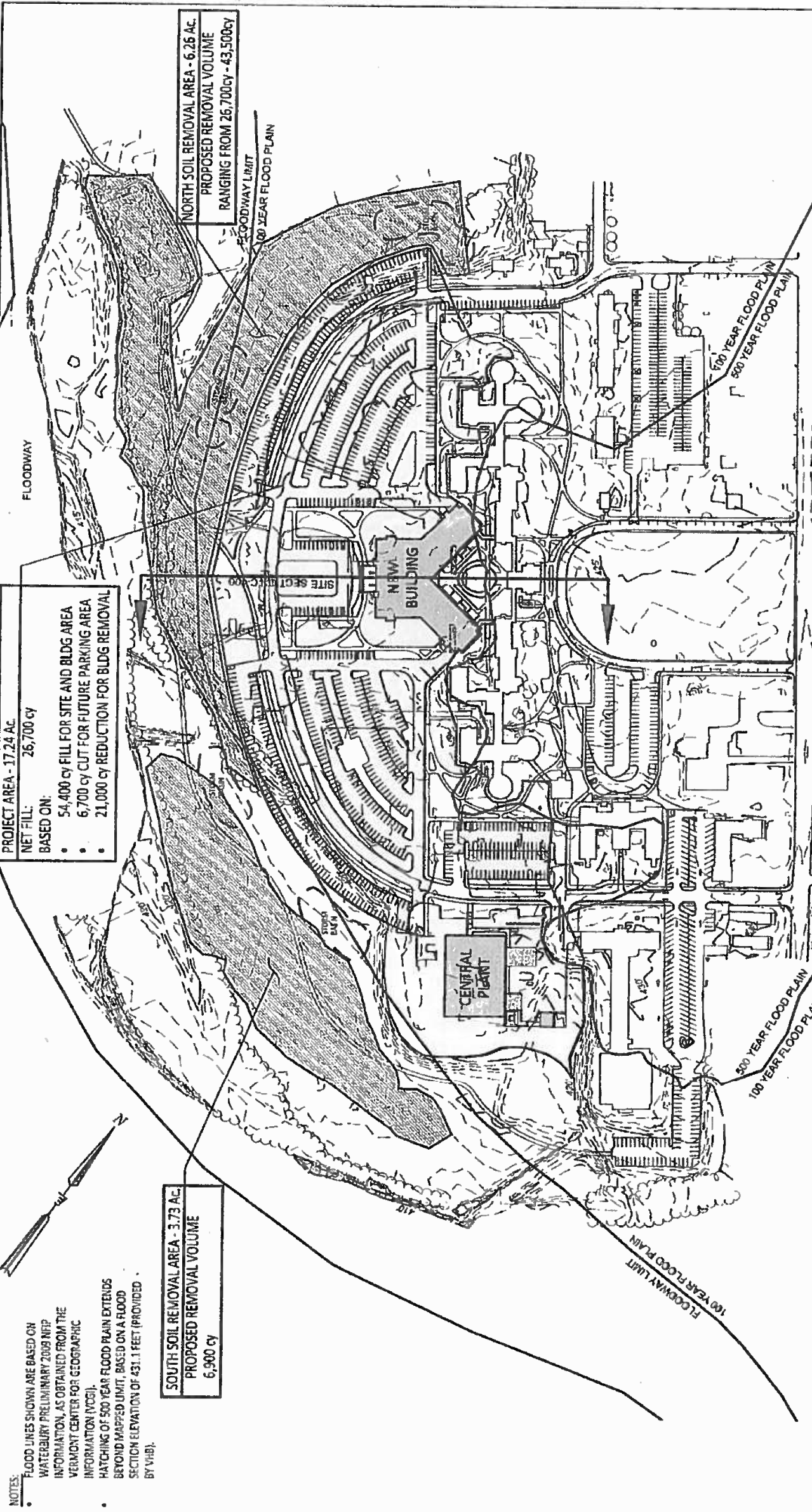


- LEGEND**
- PROPOSED FILL
 - PROPOSED SOIL REMOVAL AREA (FOR COMPENSATORY FLOOD STORAGE)

E ENGINEERING VENTURES PC
 238 Pines Avenue Suite 2A, Waterbury, VT 05671
 Tel: 802.863.8225 Fax: 802.263.6708
 www.engventures.com

PROPOSED SITE SECTION
 WATERBURY STATE OFFICE COMPLEX
 103 SOUTH MAIN STREET
 WATERBURY, VT

Checked By: PB
 Drawn By: DZ
 Date: 10/30/2012
 Scale: AS NOTED
 Project No.: 12276
 Drawing No.: C400



NOTES:

- FLOOD LINES SHOWN ARE BASED ON WATERBURY PRELIMINARY 2009 NFIP INFORMATION, AS OBTAINED FROM THE VERMONT CENTER FOR GEOGRAPHIC INFORMATION (VCGI).
- HATCHING OF 500 YEAR FLOOD PLAIN EXTENDS BEYOND MAPPED LIMIT, BASED ON A FLOOD SECTION ELEVATION OF 431.1 FEET (PROVIDED BY VHB).

PROJECT AREA - 17.24 AC.
NET FILL: 26,700 cy
BASED ON:

- 54,400 cy FILL FOR SITE AND BLDG AREA
- 6,700 cy CUT FOR FUTURE PARKING AREA
- 21,000 cy REDUCTION FOR BLDG REMOVAL

SOUTH SOIL REMOVAL AREA - 3.73 AC.
PROPOSED REMOVAL VOLUME
6,500 cy

NORTH SOIL REMOVAL AREA - 6.26 AC.
PROPOSED REMOVAL VOLUME
RANGING FROM 26,700cy - 43,500cy

ENGINEERING VENTURES PC 281 Wynn Avenue Suite 24, Waterbury, VT 05671 Tel: 802.263.8225 Fax: 802.263.8226 E: info@engventures.com	WATERBURY STATE OFFICE COMPLEX CUT AND FILL VOLUMES		Checked By: KW Drawn By: PMB Date: 2012-10-30	Scale: 1" = 200' Project No.: 12278 Drawing No.: C402
	VERMONT BUILDINGS & GENERAL SERVICES WATERBURY, VERMONT			

Memo

To: Michael J. Obuchowski, Commissioner, Buildings and General Services

From: Lawrence D. Copp/Brian P. Halloran, EPR

CC: Wanda Minoli; Mike Stevens; Jesse Beck; Tom Sandretto

Date: 11/5/2012

Re: Questions Raised by Representative Browning

In response to your request, we have prepared this memorandum to address the questions raised by Representative Browning during the presentation to the Joint Institutions Committee on October 19, 2012 and a subsequent email dated October 24, 2012. There are three questions in total.

Question: "What is the 'worst-case' scenario for operating costs of Weeks and Hanks in the option in which they were banked for future use?"

Answer: The 30-year net present value operating costs for Weeks and Hanks if they are banked would be \$0.95 million. This represents approximately \$39,000 per year (2013\$) for minimal heating, occasional lighting, and minor maintenance. The presence of these buildings will have a negligible impact on security, grounds maintenance, and insurance costs.

Question: "What is the Average Total Cost of office space comparing new and renovated? In other words, you gave the marginal costs – what are the Average Total Costs?"

Answer: Please see pages 9-11 of our October 12, 2012 report. The average capital cost per position at the Waterbury State Office Complex (WSOC) is as follows:

1. Option B2: \$165,391
2. Option B2 Revised: \$154,010
3. Option B Modified: \$142,413

Additionally, on pages 9-11 of the report, we included the average capital cost at the WSOC per total positions in the analysis (1,042). These figures are as follows:

1. Option B2: \$129,837
2. Option B2 Revised: \$139,525
3. Option B Modified: \$142,413

The average total costs for Option B2 and Option B2 Revised decrease because there are fewer positions being housed on site. However, while the up-front capital costs decrease per position, they do so at the expense of increased operating costs each year. Therefore, capital costs are being exchanged for operating costs.

Question: "What are the comparable costs, both average and marginal, for renovated office space versus new office space, for a smaller number of workers – in other words not 1,000 or 992, but 900, or 850?"

Answer: Using 892 positions so the two options now have the same number of positions located on site, the pertinent variable for consideration is the average capital cost. The average capital cost per position in these two options is as follows¹:

1. Larger New Addition: \$162,169
2. Weeks and Hanks: \$161,158

This difference sums to a total capital cost difference of approximately \$0.9 million between the two options, as shown below:

1. Larger New Addition: \$124.7 million
2. Weeks and Hanks: \$123.8 million

While a lower capital cost, the option including the reuse of Weeks and Hanks in place of building additional new space has a higher cost of operating than the option including the larger new addition. The 30-year net present value figures for the two options are as follows²:

1. Larger New Addition: \$222.8 million in total³
 - a. Capital: \$143.7
 - b. Operating: \$79.2
2. Weeks and Hanks: \$226.7 million in total
 - a. Capital: \$142.8
 - b. Operating: \$83.9

As displayed above, the 30-year net present value of the larger new addition is approximately \$3.9 million less expensive than the Weeks and Hanks option. This is due to the operating costs of the Weeks and Hanks option being \$4.8 million more expensive to operate.⁴ Even in the worst case scenario, discussed above in response to the first question, the larger new addition option would still be \$3.0 million less expensive than the Weeks and Hanks option over 30 years. Additionally, no value has been assigned to the ability of the State to use Weeks and Hanks as swing space, sell the buildings, lease the buildings, or utilize the buildings to offset leased space elsewhere in Central Vermont.

Please let us know if any further questions arise that require the attention of EPR and we will work to address them.

¹ Includes \$20.0 million in cleanup and stabilization costs already spent at the WSOC that are not included in the total capital cost figures.

² Includes \$20.0 million in cleanup and stabilization costs already spent at the WSOC that are not included in the total capital cost figures.

³ Difference between the total figure and the sum of the capital and operating figures is due to rounding.

⁴ Difference due to rounding.

Stevens, Mike

From: Duchac, Bill
Sent: Tuesday, October 23, 2012 8:48 AM
To: Obuchowski, Mike; Stevens, Mike
Cc: Minoli, Wanda; Clasen, Michael; Rousseau, Paul
Subject: RE: Insurability

In order:

will the real property assets of the state be insurable?

Yes, and they are currently insured for replacement value. That is true except for flood which is covered first by NFIP (actual cash value up to 500k per structure) and then 5m of flood coverage from Lloyds of London (based on stated amount).

If there were future catastrophic events involving the WSOC, what role would FEMA play?

Just as with Irene it will take a formal declaration for FEMA to come in to participate. FEMA coverage is excess of any purchased flood coverage and in the case of a flood zone, excess at minimum of NFIP. In fact, FEMA participation was part of the calculation in our insurance coverage purchasing decisions. It is anticipated that any (flooding) event that exceeded the 5m limit would ultimately become FEMA eligible.

Eligibility for FEMA?

To maintain FEMA eligibility the state would be obligated to maintain flood insurance on any building for which we receive any FEMA funds.

In the event of a flood event what is SOV liability to Waterbury if Waterbury damaged?

Presuming that the state has not taken any overt action that negatively impacts the village, there would be no change in the liability of the state.

I think this is responsive to your questions, but please let me know if you should wish to discuss or have any further questions.

Bill Duchac
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 Please consider the environment before printing this e-mail

From: Obuchowski, Mike
Sent: Tuesday, October 23, 2012 7:55 AM
To: Duchac, Bill; Stevens, Mike
Cc: Minoli, Wanda
Subject: Insurability

Assuming that the WSOC is re-populated, will the real property assets of the state be insurable? If there were future catastrophic events involving the WSOC, what role would FEMA play? Eligibility for FEMA? In the event of a flood event what is SOV liability to Waterbury if Waterbury damaged? Thank you

No. 104. An act relating to capital construction and state bonding budget adjustment.

(H.785)

Sec. 3. Sec. 2 of No. 40 of the Acts of 2011 is amended to read:

Sec. 2. STATE BUILDINGS

* * *

(9)(A) For planning, design, demolition, flood mitigation, permitting, construction and architectural and engineering costs for design development for a version of the partial reuse of the Waterbury Complex and new construction as described in the consultants' feasibility study dated March 9, 2012 and subsection (f) of this section: 12,000,000

(B)(i) For planning, design, site acquisition, leasing, including land leasing and lease purchasing, construction and architectural and engineering costs for design development or renovation related to the relocation or replacement of services previously provided at Vermont State Hospital, including the establishment of a 14-bed unit and a six-bed unit, respectively, at a hospital in southeastern Vermont and a hospital in southwestern Vermont; a new 25-bed hospital owned and operated by the state in central Vermont and proximate to an existing hospital; a secure seven-bed residential facility owned and operated by the state; or the provision of acute inpatient services at temporary locations: 5,000,000

(ii) Notwithstanding 29 V.S.A. § 820, the commissioner of buildings and general services shall present three potential names for the new 25-bed hospital to the general assembly on or before January 15, 2013. The commissioner shall give preference to Vermonters integral to the advancement of mental health care in the state.

(C) To renovate and equip the National Life building in Montpelier to accommodate state offices as described in Sec. 20 of the 2012 capital budget adjustment act: 1,000,000

(D) Notwithstanding subsection (a) of this section, allocations in this subdivision shall be used only to fund the projects described in this subdivision (9). However, if costs associated with these projects exceed the amount allocated in this subdivision, the commissioner may transfer funds from other projects in this section.

(E) For the purpose of allowing the department of buildings and general services to enter into contractual agreements and complete work on the Waterbury Complex and the mental health system of care as soon as possible, it is the intent that more funds will be appropriated for these projects in future acts relating to capital construction and state bonding.

* * *

(f)(1) Option B of the of the Freeman, French, Freeman report published on March 9, 2012 aligns closely with the general assembly's vision for the Waterbury Complex. However, the general assembly believes that Option B could be modified to achieve a cost savings to Vermonters. On or before June 1, 2012, the department of buildings and general services shall

present a modified design proposal, including proposals under subdivision (4) of this subsection (f) to the house committee on corrections and institutions, the senate committee on institutions, and the special committee described in this subsection.

(A) The general assembly envisions that the modified design proposal would meet the dual goals of achieving a cost savings for the state and delivering state services in the most efficient manner possible while still utilizing quality Vermont materials for the new building.

(B) Because the quality and efficiency of state services are as important as achieving a cost savings, the size of the new building and the size of the future complex in general should be determined only after the following assessments, which shall also consider outcomes such as reduced operating expenses; judicious consumption of energy; increased use of telecommuting or hoteling; an awareness of modern workplace space standards coordinated services delivered; and minimized use of leased space:

(i) a program assessment to determine the amount of space necessary to house the agency of human services with room for projected future growth or any other state agency deemed appropriate by the commissioner of buildings and general services.

(ii) an assessment of the feasibility of moving the department of education to the complex, including a 20-year cost comparison to other options in central Vermont.

(2) A special committee consisting of the joint fiscal committee, the chairs of the house committee on corrections and institutions, and the senate committee on institutions ("special committee") is hereby established.

(A) The special committee shall meet to review, approve, or recommend alterations to the design described in this subsection at the next regularly scheduled meeting of the joint fiscal committee or at an emergency meeting called by the chairs of the house committee on corrections and institutions, the senate committee on institutions, and the joint fiscal committee.

(B) In making its decision, the special committee shall consider how the design impacts the ability of the state to provide services to citizens, programming, the financial consequences to the state of approval or disapproval of the proposal, and potential alternatives available. The special committee shall be entitled to per diem and expenses as provided in 2 V.S.A. § 406.

(C) The special committee may also meet to make decisions made necessary by unanticipated or unforeseen circumstances.

(3) The commissioner of buildings and general services shall notify the house committee on corrections and institutions and the senate committee on institutions at least monthly of updates to the planning process for the projects described in subdivision (c)(9) of this section. With approval of the speaker of the house and the president pro tempore, as appropriate, the house committee on corrections and institutions and the senate committee on institutions may meet up to six times when the general assembly is not in session to discuss any significant updates to the planning process for the Waterbury Complex and make recommendations to the special committee described in this subsection. The committees shall notify the commissioner of buildings and general services prior to holding a meeting pursuant to this subdivision.

Committee members shall be entitled to receive a per diem and expenses as provided in 2 V.S.A. § 406.

(4) The commissioner of buildings and general services is authorized to take certain actions before formal approval of the design. Therefore, notwithstanding 29 V.S.A. § 152(a)(6), 165, or 166 or any other provision of law, in addition to producing a design, permitting, and applying for federal aid, upon passage of this act, the commissioner of buildings and general services may:

(A) lease, sell, lease purchase, subdivide, or donate the following buildings within the Waterbury Complex in their current condition: Stanley Wasson, 121 South Main Street, 123 South Main Street, 5 Park Row, 43 Randall Street, and their improvements.

(B) consider retaining the Ladd building or the Weeks building for state use. If the commissioner determines that retaining Ladd or Weeks is not in the best interest of the state, the commissioner may divest the state of these properties by any manner described in subdivision (4)(A) of this subsection (f) subject to the requirements of subdivision (2)(A) of this subsection (f).

(C) consider whether the Hanks building should be demolished to facilitate flood mitigation efforts and, if the commissioner so determines, demolish the building in accordance with the requirements of subdivision (4)(E) of this subsection (f). Otherwise, the commissioner may divest the state of Hanks by any manner described in subdivision (4)(A) of this subsection (f) subject to the requirements of subdivision (2)(A) of this subsection (f).

(E) assuming any required permits are attained, demolish any building in the Waterbury Complex except those named in subdivisions (f)(4)(A), (B), (C), or (D) of this section; the 1889–1896 early construction buildings, sometimes referred to as the historic bone or spine; the smokestack; and the public safety headquarters and forensics laboratory and their improvements.

(F) before selecting a heating system for the Waterbury Complex, investigate further and consider options to assure the personnel operating costs as well as other life cycle costs have been analyzed. The department or designee shall also conduct a comparative cost effectiveness analysis of producing heat and electricity.

(5) To the extent that amounts of potential funding from various sources are not clear upon passage of this act, the legislative intent for funding the capital costs of subdivision (c)(9) and subsection (f) of this section to the extent practicable is first through insurance funds that may be available for these purposes; second through the Federal Emergency Management Agency (FEMA) funds that may be available for these purposes and any required state match; third, in the case of the 14-bed unit and the six-bed unit described in No. 79 of the Acts of the 2011 Adj. Sess. (2012), through a rate payment with clearly defined terms of services; and last with state capital or general funds. Notwithstanding 32 V.S.A. §§ 134 and 135, any capital funds expended for projects described in this act that are reimbursed at a later date by insurance or FEMA shall be reallocated to fund capital projects in a future act relating to capital construction and state bonding.