

**MINUTES
LEGISLATIVE FISCAL COMMITTEE
of the LEGISLATIVE COUNCIL
January 8, 2007**

The Legislative Fiscal Committee of the Legislative Council met January 8, 2007, in Room 116, in the Capitol Building. The meeting was called to order at 9:35 a.m. by Senator Robert Dvorsky, Co-Chairperson, with the following members present:

- Representative Scott Raecker, Co-Chairperson
- Senator Jeff Angelo
- Senator Joe Bolkcom
- Senator Thomas Courtney
- Senator Mark Zieman
- Representative Sandy Greiner
- Representative Mark Kuhn
- Representative Paul Shomshor
- Representative Jamie Van Fossen

Other legislators present were Speaker of the House, Representative Christopher Rants, and Senator Larry McKibben.

The following agenda items were discussed:

- **Minutes Approved:** Upon a motion by Representative Greiner, seconded by Representative Raecker, the minutes of the September 13, 2006, meeting were approved as presented.
- **Return on Investment Report for new construction projects.** Mollie Anderson, Director of the Department of Administrative Services (DAS) presented a Memorandum from Ms. Anderson; John Norris, Chairman, Iowa Utilities Board (IUB); and John Perkins, Consumer Advocate, Office of Consumer Advocate (OCA); regarding the construction of new State office buildings (as required by Iowa Code, Section 8A.330). The memo is summarized below:
 - The DAS is proposing to build a model energy efficient building for the Iowa Utilities Board/Consumer Advocate Division of the Department of Justice (to be located near SE 14th Street and Court Avenue), and a State Office Building, with accompanying parking structure (located on Des Moines Street between East 10th Street and East 11th Street), for multiple State agencies of approximately 350,000 square feet.
 - Each building is to exceed the legislatively-required five percent return on investment.
 - Appropriations totaling approximately \$77.0 million are in place.
 - Additional requirements and information are in Attachment B.

Project Consultants have been hired for the Return on Investment Analysis: Conceptual Cost Consulting Services, and Preliminary Soils Investigations.

In response to questions from Co-Chairperson Raecker:

- Dean Ibsen, DAS Project Manager, responded the estimate of \$900,000 for a full back-up generation is within the 5.0% required range.
- Ms. Anderson responded that many factors will impact the decision of Mercy moving their facility to a new location and the State is not engaged in those issues. If Mercy decides to sell Mercy Capitol, the facility is located in close proximity to the Capitol and the proposed site of the new State Office Building. The State would need Mercy's parking lot located next to the new proposed State Office Building for the proposed above ground parking garage. If that lot is not for sale, a different location would be required. If the State could acquire the Mercy Capitol Building, it could house some State agencies.
- Ms. Anderson responded that considerable discussion has taken place regarding the current and future location of the State fleet services. If a new parking garage were built, it would create an opportunity to move those services to the new facility.

In response to questions from Senator Bolkcom:

- Ms. Anderson responded that it is not anticipated at this time that citizens or employees would be required to pay to park in the new parking garage.
- Ms. Anderson responded the parking structure cost is approximately \$8.8 million plus an option for some enhancements that add approximately \$3.4 million.
- Ms. Anderson responded that the two new proposed office buildings will be energy-efficient by using the best techniques available to improve energy efficiency and reduce maintenance costs.

In response to Senator Courtney's question, Mr. Ibsen responded that options for enhancements to the parking structure would include additional longevity maintenance features to increase the life of the structure and a tunnel access. These options are estimated to cost approximately \$3.4 million.

In response to Senator Zeiman's question, Ms. Anderson responded these additional features will be monitored during construction through the use of others who have built buildings and will insure the numbers are verified against other buildings that have been built. The Department will consult with others who are knowledgeable with the cost of labor and materials. The DAS plans to have a checks and balances program in place to insure competitive bidding.

Upon a motion by Representative Van Fossen, seconded by Senator Bolkcom the following was approved:

- That the Fiscal Committee accept the Report submitted by the Department of Administrative Services with regard to a new general use State office building and a new building for the Iowa Utilities Board and Office of Consumer Advocate;
 - That the Report submitted satisfies the requirements established in the Code of Iowa, Section 8A.330; and
 - That the Department, the Utilities Board, and the Office of Consumer Advocate are authorized to expend or obligate funds in excess of \$1.0 million as necessary and appropriate to move these building projects forward from funds previously appropriated or as otherwise specified in previous legislation.
- **Adjournment** – The meeting adjourned at 9:58 a. m.

**Attachments for Legislative Fiscal Committee Meeting
January 8, 2007**

- A. Minutes from September 13, 2006, Meeting
- B. Construction of New State Office Buildings – New Construction – Return on Investment.
- C. Responses to Questions Submitted Regarding the New State Office Buildings