



Oregon

Tina Kotek, Governor

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MEMORANDUM

To: Jeff Samuels, Administrative Services Division Director, Oregon Liquor & Cannabis Commission (OLCC)
From: Bill Foster, Chair, Capital Planning Advisory Board (CPAB/Board)
Date: August 20, 2024
Subject: OLCC's 2025-27 Agency Facilities Plan Acceptance

Jeff,

The Capital Projects Advisory Board (CPAB/Board) has reviewed OLCC's 2025-27 facilities plan in accordance with ORS 276.227. Following your Board presentation on July 12th, the Board has **accepted** your plan with the following comments:

- *CPAB appreciates your thorough presentation and applauds the strategic decision to move its administration functions to the Portland State Office Building. The Board also encourages the agency to consider mass timber as a material choice in its new warehouse facility.*

Sincerely,

Bill Foster, Chair

Capital Projects Advisory Board (CPAB)



Oregon

Tina Kotek, Governor

Liquor & Cannabis Commission

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Portland, Oregon 97222-7355

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www.oregon.gov/olcc

DATE: June 28, 2024

TO: Oregon Capital Projects Advisory Board (CPAB)

FROM: Jeff Samuels *JAS*
Administrative Services Division Director
Oregon Liquor and Cannabis Commission

SUBJECT: OLCC Cover Memo for CPAB

The Oregon Liquor and Cannabis Commission (OLCC or Agency) mission is to oversee access to alcohol and cannabis products in Oregon through education, regulation, and distribution of distilled spirits, with the goal of protecting public health and safety, while supporting responsible Oregon businesses and generating revenue for local and state agencies. As part of OLCC's Strategic Plan, OLCC is working diligently to build and launch a new distilled spirits distribution center, upgrade key logistics, distribution and licensing software, and relocate our headquarters to lease space during the 2025-27 biennium. The key drivers for the OLCC facility plan are to maintain and keep agency owned facilities operational, while readying them for sale by the end of FY2026.

During the 2023-2025 biennium, the Oregon Liquor and Cannabis Commission accomplished the following facility stewardship and planning projects:

- General maintenance and minor repairs
- Upgrades and ADA accessibility to Commission deliberation room and a public restroom
- Headquarters carpet repairs
- HVAC direct digital control replacements
- Breaker panel shortage repair – Milport warehouse
- Dock light replacement – Milport warehouse
- Forklift charger upgrade by repair of old wiring/switch and install new switch – Main W.
- Boiler burner unit repair – HQ/Warehouse
- Interior lobby door repair – HQ
- Upgrades to power supply to three welding stations in the Main Warehouse

OLCC continues to experience ageing agency owned facilities and our warehouses are at capacity. The Headquarters building and McLoughlin Warehouse are 70 years old, while the nearby Milport Warehouse is about 50 years old. The age and size of the buildings impact the agency's mission and ability to ensure efficient business operations. The warehouses are at capacity and do not allow for efficient receiving/shipping of the distilled spirits inventory. Industry standards for warehouses and a

study performed for OLCC by Deloitte identify optimum warehouse capacity should be near 80% whereas our warehouses are near 100% capacity. Additionally, with an OLCC workforce comprised of in office and remote work opportunities the agency Headquarters building is larger than needed and space is underutilized.

OLCC anticipates that the following potential maintenance and repair issues could arise during the 2025-2027 biennium:

- General Maintenance and minor repair (\$50k)
- Replace motor mechanism on vehicle cage gates (\$30k)
- Repair of steam pipe plumbing (\$25k)
- Boiler linkage repair (\$50k)
- Replace warehouse heaters (freeze protection) (\$24k)
- Repair of fire Post Indicator Valve (\$12k)
- Repair of fire hydrant (\$12k)
- Electrical breaker failure (\$50k)
- Plumbing repair warehouse restroom (\$100k)
- HQ hot water heater replacements (\$20k)
- Roof repair (\$200k)
- HVAC and Control repair (\$25k)
- Replace clean agent system for server room (\$15k)

The OLCC's 2025-27 facility plan and CSL capital improvement budget of \$258,159 will cover 42% of the potential 2025-27 maintenance and repair needs, estimated in total at approximately \$613,000, as listed above. This CSL funding should be adequate to address the needs as they may arise while remaining in our current facilities and the agency will ready these facilities for sale by the end of FY 2026. The plan is designed to keep the current facilities operational during the 2025-27 biennium, maintaining business continuity while the agency transitions to the new distilled spirits warehouse/distribution facility in Canby and leased headquarters space in Portland.

An update on the construction of OLCC's new distilled spirits warehouse/distribution facility in Canby, previously reported to CPAB in prior biennium's, the project is currently in the design development phase after recently completing schematic design. The agency, with assistance from DAS Procurement Services, has contracted with a construction manager as general contractor (CM/GC), JE Dunn Construction, to build the new warehouse. Also included in this project is the purchase and installation of a material handling system (conveyance system and warehouse racking). OLCC received funding for this project through Article XI-Q General Obligation Bonds during the June 2021 and February 2022 Legislative Sessions totaling \$145.5 million for the overall project. To stay on budget, OLCC removed the OLCC headquarters building from the project, and reduced the size of the warehouse to approximately 350,000 square feet. The new warehouse will support the agency's mission and improve the operation of Oregon's distilled spirits control model. This warehouse will provide OLCC at least 15 to 20 years of capacity, with design and construction features allowing for future warehouse expansion when needed.

OLCC plans to relocate our Headquarters to DAS leased space in Portland at the Portland State Office Building (PSOB). OLCC is currently working closely with DAS to formalize space needs and terms. It is

anticipated that this lease would begin in Q3 of the 2025-2027 biennium at a lease cost of approximately \$620,000 for the remainder of the 2025-2027 biennium. In the 2029-31 biennium our McLoughlin Plaza office lease will end and OLCC will look to add some space and Plaza staff to our HQ lease at PSOB. The relocation of our HQ to the PSOB meets OLCC's mission, maintains OLCC's footprint in the metro area, utilizes DAS state-owned space, aligns with State goals for reducing office space with the hybrid workforce model, helps revitalize Portland's Central City and is a cost savings measure for OLCC.

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Agency Name Oregon Liquor and Cannabis Commission

Current Maintenance Priority 1-4 for Owned Assets Over \$1M CRV¹

iPlan Data (Incl Soft Costs)													Agency Input	
Campus	Building ID	Building Name	Construction Year ²	Gross Square Footage	Current (Calculated) Replacement Value ³	Priority 1 - Currently Critical (Life Safety, DM, Code Compliance) ⁴	Priority 2 - Potentially Critical (Near Term Capital Renewal, Energy, Functionality) ⁵	Priority 3 - Not Yet Critical (Mid-term) ⁶	Priority 4 - Seismic + Natural Hazard Remediation (if applicable) ⁷		Total (G+H+I+J)	Current FC ⁸ less Seismic Nat Haz = Columns (G+H)/F	2023-25 LAB Approved	Remaining Current Need (Estimated) = Columns K-M
A	B	C	D	E	F	G	H	I	J	K	L	M	N	
OLCC Group	5538	McLoughlin warehouse and office	1954	176,470	\$50,010,892	\$4,282,416	\$1,172,835	\$3,784,556	\$0	\$9,239,807	18.5%	\$157,842	\$9,081,966	
OLCC Group	5539	Milport Warehouse	1974	107,244	\$30,379,656	\$32,292	\$4,518,575	\$767,590	\$0	\$5,318,456	17.5%	\$95,923	\$5,222,533	
Subtotal Over \$1M CRV				283,714	80,390,548	\$4,314,708	\$5,691,410	\$4,552,146	\$0	\$14,558,264	18.1%	\$253,765	\$14,304,499	

Maintenance Priority 1-4 for Owned Assets Under \$1M CRV (Optional) - This is not required for the budget submission or CPAB Report. Agencies may choose to complete.

iPlan Data (Incl Soft Costs)													Agency Input	
Campus	Building ID	Building Name	Construction Year ²	Gross Square Footage	Current (Calculated) Replacement Value ³	Priority 1 - Currently Critical (Life Safety, DM, Code Compliance) ⁴	Priority 2 - Potentially Critical (Near Term Capital Renewal, Energy, Functionality) ⁵	Priority 3 - Not Yet Critical (Mid-term) ⁶		Leave Blank	Total (G+H+I)	Current FC ⁸ less Seismic Nat Haz = Columns (G+H)/F	2023-25 LAB Approved	Remaining Current Need (Estimated) = Columns J-L
A	B	C	D	E	F	G	H	I	J	K	L	M	N	
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Subtotal Under \$1M CRV				0	0	0	0	0		0	#DIV/0!	\$0	\$0	

Definitions		
Current Maintenance Priority 1-4	1	Current costs for all facility maintenance and deferred maintenance except those that are covered in operations and maintenance budgets (routine maintenance).
Construction Year	2	Original Construction Year
Current Replacement Value	3	Current Replacement Value Reported to Risk Management <i>or Calculated Replacement Value Reported from Facility Conditions Assessment (FCA)</i>
Priority One: Currently Critical	4	From the Budget Instruction: Priority One projects are conditions that require immediate action in order to address code and accessibility violations that affect life safety. Building envelope issues (roof, sides, windows and doors) that pose immediate safety concerns should be included in this category.

Priority Two: Potentially Critical	5	From the Budget Instruction: Priority Two projects are to be undertaken in the near future to maintain the integrity of the facility and accommodate current agency program requirements. Included are systems that are functioning improperly or at limited capacity, and if not addressed, will cause additional system deterioration and added repair costs. Also included are significant building envelope issues (roof, sides, windows and doors) that, if not addressed, will cause additional system deterioration and added repair costs.
Priority Three: Necessary - Not yet Critical	6	From the Budget Instructions: Priority Three projects could be undertaken in the near to mid-term future to maintain the integrity of a building and to address building systems, building components and site work that have reached or exceeded their useful life based on industry standards, but are still functioning in some capacity. These projects may require attention currently to avoid deterioration, potential downtime and consequently higher costs if corrective action is deferred.
Priority Four: Seismic and Natural Hazard Remediation	7	From the Budget Instructions: Priority Four projects improve seismic performance of buildings constructed prior to 1995 building code changes to protect occupants, minimize building damage and speed recovery after a major earthquake. Projects also include those that mitigate significant flood hazards.
Facility Condition Index	8	A calculated measure of facility condition relative to its current replacement value (expressed as a percentage)

Facility Plan - Maintenance Priority 1-4
2025-27 Biennium

Agency Name Oregon Liquor and Cannabis Commission

10 Year Maintenance Priority 1-4 for Owned Assets Over \$1M CRV'

iPlan Data (Incl Soft Costs)													Agency Input		
Campus	Building ID	Building Name	Construction Year	Gross Square Footage	Current (Calculated) Replacement Value	Priority 1 - Currently Critical (Life Safety, DM, Code Compliance)	Priority 2 - Potentially Critical (Near Term Capital Renewal, Energy, Functionality)	Priority 3 - Not Yet Critical (Mid-term)	Priority 4 - Seismic + Natural Hazard Remediation (if applicable)	Leave Blank	Total (G+H+I)	Current FC+ less Seismic Nat Haz = Columns (G+H+I) / F	2023-25 LAB Approved	2025-27 Requested Budget	Remaining 10 Year Need (Estimated) = Columns K-M-N
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
OLCC Group	5538	McLoughlin warehouse and office	1954	176,470	\$50,010,892	\$5,783,155	\$1,592,211	\$5,775,604	\$0	\$13,150,970	26.296%	\$157,842	\$160,575	\$13,153,703	
OLCC Group	5539	Milport Warehouse	1974	107,244	\$30,379,656	\$934,426	\$4,693,808	\$2,090,401	\$0	\$7,718,634	25.407%	\$95,923	\$97,584	\$7,720,295	
Subtotal Over \$1M CRV				283,714	\$80,390,548	\$6,717,581	\$6,286,019	\$7,866,005	\$0	\$20,869,605	25.960%	\$253,765	\$258,159	\$20,873,999	

Maintenance Priority 1-4 for Owned Assets Under \$1M CRV (Optional) - This is not required for the budget submission or CPAB Report. Agencies may choose to complete.

iPlan Data (Incl Soft Costs)													Agency Input		
Campus	Building ID	Building Name	Construction Year	Gross Square Footage	Current (Calculated) Replacement Value	Priority 1 - Currently Critical (Life Safety, DM, Code Compliance)	Priority 2 - Potentially Critical (Near Term Capital Renewal, Energy, Functionality)	Priority 3 - Not Yet Critical (Mid-term)	Priority 4 - Seismic + Natural Hazard Remediation (if applicable)	Leave Blank	Total (G+H+I)	Current FC+ less Seismic Nat Haz = Columns (G+H+I) / F	2023-25 LAB Approved	2025-27 Requested Budget	Remaining 10 Year Need (Estimated) = Columns K-L-M
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Subtotal Under \$1M CRV				0	0	0	0	0	0	0	#DIV/0!	\$0	\$0	\$0	

Definitions		
Current Maintenance Priority 1-4	1	Current costs for all facility maintenance and deferred maintenance except those that are covered in operations and maintenance budgets (routine maintenance).
Construction Year	2	Original Construction Year
Current Replacement Value	3	Current Replacement Value Reported to Risk Management or Calculated Replacement Value Reported from Facility Conditions Assessment (FCA)
Priority One: Currently Critical	4	From the Budget Instruction: Priority One projects are conditions that require immediate action in order to address code and accessibility violations that affect life safety. Building envelope issues (roof, sides, windows and doors) that pose immediate safety concerns should be included in this category.
Priority Two: Potentially Critical	5	From the Budget Instruction: Priority Two projects are to be undertaken in the near future to maintain the integrity of the facility and accommodate current agency program requirements. Included are systems that are functioning improperly or at limited capacity, and if not addressed, will cause additional system deterioration and added repair costs. Also included are significant building envelope issues (roof, sides, windows and doors) that, if not addressed, will cause additional system deterioration and added repair costs.
Priority Three: Necessary - Not yet Critical	6	From the Budget Instructions: Priority Three projects could be undertaken in the near to mid-term future to maintain the integrity of a building and to address building systems, building components and site work that have reached or exceeded their useful life based on industry standards, but are still functioning in some capacity. These projects may require attention currently to avoid deterioration, potential downtime and consequently higher costs if corrective action is deferred.

Priority Four: Seismic and Natural Hazard Remediation	7	From the Budget Instructions: Priority Four projects improve seismic performance of buildings constructed prior to 1995 building code changes to protect occupants, minimize building damage and speed recovery after a major earthquake. Projects also include those that mitigate significant flood hazards.
Facility Condition Index	8	A calculated measure of facility condition relative to its current replacement value (expressed as a percentage)

Facility Plan - Maintenance Priority 5
2025-27 Biennium

Agency Name Oregon Liquor and Cannabis Commission

Current Maintenance Priority 5' for Owned Assets Over \$1M CRV

iPlan Data (Incl Soft Costs)						Agency Input				
Campus	Building ID	Building Name	Construction Year	Gross Square Footage	Current (Calculated) Replacement Value ^a	Modernization Estimate	Notes/Description	2023-25 LAB Approved	2025-27 Requested Budget	Remaining Need (Estimated) = Columns G-I-J
A	B	C	D	E	F	G	H	I	J	K
OLCC Group	5538	McLoughlin warehouse and office	1954	176,470	\$50,010,892	\$0		\$0	\$0	\$0
OLCC Group	5539	Milport Warehouse	1974	107,244	\$30,379,656	\$0		\$0	\$0	\$0
Subtotal Over \$1M CRV				283,714	\$80,390,548	\$0		\$0	\$0	\$0

Definitions

Priority Five: Modernization	1	From the Budget Instructions: Priority Five projects are alterations or replacement of facilities solely to implement new or higher standards to accommodate new functions, significantly improve existing functionality as well as replacement of building components that typically last more than 50 years (such as the building structure or foundations). These standards include system and aesthetic upgrades which represent sensible improvements to the existing condition. These projects improve the overall usability and reduce long-term maintenance requirements. Given the significant nature of these projects, the work typically addresses deficiencies that do not conform to current codes, but are 'grandfathered' in their existing condition to the extent feasible.
Construction Year	2	Original Construction Year
Current Replacement Value	3	Current Replacement Value Reported to Risk Management <i>or Calculated Replacement Value Reported from Facility Conditions Assessment (FCA)</i>

**Facility Plan - Facilities Planning Narrative 107BF02
2025-27 Biennium**

Agency Name **Oregon Liquor and Cannabis Commission**

<p>1. What are the key drivers for your agency's facility needs, and how do you measure space/facility demand? <i>OLCC's agency owned facilities are aged and our warehouses are at capacity. Industry standards for warehouses and a study performed for OLCC by Deloitte identify optimum warehouse capacity should be near 80% whereas our warehouses are near 100% capacity. OLCC's legislatively approved new warehouse construction project in Canby will support the agency's mission and improve the operation of Oregon's distilled spirits control model; Additionally, the relocation of OLCC's headquarters office in 2026 to DAS lease space at the Portland State Office Building will provide efficient business operations into the future.</i></p>
<p>2. What are the key facility-related challenges over the next 10-years? (Please answer in order of priority) <i>Maintaining existing facilities and readying properties for sale by the end of FY 2026. Challenges are: Due to OLCC's aged facilities, there is potential need for the replacement of the automatic gate motors in the vehicle cage, repairs to steam pipe plumbing, boiler linkage repair, warehouse heater replacement, repair of fire post indicator valves, repair of fire hydrants, electrical breaker failure, plumbing repair to warehouse restroom, hot water heater replacements, roof repair for leaks, HVAC and control repair, and replacement of the clean agent in server room. Some of these maintenance and repair situations are possible to occur in the 2025-27 biennium and collectively total approximately \$613,000.</i></p>
<p>3. What do you need to meet these challenges? <i>Our facilities plan and 2025-27 CSL capital improvement budget of \$258,159 will cover 42% of the potential 2025-27 maintenance and repair needs as listed above. This funding should be adequate to address the needs as they may arise while remaining in our current facilities. Note: OLCC is aware of the requirement in ORS 291.215, but since we are building a new warehouse and moving our HQ to a DAS owned building in Portland we are not planning to submit a deferred maintenance/capital improvement POP for 2025-27.</i></p>

Facility Plan - Facility Summary Report 107BF16a
2025-27 Biennium

Agency Name

Oregon Liquor and Cannabis Commission

Table A: Owned Assets Over \$1M CRV		FY 2024 DATA			
Total Number of Facilities Over \$1M			2		
Current Replacement Value \$ (CRV)	1	\$80,390,548		Source	4 Risk Risk or FCA
Total Gross Square Feet (GSF)		283,714			
Office/Administrative Usable Square Feet (USF)	2	52,730		Estimate/Actual	5 19% % USF/GSF
Occupants Position Count (PC)	3	291		Office/Admin USF/PC	6 181
				or Agency Measure	7

Table B: Owned facilities under \$1M CRV	
Number of Facilities Under \$1M	N/A
CRV	1 N/A
Total Gross Square Feet (GSF)	N/A

Table C: Leased Facilities					
Total Rented SF	8	35,651			
Total 2023-25 Biennial Lease Cost		\$1,685,514			
Additional 2023-25 Costs for Lease Properties (O&M)	9	\$406,728			
Office/Administrative Usable Square Feet (USF)	2	35,137		Estimate/Actual	5 99% % USF/GSF
Occupants Position Count (PC)	3	93		Office/Admin USF/PC	6 378

Definitions

CRV	1	Current Replacement Value Reported to Risk Management or Calculated Replacement Value Reported from iPlan Facility Conditions Assessment (FCA)
USF	2	Usable Square Feet per BOMA definition for office/administrative uses. Area of a floor occupiable by a tenant where personnel or furniture are normally housed plus building amenity areas that are convertible to occupant area and not required by code or for the operations of a building. If not known, estimate the percentage.
Occupant Position Count (PC)	3	Total Legislatively Approved Budget (LAB) Position Count within the buildings or leases as applicable.
Source	4	Enter Source of CRV as "Risk" or "FCA"
Estimate/Actual	5	Use actual USF % of USF to GSF, if available. If not known, estimate the percentage.
Office/Administrative USF/PC	6	Divide your USF by your position count. If office/admin space is a less than 10% of your space use, fill in N/A and fill in #7, "Agency Measure".
Agency Measure	7	If not using USF/PC, insert Agency Measure as defined in 107BF02 question #1.

	RSF	8	Rentable SF per BOMA definition. The total usable area plus a pro-rated allocation of the floor and building common areas within a building.
	O&M	9	Total Operations and Maintenance Costs for facilities including all maintenance, utilities and janitorial

Facility Plan - Facility O&M/DM Report 107B16b
2025-27 Biennium

Agency Name Oregon Liquor and Cannabis Commission

Facilities Operations and Maintenance (O&M) Budget
excluding Capital Improvements and Deferred Maintenance

1	2021-23 Actual	2023-25 LAB	2025-27 CSL Budgeted	2027-29 Budgeted
Personal Services (PS) Operations and Maintenance	\$490,312	\$510,905	\$514,028	\$547,731
Services and Supplies (S&S) Operations and Maintenance	\$1,149,570	\$965,612	\$1,161,899	\$1,210,699
Utilities not included in PS and S&S above	\$425,280	\$389,143	\$426,890	\$444,819
Total O&M	\$2,065,162	\$1,865,660	\$2,102,817	\$2,203,249
O&M \$/SF	7.28	6.58	7.41	7.77

Total O&M SF 283,714 Include only the SF for which your agency provides O&M funding.

O&M Estimated Fund Split Percentage %	2	General Fund	Lottery Fund	Other Funds	Federal Funds
				100%	

Deferred Maintenance Funding In Current Budget Model

Total Short and Long Term Deferred Maintenance Plan for
Facilities

	2025-27 Biennium		Ongoing Budgeted (non POP)	Ongoing Budgeted (non POP)
	Current Costs 2024	Ten Year Projection	2025-27 Budgeted SB 1067 (2% CRV min.)	2027-29 Projected SB 1067 (2% CRV min.)
3				
4,5,6	\$14,558,264	\$20,869,605	\$1,607,811	\$1,607,811
7	\$0	\$0		
8	\$0	\$0		
	Total Priority Need	\$14,558,264		
9	Facility Condition Index (Priority 1-3 Needs/CRV)	18.109%	16.109%	23.960%

SB 1067 Guidance Below
If your allocation is <= 2%, replace with your value
(minus DM funding in current budget model)

Assets CRV \$80,390,548 Current Replacement Value Reported to Risk or Calculated Replacement Value Reported from Facility Conditions Assessment (FCA)

Process/Software for routine maintenance (O&M)
Process/Software for deferred maintenance/renewal

Process for funding facilities maintenance

OLCC uses spreadsheets to track building assests/components, maintenance requests & needs.	Provide narrative
OLCC uses spreadsheets to track building assests/components, maintenance requests & needs.	Provide narrative
Facility maintenance is included as a separate item in the agency requested budget on a biennial basis.	Provide narrative

From iPlan FCA

Definitions

Facilities Operations and Maintenance Budget	1	The Facilities Operations and Maintenance budget includes costs to operate and maintain facilities and keep them in repair including utilities, janitorial and maintenance costs. Maintenance costs are categorized as external building (roof, siding, windows, etc.); interior systems (electrical, mechanical, interior walls, doors, etc.); roads and ground (groundskeeper, parking lots, sidewalks, etc.) and centrally operated systems (electrical, mechanical, etc.). Agencies with significant facilities may include support staff if directly associated with facilities maintenance activities. Do not include other overhead costs such as accounting, central government charges, etc.
O&M Estimated Fund Split Percentage %	2	Show the fund split by percentage of fund source allocated to facility O&M for your agency

Total Short and Long Term Maintenance and Deferred Maintenance Plan for Facilities Value Over \$1M	3	All Maintenance excluding routine O&M costs. 23-25 and 25-27 auto-populates with 2% of the sum of your agency portfolio's CRV. Written to deliver on SB 1067: SECTION 9. (1) Each biennium, the Governor shall propose as part of the Governor's recommended budget an amount for deferred maintenance and capital improvements on existing state-owned buildings and infrastructure that is equivalent to at least two percent of the current replacement value of the state-owned buildings and infrastructure.
Priority One: Currently Critical	4	From the Budget Instruction: Priority One projects are conditions that require immediate action in order to address code and accessibility violations that affect life safety. Building envelope issues (roof, sides, windows and doors) that pose immediate safety concerns should be included in this category.
Priority Two: Potentially Critical	5	From the Budget Instruction: Priority Two projects are to be undertaken in the near future to maintain the integrity of the facility and accommodate current agency program requirements. Included are systems that are functioning improperly or at limited capacity, and if not addressed, will cause additional system deterioration and added repair costs. Also included are significant building envelope issues (roof, sides, windows and doors) that, if not addressed, will cause additional system deterioration and added repair costs.
Priority Three: Necessary - Not yet Critical	6	From the Budget Instructions: Priority Three projects could be undertaken in the near to mid-term future to maintain the integrity of a building and to address building systems, building components and site work that have reached or exceeded their useful life based on industry standards, but are still functioning in some capacity. These projects may require attention currently to avoid deterioration, potential downtime and consequently higher costs if corrective action is deferred.
Priority Four: Seismic and Natural Hazard Remediation	7	From the Budget Instructions: Priority Four projects improve seismic performance of buildings constructed prior to 1995 building code changes to protect occupants, minimize building damage and speed recovery after a major earthquake. Projects also include those that mitigate significant flood hazards.
Priority Five: Modernization	8	From the Budget Instructions: Priority Five projects are alterations or replacement of facilities solely to implement new or higher standards to accommodate new functions, significantly improve existing functionality as well as replacement of building components that typically last more than 50 years (such as the building structure or foundations). These standards include system and aesthetic upgrades which represent sensible improvements to the existing condition. These projects improve the overall usability and reduce long-term maintenance requirements. Given the significant nature of these projects, the work typically addresses deficiencies that do not conform to current codes, but are 'grandfathered' in their existing condition to the extent feasible.
Facility Condition Index	9	A calculated measure of facility condition relative to its current replacement value (expressed as a percentage)

**Facility Plan - Major Construction/ Acquisition Project Narrative 107BF11
2025-27 Biennium**

Note: Complete a separate form for each project

Agency	Oregon Liquor and Cannabis Commission		Schedule	
Project Name		Cost Estimate	Cost Est. Date	Start Date
Address /Location		GSF	# Stories	Land Use/Zoning Satisfied
				Y N

Funding Source/s: Show the distribution of dollars by funding source for the full project cost.	General Funds	Lottery	Other	Federal

Description of Agency Business/Master Plan and Project Purpose/Problem to be Corrected

Project Scope and Alternates Considered

Project Budget Estimate - Escalate to the mid-point of construction. Use 4.5% Annual Escalation.

DIRECT CONSTRUCTION COSTS

	\$	% Project Cost	\$/GSF
1 Building Cost Estimate			
2 Site Cost Estimate (20 Ft beyond building footprint)			
3 TOTAL DIRECT CONSTRUCTION COSTS			

INDIRECT CONSTRUCTION COSTS

4 Owner Equipment / Furnishings / Special Systems			
5 Construction Related Permits & Fees			
6 Other Indirect Construction Costs Including 1% Art, 1.5% Renewable Energy and other state requirements			
7 Architectural, Engineering Consultants			
8 Other Design and PM Costs			
9 Relocation/Swing Space Costs			
10 TOTAL SOFT COSTS			
11 OWNER'S PROJECT CONTINGENCY			

TOTAL PROJECT COST

\$	% Project Cost	\$/GSF

Cost Estimate Source (EG Agency, Cost Estimator, A/E, etc.)

Project Image/Illustration (optional)

Facility Plan - 10 Year Space Needs Summary Report
2025-27 Biennium

Agency Name Oregon Liquor and Cannabis Commission

Note: List each project/lease or disposal separately.

Proposed New Construction or Acquisition - Complete for 5 Biennia

Biennium	Agency Priority	Concept/Project Name	Description	GSF	Position Count ¹	General Fund	Other Funds	Lottery Funds	Federal Funds	Estimated Cost/Total Funds
2025-27										
2027-29										
2029-31										
2031-33										
2033-35										

Proposed Lease Changes over 10,000 RSF - Complete for 3 Biennia

Biennium		Location	Description/Use	Term in Years	Total RSF ² +/- (added or eliminated)	USF ³	Position Count ¹	Biennial \$ Rent/RSF ²	Biennial \$ O&M ⁴ /RSF ² not included in base rent payment	Total Cost/Biennium
2025-2027	1	PSOB	HQ/Administrative - See Note:	5 years	23,000	17,000	90	60.48		\$1,391,040
2027-2029	1	PSOB	HQ/Administrative - See Note:	continued	23,000	17,000	90	60.48		\$1,391,040
2029-2031	1	PSOB	HQ/Administrative - See Note:	likely to be extended	28,000	22,000	122	60.48		\$1,693,440

Proposed Lease Changes over 10,000 RSF - Complete for 3 Biennia

Biennium		Location	Description/Use	Term in Years	Total RSF ² +/- (added or eliminated)	USF ³	Position Count ¹	Biennial \$ Rent/RSF ²	Biennial \$ O&M ⁴ /RSF ² not included in base rent payment	Total Cost/Biennium
					A	B	C	D	E	(D+E) * A

Planned Disposal of Owned Facility

Biennium		Facility Name	Description
2025-2027	1	HQ/Warehouse	Sale/Disposal of current facility
2025-2027	1	Milport Warehouse	Sale/Disposal of current facility

Definitions

Occupant Position Count (PC)	1	Estimated Position Count assigned to (home location) each building or lease as applicable
RSF	2	Rentable SF per BOMA definition. The total usable area plus a pro-rated allocation of the floor and building common areas within a building.
USF	3	Usable Square Feet per BOMA definition for office/administrative uses. Area of a floor occupiable by a tenant where personnel or furniture are normally housed plus building amenity areas that are convertible to occupant area and not required by code or for the operations of a building. If not known, estimate the percentage.
O&M	4	Total Operations and Maintenance Costs for facilities including all maintenance, utilities and janitorial

OLCC 2025-27 AGENCY FACILITY PLAN

CAPITAL PROJECTS ADVISORY BOARD PRESENTATION

July 12, 2024

Presented by Jeff Samuels, OLCC Administrative Services Division Director



AGENCY OVERVIEW

- **OLCC Mission**

- OLCC oversees access to alcohol and cannabis products in Oregon through education, regulation, and distribution of distilled spirits, with the goal of protecting public health and safety—while supporting responsible Oregon businesses and generating revenue for local and state agencies.

- **Strategic Plan**

- Build and launch new distilled spirits distribution center
- Upgrade key logistics, distribution and licensing software
- Relocate HQ to lease space

AGENCY FACILITIES



OLCC Headquarters – McLoughlin Blvd.



Main Warehouse – McLoughlin Blvd.



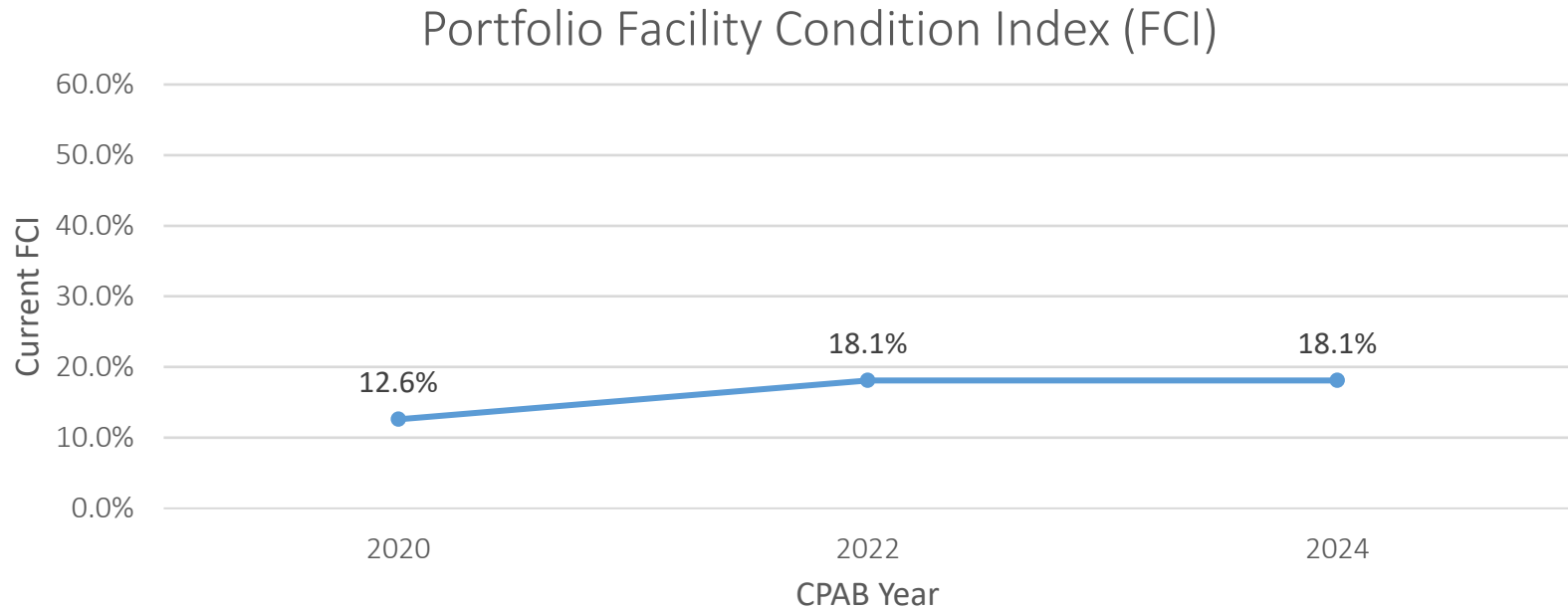
Milport Warehouse

FACILITIES – SIGNIFICANT FACTORS

- Aged Facilities
 - HQ and Main Warehouse – 70 years old
 - Replacement value \$50,010,892
 - Milport Warehouse – near 50 years old
 - Replacement value \$30,379,656
 - Warehouses at capacity
 - Industry standard is near 80% capacity utilization
- Key Drivers
 - Maintain current buildings to meet agency mission
 - Facility Plan identifies and prepares for potential repairs in 2025-27
 - 2025-27 CSL capital improvement budget \$258,159
 - Ready properties for sale by the end of FY2026



OLCC FACILITY CONDITION



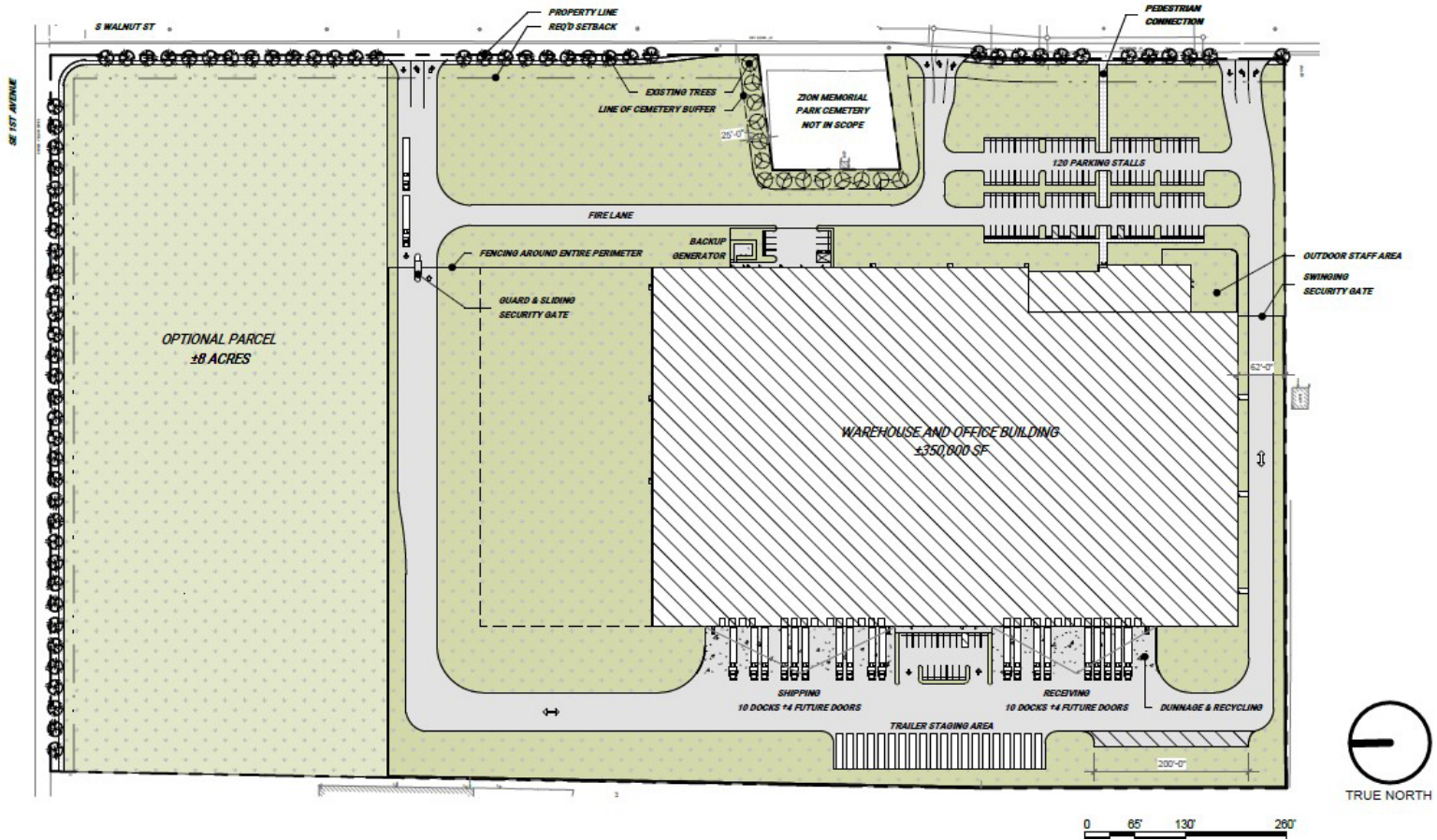
OLCC STATEWIDE LEASES

- Regional Offices
 - McLoughlin Plaza, Milwaukie
 - Salem
 - Eugene
 - Medford
 - Bend
- Field Offices
 - Astoria, Corvallis, Newport, Coos Bay, Roseburg, Klamath Falls, Hood River, Pendleton

PROJECT UPDATE – CANBY WAREHOUSE

- 350,000 sqft. distilled spirits warehouse/distribution facility
 - Storage capacity for at least 15-20 years
 - Design and construction features allow for future warehouse expansion
 - Material Handling System (conveyance and racking) will integrate with OLCC Distilled Spirits Supply Chain software.
 - Project completion and fully operational by end of Q2 2026
 - Supports Agency mission and improves the operation of Oregon’s distilled spirits control model
- \$145.5 million total project funding in Article XI-Q General Obligation Bonds
 - Approved during June 2021 and February 2022 Legislative Sessions
- Climate Change Adaptation Measures
 - SEED – State Energy Efficient Design 20% better than building energy code
 - Green Energy Technology – 1.5%
 - Efforts for reduction in embodied carbon in building materials
 - Electric Vehicle charging stations

WAREHOUSE DISTRIBUTION FACILITY – SITE PLAN



OLCC HEADQUARTERS RELOCATION

- Relocation to Portland State Office Building (PSOB)
- OLCC working with DAS on space and lease terms
- Benefits
 - Maintain OLCC footprint in Portland Metro area
 - Utilizes DAS state-owned space
 - Aligns with State office space reduction with hybrid workforce model
 - Helps revitalize Portland Central City
 - Approx. \$620k lease for second half of 2025-27 biennium



Questions

