

LONG RANGE CAPITAL PLANNING COMMISSION
Meeting Minutes
November 6, 2014
Oklahoma State Capitol
Room 419C, 3:00 p.m.
Oklahoma City, Oklahoma

A meeting notice was filed with the Secretary of State and Agenda posted in accordance with the Open Meeting Act.

MEMBERS PRESENT: Jeffrey Davis, Partner, Acorn Growth Companies
Charles Ford, President, Charles Ford Company
Jeff Stava, Chief Operating Officer, Tulsa Community Foundation
Todd Holder,
Kirkland Hall, CEO and Vice-Chairman, Hall Capital
John Woods, President/CEO, Norman Chamber of Commerce
Grant Humphreys, Town Founder, Carlton Landing

ABSENT: Jerry Winchester, President/CEO, Seventy Seven Energy

GUESTS: Ben Davis, OMES/DCAM/ Planning Director
Justin Henry OMES/DCAM/ Planning
Dan Ross, OMES/DCAM/ DCAM Administrator
Tim Tuck, OMES/DCAM/ Legal Division
Beverly Hicks, OMES/DCAM/ Planning
Mike Jones, OMES/DCAM/ Construction & Properties Director
Melissa Milburn, OMES/DCAM/ Director and State Leasing
Administrator
Jennifer Ramsey, OMES/DCAM/Construction & Properties
Carie Carman, OMES/DCAM/Construction & Properties
Travis Monroe, OMES/ OCIA Administrator
John Estus, OMES/ Director of Public Affairs
Carol McFarland, OMES
Dana Webb, OMES
Joe Griffin, Office of the Speaker
Jordan Russell, Office of the Speaker
Scott Reppert, CBRE
Mike McShea, CBRE
Cynthia Sentos, E-Capitol

I. **Call to order and confirmation of quorum. [Jeff Davis]**

Chairman Davis called the meeting to order at 3:00 p.m. The roll was taken and it was ascertained that a quorum was present. Chairman Davis was advised that notice of the meeting had been given, and an agenda posted in accordance with the Open Meeting Act.

II. Approval of Minutes from the Aug. 7, 2014 Commission meetings. [Jeff Davis]

Charles Ford moved to approve the minutes of August 7, 2014. Kirkland Hall seconded the motion, the minutes passed and the following votes were recorded:

Jeffrey Davis - aye; Charles Ford - aye; Kirkland Hall - aye; Todd Holder – abstain; Grant Humphreys - aye; Jeff Stava – abstain; John Woods - aye.

III. Recognition of new and reappointed Long Range Capital Planning Commission members. [Jeff Davis]

Commissioner Davis welcomed speaker appointment, Todd Holder from Alva, Oklahoma. Speaker re-appointment, Jerry Winchester, was not present.

IV. Presentation on real estate portfolio strategies. [Scott Reppert and Michael McShea, CBRE]

Commissioner Grant Humphreys introduced the representatives of CBRE, White Stone Construction. The firm is a special services type firm in the core area of real property.

Both gentlemen gave the commissioners an overview of their real estate portfolio strategies, transaction type work and disposition of assets which are the three key areas their work derives from, with systems and tools that allow them to achieve results on a repetitive basis and be data driven in their approach with emphasis that real estate can be managed strategically with enormous value in doing so.

They have two offices that have been here over twenty years located in Tulsa and Oklahoma City.

V. Overview, discussion and possible action to approve the FY2016-2023 Capital Improvements Plan and FY2016 Capital Budget. [Ben Davis & Justin Henry]

Justin Henry, assistant planner gave the commissioners a summary of the planning process that was reviewed at the August meeting and made them aware, that after receiving the project request from the agencies at the beginning of FY2016, and with guidance from the commission from the former meeting the planning department generated a list of projects assessed and prioritized based on critical vs. non-critical systems maintenance, legal mandates, agency-submitted priorities, the authority of whether the agency itself could develop a bond issue, new construction vs. maintenance of existing facilities, how much the project served vulnerable populations, and general economic factors.

A few changes were made to the plan where project recommendations have been ranked to allow the LRCPC to be more adaptable to funding received over the course of the year. They are able to add or drop projects based on the amount of funding that is received with this system.

A \$2,000,000 demolition fund was included to manage demolition of surplus facilities with no market value.

Ben Davis, Planning Director, stated that the plan's policy recommendations reiterate that the Capital Improvements Plan (CIP) process should become the sole process for obtaining capital funding. In order for decision-makers to be able to make decisions, they need to have a complete picture of the State's capital needs. All capital needs should be addressed through the capital planning process so capital needs can be analyzed and prioritized on equal footing with each other.

Statewide performance measures need to be established for facilities operations and maintenance to ensure a prolonged life-cycle of our facilities and maximize our real estate portfolio. This is statutorily required and must be in place by the beginning of FY16. OMES is currently working on this, and with the addition of the new state facilities director position, will be able to move forward with establishing those measures.

Planning also recommends that the legislature establish a consistent annual appropriation for re-capitalization of facilities, as a way to ensure adequate funding of capital needs through the Maintenance of State Building Revolving Fund until the point is reached where the sale of underutilized properties is sufficient to cover the capital needs.

On funding recommendations, Planning staff recommended the following projects and funding amounts: FY2016 (60 projects = \$34,600,000), FY2017 (115 projects = \$36,400,000) and the outlying years of FY 2018 through FY2023 (293 projects = \$86,700,000) for a total eight year amount of \$157,700,000.

Staff also recommended a bond issue recommendation for 53 projects at \$349,600,000. (A bill is required to take action on a bond issue)

Mr. Davis presented the commission with a thorough presentation and explanation of projects and how the money would be spent.

Commissioner Kirkland Hall made a motion of recommended approval subject to a separate listing of the bond portion of the plan that delineates the cost of each item within the bond package, as well as prioritizes those projects with a focus on safety and health issues. Commissioner Grant Humphreys seconded the motion, the motion passed and the following votes were recorded:

Jeff Davis - aye; Charles Ford - aye; Kirkland Hall - aye; Todd Holder - aye; Grant Humphreys - aye; Jeff Stava - aye; John Woods - aye.

VI. Discussion and possible action to approve changes to FY2015 capital projects - J. M. Davis Memorial Commission. [Ben Davis]

The J. M. Davis Arts Museum has three projects that were approved for FY2015. The agency is requesting that the commission allow staff to move funding from the two over-funded projects to the under-funded restroom project.

Kirkland Hall moved to approve the funding move, Jeff Stava seconded the motion, the motion passed and the following votes were recorded:

Jeff Davis - aye; Kirkland Hall - aye; Todd Holder - aye; Grant Humphreys - aye; Jeff Stava - aye; John Woods - aye.

VII. Discussion and possible action to approve changes to FY2015 capital projects - Office of Management and Enterprise Services. [Ben Davis]

OMES- Office of Facilities Management requests to divert funding from three different projects to be re-directed to the Tulsa / Kerr Building parking lot expansion.

A motion was made by John Woods to postpone until the next meeting. Jeff Davis seconded the motion, the motion passed and the following votes were recorded:

Jeff Davis - aye; Kirkland Hall - aye; Todd Holder - aye; Grant Humphreys - aye; Jeff Stava - aye; John Woods - aye.

VIII. Discussion and possible action to approve policy for managing the process for Commission approval of the sale/transfer of property. [Ben Davis]

A bill was passed last session that requires all real estate transfers and sales to go through the Long-Range Capital Planning Commission. The Real Estate Leasing and Services Division of OMES created a new policy to handle how those transfers will be brought to the commission. OMES will provide a memo and a staff recommendation on properties that are being considered for sale, it will be an action item on the agenda at the next regularly scheduled meeting for a vote.

Ben Davis, Planning Director expressed that if multiple property transfers are being considered, unless there is an unusual issue regarding the transfer, DCAM staff would present a list of transfers to the commission for review prior to the meeting and the commission would approve a consent docket at the meeting. Commissioner John Woods request to know if the agency head is in favor of the blanket approval.

John Woods moved to approve the policy with the condition that the agency head is in favor of the approval process. Jeff Stava seconded the motion, the motion passed and the following votes were recorded:

Jeff Davis - aye; Kirkland Hall - aye; Todd Holder - aye; Grant Humphreys - aye; Jeff Stava - aye; John Woods - aye.

IX. Nomination of a Commission member to the serve on the OMES Request for Proposal review committee. [Justin Henry]

Commissioner Kirkland Hall has been nominated to serve on the Proposal Review Committee.

X. Possible action to approve 2015 LRCPC meeting dates. [Jeff Davis]

Jeff Stava moved to approve the 2015 regular meeting schedule. Kirkland Hall seconded the motion, the motion passed and the following votes were recorded:

Jeff Davis - aye; Kirkland Hall - aye; Todd Holder - aye; Grant Humphreys - aye; Jeff Stava - aye; John Woods - aye.

XI. Subcommittee reports:

- **Capital Improvements Plan Subcommittee [John Woods]**
- **Maintenance Standards and Facilities Strategy Subcommittee [Jerry Winchester]**
- **Policy and Funding Subcommittee [Grant Humphreys]**

No subcommittee reports.

XII. Updates and discussion [Jeff Davis]

Ben Davis, Planning Director, updated the commission on the progress of FY2015 projects. On October 29, twenty-six projects are in the pipeline of construction and properties in the amount \$7,100,000 or 24% of their total amount. There are several agencies that are holding off until the end of the calendar year for minimal issues.

XIII. Adjournment

There being no further business; Grant Humphreys made a motion to adjourn. Kirkland Hall seconded the motion. The meeting was adjourned at 5:00 p.m.