

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE
JOINT SUBCOMMITTEE ON HIGHER EDUCATION AND CAPITAL
IMPROVEMENTS**

**Seventy-Third Session
March 24, 2005**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on Higher Education and Capital Improvements, was called to order at 8:00 a.m., on Thursday, March 24, 2005. Chairman Morse Arberry Jr. presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Mr. Morse Arberry Jr., Chairman
Ms. Chris Giunchigliani
Mr. Lynn Hettrick
Ms. Sheila Leslie
Mr. John Marvel
Mr. Richard Perkins

SENATE COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio
Senator Barbara Cegavske
Senator Bob Coffin
Senator Bernice Mathews

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Gary Ghiggeri, Senate Fiscal Analyst
Tracy Raxter, Program Analyst
Connie Davis, Committee Attaché
Carol Thomsen, Committee Attaché

Chairman Arberry opened the March 24, 2005, hearing for the Capital Improvement Program (CIP) projects.

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board, (PWB), announced that project cost estimates had been modified for CIP 05-M43, the State Library and Archives Security Upgrade ([Exhibit B](#)), and CIP 05-S06, Statewide Asbestos, Lead Paint, Indoor Air Quality (IAQ), Mold ([Exhibit C](#)). Information concerning the cost estimate adjustments would be provided by PWB representatives as the projects were discussed.

Division of Buildings and Grounds, Nevada Highway Patrol, Demolition of East Sahara Avenue Facility (CIP 05-C11)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board, (PWB) identified himself for the record. The Capital Improvement Program (CIP)

budget recommended funding in the amount of \$343,632 to demolish the former Nevada Highway Patrol regional headquarters facility on East Sahara Avenue in Las Vegas.

Mr. Nunez explained that the building would be vacated upon completion of the Public Safety Complex in Las Vegas, which would house the Nevada Highway Patrol (NHP), the Las Vegas Area Computer Traffic System (LVACTS), and the Freeway and Arterial System of Transportation (FAST), Traffic Management Control (TMC). Mr. Nunez advised that there were no plans by the Division of Buildings and Grounds to rent the building, and the demolition was recommended to be funded using money from the Highway Fund. If money from the Highway Fund was not available, Mr. Nunez indicated the building would be boarded by the Division of Buildings and Grounds until other funds became available for demolition.

In response to Senator Raggio's request for clarification regarding the proposed \$343,632 funding recommendation, Mr. Nunez advised that using Highway Fund money had been proposed since the building was occupied by the Nevada Highway Patrol. However, Mr. Nunez indicated that as of the current date, availability of Highway Fund dollars could not be confirmed. Mr. Nunez reiterated that the building would not be demolished if the project did not meet the statutory qualifications for use of monies from the State Highway Fund.

In response to Senator Raggio, who questioned the need to spend \$44,100 to landscape the site upon completion of the building demolition, Mr. Nunez indicated that \$44,100 would provide minimal landscaping for dust control.

Senator Raggio pointed out that \$44,100 was not minimal and asked that the proposed landscaping expenditure be reconsidered.

Additionally, Senator Raggio questioned the \$48,320 proposed to be expended on project management and inspection services pointing out that total demolition costs appeared to amount to more than necessary.

In response to Assemblyman Marvel, who asked when representatives of the PWB would have a firm answer concerning the availability of Highway Fund dollars, Mr. Nunez was unable to provide an answer.

Patrick M. McInnis, P.E., Chief Engineer, Division of Buildings and Grounds, identified himself for the record and indicated the Highway Fund money had been requested through the Department of Public Safety.

Gary Ghiggeri, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, clarified that the building was purchased from the State Industrial Insurance System (SIIS) in the late 1980s or early 1990s. The building was purchased for approximately \$1 million from the General Fund, for which the Division of Buildings and Grounds was making payments of \$50,000 a year to reimburse the General Fund. Based on the initial purchase with General Fund dollars, Mr. Ghiggeri indicated it appeared unlikely that Highway Fund dollars could be used to pay for the demolition.

Chairman Arberry closed the hearing on CIP 05-C11 and opened the hearing on CIP 05-C20.

Division of Buildings and Grounds, Human Resources Office Building Lease Purchase (CIP 05-C20).

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised the Subcommittee that the Capital Improvement Program (CIP) budget recommended \$20,878,925 to subsidize a lease-purchase building project for the Department of Human Resources that would provide 208,000 square feet of office space.

Mr. Nunez indicated the facilities condition analysis for the Kinkead Building determined that within the next five years constructing a new facility would be more economical than upgrading the current facility. Additionally, approval would facilitate consolidation of Human Resources agencies and allow a phase-out of the Kinkead Building.

In response to Chairman Arberry's request for information regarding costs for building design, construction, plan check fees, project management and inspection fees, and furnishings and equipment, Mr. Nunez advised that a detailed cost analysis had been provided to the Treasurer's Office. Mr. Nunez indicated the proposed \$20,878,925 subsidy was based on the Treasurer's Office analysis for the cost of the building and lease payments that would be made by occupants of the building.

Chairman Arberry asked that the information provided to the Treasurer's Office also be provided to the Subcommittee's staff. Additionally, Chairman Arberry asked if the proposed Human Resources Office Building lease-purchase arrangement would be formulated in the same manner as the financing for the Conservation and Natural Resources Building.

Mr. Nunez indicated the lease-purchase arrangement contemplated for the Human Resources Building was the same type of financing used to construct the Conservation and Natural Resources Building.

Having followed the progress of the Conservation and Natural Resources Building, Senator Raggio indicated he believed the lease-purchase concept of financing through certificates of participation was a "worthwhile" procedure to follow in the future.

Assemblyman Marvel asked for a cost estimate on demolition of the Kinkead Building.

Although he did not have a demolition cost estimate with him, Mr. Nunez advised one could be provided using a formula of \$20 a cubic yard based on the value of the building.

In response to questions Mr. Marvel asked concerning the future use of the property, Mr. Nunez advised it would be available for a State office building and continued development of the Capitol Complex.

In response to questions Mr. Marvel asked regarding the estimated construction timetable for the new building, Mr. Nunez advised that 24 months was estimated for design and construction.

In response to questions Chairman Arberry asked regarding how the \$20,878,925 subsidy was determined, Mr. Nunez advised that the total project

cost was projected at approximately \$40 million. The detailed cost estimate was provided to the Treasurer's Office, who worked with the Budget Division, Buildings and Grounds Division, the State Public Works Board, and underwriters to determine funding availability and the cost for the new building.

Mr. Nunez pointed out that the Conservation and Natural Resources Building, which was smaller than the proposed Human Resources Building, required only a \$3 million subsidy. The agencies that would occupy the Conservation and Natural Resources Building, currently located in non-State-owned space, would pay a higher rent charge than State agencies in the Human Resources Building, which are currently located in State-owned space. Accordingly, Mr. Nunez indicated the Department of Human Resources' budgets did not have the funding to retire the cost, which, therefore, required the higher subsidy. Mr. Nunez reiterated earlier testimony that the PWB provided the cost estimates and worked with representatives from the Budget Division, Buildings and Grounds Division, and the Treasurer's Office to determine funding availability for the new building.

Chairman Arberry asked for information regarding which State agencies would be housed in the new 208,000-square-foot building.

Maud Naroll, Chief Planner, Budget and Planning Division, Department of Administration, identified herself for the record. Ms. Naroll indicated the proposed occupancy plan for the new building included the following State agencies:

- Current tenants of the Kinkead Building
- Child and Family Services Division currently occupying Children's Home cottages
- Child and Family Services Division currently occupying leased space
- Health Division agencies currently occupying leased space

In response to questions Assemblywoman Leslie asked regarding the Department of Information Technology (DoIT), Ms. Naroll advised that DoIT was currently located in the Kinkead Building and would be moved to the new facility. Ms. Naroll explained that the new building would eventually house only Department of Human Resources' agencies, which would occur as agency growth increased.

In response to Ms. Leslie, who questioned the disposition of the Children's Home cottages, Mr. Nunez said the cottages would eventually be scheduled for demolition.

In response to Mr. Hettrick, who asked for the location of the building, Mr. Nunez indicated the 208,000-square-foot building was proposed to be located on the corner of Little Lane and South Roop opposite the Conservation and Natural Resources Building, currently under construction, at the corner of Little Lane and Stewart.

Chairman Arberry closed the hearing on CIP 05-C20 and opened the hearing on CIP 05-M11 Purchasing Warehouse Structural Evaluation and Repairs.

Division of Buildings and Grounds, Purchasing Warehouse Structural Evaluation and Repairs (CIP 05-M11)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$188,910 for a structural evaluation of the 60,000-square-foot State Purchasing office/warehouse facility and repair of serious structural deficiencies identified through the evaluation.

Mr. Nunez explained that concrete was spalling away from roof-bearing areas which, if not corrected, would create an unsafe structural condition.

Chairman Arberry asked for information on how the \$110,250 construction cost estimate was determined.

Mr. Nunez explained that the PWB structural engineer developed potential scenarios that needed to be evaluated by a structural engineer, and a cost estimate was developed based on those scenarios. Mr. Nunez indicated he would provide the project manager's worksheets to the Subcommittee's staff.

Chairman Arberry asked if the \$110,250 for construction funding could be deferred until the 2007 CIP.

Mr. Nunez advised that the structural evaluation would be completed within three months and recommended moving forward to complete the repairs within the 2005-07 biennium.

Chairman Arberry closed the hearing on CIP 05-M11 and opened the hearing on CIP 05-C27.

Department of Cultural Affairs, Nevada State Museum ADA Entrance and Connecting Structure (CIP 05-C27)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), identified himself for the record. Mr. Nunez advised the Subcommittee that the Capital Improvement Program (CIP) budget recommended \$3,230,894 for completion of the design and the construction of a new entrance and a 3,400-square-foot connecting structure between the north and south Museum Buildings.

Mr. Nunez testified that after learning that the cost to retrofit the existing service elevator for public use would exceed the budget, the Interim Finance Committee approved a change of scope to CIP 03-S02 that provided \$30,000 to fund a feasibility study and schematic design for a connecting structure. The structure would eliminate legal and public relations liability related to noncompliance with the Americans with Disabilities Act (ADA).

In response to a request from Chairman Arberry to address the results of the feasibility study, Mr. Nunez advised that the study was geared toward architectural modifications to the existing structure to comply with ADA requirements. The proposed connecting structure would provide one main entrance rather than the current multiple entrances. The project would also include installation of a passenger elevator, which would eliminate public use of the freight elevator. Mr. Nunez indicated that the proposed modifications, from an operational and security point of view, would greatly improve the facility.

Chairman Arberry asked for comments regarding how the connecting structure would be architecturally tied to the historic Mint Building.

Mr. Nunez referred to a document titled, "State of Nevada Department of Cultural Affairs, Capital Improvement Program Requests Included in Executive Budget" ([Exhibit D](#)). The document was provided by Scott Sisco, Interim Director, Department of Cultural Affairs, and included a preliminary rendering of the connecting structure. As previously indicated, Mr. Nunez said the facility currently lacked ADA access to the mine exhibit, located in the basement of the main Museum Building, and the proposed modification would provide direct ADA access to the exhibit.

Chairman Arberry asked for comments regarding the type of special events and functions that would utilize space in the connecting structure.

Scott Sisco, Interim Director, Department of Cultural Affairs, identified himself for the record. Mr. Sisco advised that the Museum held "a multitude of ongoing events." Many school children were brought by bus from schools throughout the State, and the modified facility would provide a staging area for teachers and children before beginning their tours. Additionally, Mr. Sisco said the connecting structure would provide an area to hold receptions for various exhibit openings and events since, in today's world, a museum was often used for social and other cultural-related functions.

Mr. Sisco referred to the overall justification for the project reflected on the second of the foldout pages incorporated within [Exhibit D](#), which included:

- ADA access for the Museum entrance and all areas of the Museum, including the underground mine entrance.
- Centralized admissions area for the entire Museum complex provided increased security.

Mr. Sisco advised that the new entrance would allow one individual to take tickets and another to move through the Museum to ensure the safety of the visitors and the safekeeping of the artifacts.

Chairman Arberry noted the project cost estimate included \$225,971 for furnishings and equipment for the connecting structure and asked Museum representatives to describe what furnishings and equipment items were being contemplated.

Mr. Sisco indicated a desk would be purchased for the reception area where tickets would be taken inside the main entrance. Additionally, Mr. Sisco advised that in order to preserve the Mint's historical integrity, the structure currently allowing visitors to exit from the underground mine exhibit, not original to the building, would be removed.

Mr. Nunez advised that a detailed breakdown on the cost of furnishings and equipment would be provided to the Subcommittee's staff. Mr. Nunez pointed out, however, that there were other areas within the Museum slated for remodeling that might require furnishings and equipment.

Senator Raggio extended his compliments to the PWB and Museum staff for their work in designing the glass connecting structure, which he indicated was well planned.

Mr. Sisco thanked Senator Raggio and also extended his appreciation to the PWB staff for their assistance in "fighting for the project," and its inclusion within the Capital Improvement Program requests.

Senator Coffin asked how the connecting structure would preserve the appearance of the Mint.

Mr. Sisco indicated that extending the glass structure from the popular mine exhibit not only allowed ADA visitors access to the underground exhibit, but also extended the mine theme and preserved the park area to the north of the building. Additionally, Mr. Sisco said the glass structure would be wide enough so that when it was not being used for a special event, larger exhibits, such as a horseless carriage, could be brought out of storage to be viewed by visitors when the Museum was closed.

Having recently visited the Museum with his daughter, Senator Coffin asked if the design included increasing the size of the mine exhibit and whether additional simulations would be included.

A part of the mine exhibit experience was to simulate being in a mine, and Mr. Sisco indicated that perhaps storyboard display units, videotapes, and other interpretative and interactive educational opportunities would be provided to visitors on their way out to continue their learning experience with regard to the impact the mines had in developing Nevada.

Senator Coffin discussed the possibility of providing seating in the connecting structure and encouraged the Museum staff to take advantage of the opportunities provided by the recommended modifications.

In response to questions Senator Coffin asked about utilities running between the north and south buildings, Mr. Nunez indicated a water and sewer line traversed the property, which would be protected when the connecting structure was built over the top of the utilities.

Chairman Arberry closed the hearing on CIP 05-C27 and opened the hearing on CIP 05-M04.

Department of Cultural Affairs, Lost City Museum Electrical and Lighting Upgrade, CIP 05-M04

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$390,306 to design and construct a new electrical distribution system for the Lost City Museum.

The existing electrical distribution system had been retrofitted many times, and Mr. Nunez indicated the age of the buildings and the adobe construction of the Museum had affected the integrity of the electrical system. Citing safety issues, Mr. Nunez explained that during inclement weather an employee had to stand near the panelboard to prevent contact of the panelboard by members of the public. The project, if approved, would provide the Lost City Museum with an appropriate electrical system, which Mr. Nunez said would address life-safety issues.

In response to questions from Chairman Arberry concerning life-safety issues and the completion of the project, Mr. Nunez indicated the project would be completed prior to the 2007 Capitol Improvement Program requests or in the first two years of the next biennium.

In response to concerns raised by Senator Raggio regarding the project's budget increase from \$390,306 to \$465,306, Mr. Nunez advised that electrical subcontractor bids had increased from \$22 to \$40 a square foot in the last three months.

Noting that the project also included \$46,015 for project management and inspection fees, and \$37,312 for design, Senator Raggio asked if the upgrade had been designed. Additionally, Senator Raggio questioned how the cost of replacing the existing electrical distribution system with a new panelboard and panelboard enclosure required a total project cost of approximately \$465,306.

In response to Senator Raggio's questions, Mr. Nunez provided the following information:

- The electrical and lighting upgrade had not yet been designed.
- Existing panelboards that were currently pulling away from the wall breaking the conduit at joints and exposing conductors would be replaced.
- Existing conduit would be repaired to eliminate broken and separated conduit.

Senator Raggio indicted property tax relief would impact the State's revenue bonding capacity and requested that PWB representatives review the estimated costs for any possible reduction.

Mr. Nunez agreed to review costs, but advised that it was "extremely difficult" to find contractors to work at remote sites.

Senator Raggio expressed an understanding of the situation, but indicated that costs had to be controlled and, if a premium had to be paid, the Subcommittee wanted to know why. Additionally, Senator Raggio suggested that perhaps the contractor and subcontractor lists should be expanded.

Mr. Nunez advised that the PWB would look into the recommendations and suggested perhaps making it easier for the smaller contractors to qualify with the Public Works Board.

Chairman Arberry closed the hearing on CIP 05-M04 and opened the hearing on CIP 05-M12.

Department of Cultural Affairs, Nevada State Museum Light Control Switching (CIP 05-M12)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended funding to design and construct new light control switches to eliminate the need for utilizing circuit breakers to control lighting within the Nevada State Museum.

Using circuit breakers to turn lights on and off was not code compliant, exposed untrained personnel to potential electrical hazards, and degraded the primary

purpose of the circuit breaker, which Mr. Nunez explained was to interrupt faulted conditions immediately and reliably.

In response to concerns raised by Mr. Marvel with respect to \$19,360 for inspection fees, Mr. Nunez agreed the cost was high and indicated he could provide the Subcommittee information on the consultant selection through the plan check phases.

Senator Raggio also raised concerns and questioned the cost noting an amendment increasing the original \$90,721 projection to \$100,721 had been submitted.

Mr. Nunez attributed the increased cost to "inflationary increases in construction costs."

In response to questions Senator Raggio raised with respect to expanding the qualified bidders list, Mr. Nunez advised that recommendations had been submitted to the Board making the pre-qualification of small bidders easier.

Senator Raggio suggested the Board work expeditiously to expand the small bidders list.

Chairman Arberry closed the hearing on CIP 05-M12 and opened the hearing on CIP 05-M23.

Department of Cultural Affairs, Ely Railroad Museum Drainage and Walkway Projects (CIP 05-M23)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$170,076 to correct exterior drainage problems at the Ely Railroad Museum. Mr. Nunez indicated that drainage from the building's roof and street was deteriorating the integrity of the building's foundation. Additionally, Mr. Nunez indicated that installation of the trench drain would allow water to drain from the building, and resurfacing the sidewalk would help to alleviate potential hazards to visitors.

Scott Sisco, Interim Director, Department of Cultural Affairs, indicated there had been a recent \$22,500 State settlement of a lawsuit for a visitor who had tripped and injured herself. Mr. Sisco referenced the document, "Capital Improvement Program Requests Included in Executive Budget" ([Exhibit D](#)), which included a photo of the deteriorating concrete surrounding the East Ely Railroad Depot.

Chairman Raggio pointed out that an amendment had also been submitted for CIP 05-M23 increasing the project cost from \$170,076 to \$180,075.

Chairman Arberry closed the hearing CIP 05-M23 and opened the hearing on CIP 05-M43.

Department of Cultural Affairs, State Library and Archives Security Upgrade (CIP 05-M43)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget

recommended funding to replace the obsolete fire alarm system and security systems within the State Library and Archives.

Mr. Nunez referenced the revised project cost estimate ([Exhibit B](#)) distributed at the beginning of the hearing and indicated that, if approved, CIP 05-M43 would provide for:

- New security equipment
- An upgraded recording system to protect irreplaceable State historical records and current records such as birth, death, and public safety files
- Replace the existing fire alarm system for which replacement parts could no longer be found
- Security card readers

In response to questions from Chairman Arberry concerning the cost estimate, Mr. Nunez referenced the revised project cost estimate ([Exhibit B](#)) and explained that the original database spreadsheet had not calculated correctly and was replaced by the revised estimate distributed to the Subcommittee at the beginning of the hearing. The revised project cost estimate calculated to \$1,183,593.

Chairman Arberry closed the hearing on CIP 05-M43 and opened the hearing on CIP 05-M44.

Department of Cultural Affairs, Carson City Railroad Museum Replace Failing Doors (CIP 05-M44).

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended funding to replace the large train doors at the south end of the Railroad Museum Interpretive Center and rehabilitate the Railroad Museum's east entrances and storefronts. Mr. Nunez said weather, over the years, had bowed the doors creating "significant heat loss" and a threat to occupants on windy days. [Exhibit D](#) included a photograph of the bowed doors through which daylight was visible.

Senator Raggio noted that a recently submitted budget adjustment reflected a revised total project cost estimate of \$120,139, which he indicated appeared high.

Mr. Nunez commented on the Public Works Board previous use of a formula for project management fees to "distribute costs over the biennium" and the current process to determine the "actual effort" for each project, which for the smaller projects appeared inefficient.

Senator Raggio indicated that a private museum, in all likelihood, would not spend \$120,139 to replace two doors. Although recognizing the Public Works Board's value, Senator Raggio discussed the need to perhaps reevaluate the Public Works Board participation in projects, depending on the scarcity of funding and cost-effectiveness of a project.

Senator Raggio further indicated that while project management was definitely needed on large projects, the formula did not appear to work for the smaller projects and perhaps needed to be adjusted.

Senator Coffin pointed out the period appearance of the Railroad Museum might suffer in the process of attempting to save money.

Agreeing that the replacement doors needed to be consistent with the character of the building, Mr. Nunez reiterated that the process of using actual costs rather than the previously used formula was not favorably applicable to the smaller projects.

Senator Coffin questioned whether the doors had been properly maintained since they had a southern wind exposure.

Scott Sisco, Interim Director, Department of Cultural Affairs, advised that with over 60,000 square feet of space, the State Museum had a maintenance budget of only \$11,000 a year. However, Mr. Sisco also indicated that Governor Guinn had placed a priority on maintaining the Museum, which would provide the opportunity to "catch up" on some deferred maintenance. Mr. Sisco explained that the wind not only bowed and weathered the doors facing the southwest exposure but also pushed out the glass windows on the east side of the building, which would also be scheduled to be replaced with the funding requested in the CIP.

Senator Coffin reiterated that the period look had to be maintained and could not be lost in the "chase for efficiency."

Mr. Sisco agreed the railroad depot look of the Carson City Railroad Museum had to be maintained.

Chairman Arberry closed the hearing on CIP 05-M44 and opened the hearing on CIP 05-P06 Las Vegas State Records Center.

Department of Cultural Affairs, Las Vegas State Records Center (CIP 05-P06)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$180,464 to provide for design through construction documents to remodel the existing State Museum at Lorenzi Park in Las Vegas. The renovation would create space for:

- Southern Nevada Records Center
- Library for the Blind and Physically Handicapped
- Micrographics and Imaging Program
- Nevada Arts Council
- State Historic Preservation Office
- Permanent arts, archive, and museum exhibit area

Providing a brief overview of the project, Mr. Nunez said the building and land, leased to the State through a 99-year lease from the City of Las Vegas, was scheduled to be vacated in October 2007. The building, if not used in accordance with the terms of the lease, would be forfeited to the City of Las Vegas. Mr. Nunez advised, however, that the project, if approved, would uphold the terms of the lease by including a display-museum area within the remodeled space.

Chairman Arberry asked Department of Cultural Affairs representatives to comment on how the programs included in the remodeled space would be staffed.

Scott Sisco, Interim Director, Department of Cultural Affairs, provided the following information on staffing for the remodeled facility at Lorenzi Park:

- Current Museum staff would move to the new Museum scheduled to open in mid-2007 at the Las Vegas Springs Preserve site.
- The Library for the Blind and Physically Handicapped currently employed 2.5 full-time equivalent employees (FTEs), who would move to the remodeled Lorenzi Park facility with the Library.
- Nevada Arts Council employed 2.5 FTEs, who would move to the Lorenzi Park facility with the Arts Council.
- Southern Nevada Records – funding would be requested for staffing.

Other than a request to staff the Southern Nevada Records Center, Mr. Sisco indicated the Department of Cultural Affairs did not anticipate a request for additional staff.

Chairman Arberry noted that the project cost estimate reflected future construction costs based on 12,824 square feet at \$73 per square foot, which totaled \$936,152, and the actual square footage of the building was 32,824 square feet. The Chairman questioned the extent of the remodeling envisioned for the project and the projected amount of future construction costs.

Mr. Nunez confirmed the construction cost was based on 12,824 square feet at \$73 per square foot.

Mr. Sisco pointed out that the facility had the proper heating, ventilation and air conditioning (HVAC) system, and would require only minimal remodeling to convert space for the Southern Nevada Records Center. A new handicapped entrance would be constructed on the east side of the building and a few offices would be constructed for the Library. Mr. Sisco believed the project cost would be reduced by possibly hundreds of thousands of dollars considering that the existing facility, for the most part, met the Department's needs with the described renovations.

In response to questions from Chairman Arberry regarding senior citizen utilization of the facility, Mr. Sisco advised that City of Las Vegas representatives met with Department staff in anticipation of acquiring the facility for other uses. However, partnering with another entity for a portion of the building would have placed the Department in the position of requesting funding to build a records storage center for a current cost of approximately \$10 to \$12 million. After requesting funding for a Southern Nevada Records Center for four biennia, Mr. Sisco indicated the Lorenzi Park facility met the Department's needs and at the same time would save money.

Senator Raggio pointed out that the only space the Department needed was the portion for the records storage center.

Mr. Sisco indicated the Department of Cultural Affairs had agencies throughout the Las Vegas area and had recently moved the Library for the Blind and Physically Handicapped for the third time, which made it difficult for citizens to locate. Locating the agencies within the Lorenzi Park building provided many benefits to the Department and would save the State money.

In response to questions Senator Raggio asked regarding the lease requirements, Mr. Sisco reiterated that the museum component was being retained to uphold the terms of the lease.

Senator Raggio discussed renegotiating the lease and questioned the necessity of expending additional funds for a component in the Lorenzi Park facility since a new museum was being constructed at the Las Vegas Springs Preserve.

Mr. Sisco explained that the requested funding would be used to construct the handicapped access for the Library for the Blind and Physically Handicapped and not for the museum component. Prior to approval of Question 1, which provided the funding for the new museum at the Las Vegas Springs Preserve, Mr. Sisco indicated again that City of Las Vegas representatives discussed purchasing the Lorenzi Park facility, but declined when it appeared the facility would be forfeited.

Senator Raggio indicated there appeared to be some basis to renegotiate the lease, save money, and still accommodate everyone's concerns.

In response, Mr. Sisco advised that discussions had taken place "all the way up to the mayor's office," and said again that the funding that was requested would be spent to convert the building for multiple purposes. Mr. Sisco also indicated again how desperately the Department needed the Southern Nevada Records Center.

Chairman Arberry closed the hearing on CIP 05-P06 and opened the hearing on CIP 05-C08.

Department of Public Safety, Emergency Operations Center Telephone Data/Switches (CIP 05-C08).

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended funding to purchase and install telephone and data switches for the State Emergency Operations Center that was funded for construction in the 2003 CIP (CIP 03-C06). Mr. Nunez indicated the connectivity the telephone/data switches would provide was essential for the emergency coordination that would be provided by the Emergency Operations Center (EOC).

Chairman Arberry asked if the existing telephone/data switches from the former National Guard Armory facilities could be utilized in the new State Emergency Operations Center.

Although using the telephone/data switches from the former National Guard Armory facilities was anticipated, Mr. Nunez indicated it became apparent as the project was being developed, the existing system could not be adapted and a new system was required.

Chairman Arberry noted for the record that an inflationary adjustment had been provided that increased the project cost from \$527,490 to \$577,490.

Chairman Arberry closed the hearing on CIP 05-C08 and opened the hearing on CIP 05-C09.

Department of Public Safety, Microwave Station to Support the Emergency Operations Center (CIP 05-C09).

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended funding to install a microwave station to support the new State Emergency Operations Center (EOC) that was funded for construction in the 2003 CIP (CIP 03-C06). Mr. Nunez indicated the microwave link would provide a redundant system to the commercial fiber that would serve as the facility's primary communications link.

Chairman Arberry noted for the record an inflationary adjustment had been provided that increased the cost from \$554,954 to \$599,954.

Chairman Arberry closed the hearing on CIP 05-C09 and opened the hearing on CIP 05-M39.

Department of Public Safety, State Criminal Justice Computer System Replace UPS (CIP 05-M39)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended funding for the design and construction for a replacement UPS (Uninterruptible Power Supply) system for the State Criminal Justice Computer System. Mr. Nunez indicated the current UPS system was purchased in 1986 and replacement parts were difficult to find and expensive. Additionally, Mr. Nunez indicated the UPS system provided power to support nearly \$5 million worth of computer equipment.

Chairman Arberry noted for the record an inflationary adjustment had been provided that increased the cost from \$98,847 to \$104,847.

Chairman Arberry closed the hearing CIP 05-M39 and opened the hearing on CIP 05-P08.

Department of Public Safety New Campos Office Building and Parking Facilities – Advance Planning (CIP 05-P08)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$1,257,768 for advance planning to demolish the Division of Parole and Probation Campos Building located at 215 East Bonanza Road in Las Vegas and construct a new 59,287 square-foot facility on the property.

Mr. Nunez explained that the number of square feet contained within a facility was usually reported as gross square feet. However, the net square footage for the new Campos Building was provided by the consultant on the original feasibility study and included in the CIP as 59,287 square feet.

Mr. Nunez also advised that the Nevada Department of Transportation and the City of Las Vegas were working on a proposed highway interchange project adjacent to the existing Campos Building, reflected on a map ([Exhibit E](#)) provided for the Subcommittee. As a result of the proposed project, a grade separation would occur between Bonanza Road and Las Vegas Boulevard that would negatively affect access to the new Campos Building.

The Nevada Department of Transportation planned to begin right-of-way acquisition in 2009, but Mr. Nunez pointed out the Division of Parole and Probation needed the new facility much sooner. Mr. Nunez reported that NDOT and PWB staff had discussed alternatives concerning right-of-way access, but NDOT representatives were currently uncertain as to whether only a portion of the property would be taken or the entire property.

Mr. Nunez asked for approval to continue negotiations with the NDOT and the City of Las Vegas on other properties that might become available in the same general area in order for the Division of Parole and Probation to stay in close proximity to the court system.

In response to questions from Assemblywoman Giunchigliani regarding condemnation proceedings and location, Mr. Nunez advised that NDOT officials indicated the Bonanza property did not warrant a "total take." Although the new facility could be constructed on the Bonanza property, Mr. Nunez indicated the site was not as desirable considering the required modifications.

In response to comments from Ms. Giunchigliani regarding a better location, Mr. Nunez reiterated his request to provide the PWB staff the flexibility to continue working with representatives of the NDOT, the City of Las Vegas, and the Division of Parole and Probation to find a more appropriate property.

In response to questions from Ms. Giunchigliani Mr. Nunez provided the following information:

- If the State abandoned the use of the property, the land and improvements would revert to the City of Las Vegas.
- The property would not be forfeited as long as the intent was to use it or until condemned by the NDOT.
- If condemnation occurred, the value of the land, improvements, and relocation costs would be determined on a legal basis.

In response to Ms. Giunchigliani, who questioned zoning requirements, Mr. Nunez indicated he assumed the property was zoned commercial with a professional office (PO) zone overlay.

Reiterating his request to continue negotiations with the NDOT and the City of Las Vegas, Mr. Nunez indicated that other properties the NDOT was acquiring might become available to the State although the interchange project lagged several years behind the new Campos Building project.

Senator Coffin agreed that the PWB should be provided the flexibility to continue negotiations. Additionally, Senator Coffin indicated the PWB should determine the NDOT and the City of Las Vegas' plans for other properties in the same area, such as the Dula Gymnasium and the Las Vegas Senior Center.

Mr. Nunez indicated the NDOT was working with the City of Las Vegas Redevelopment Authority on a plan to relocate other properties in the area.

While the highway interchange was an essential project that would enhance traffic flow, Senator Coffin reiterated his request that the PWB obtain additional information from the NDOT on their plan for other properties in the area.

Chairman Arberry asked about the availability of State property on Sahara Avenue.

Pat McInnis, P.E., Chief Engineer, Division of Buildings and Grounds, identified himself for the record. Mr. McInnis advised that the State owned almost the entire block on which the Department of Motor Vehicles and the Bradley Building was located, although some of it was already dedicated to other uses.

Mr. Nunez indicated it was the preference of the Division of Parole and Probation to remain in the downtown area close to the court system.

Amy Wright, Chief, Division of Parole and Probation, identified herself for the record. Ms. Wright advised that the property on East Sahara Avenue in Las Vegas on which the Highway Patrol and Department of Motor Vehicle offices were located was in close proximity to K. O. Knudson Middle School and a children's park. Ms. Wright indicated the preferred location was the downtown area close to the jail, the court system, and transportation for offenders.

Chairman Arberry closed the hearing on CIP 05-P08 and opened the hearing on the Statewide Projects.

Statewide Programs – Statewide Roofing Program (CIP 05-S01)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$3,619,052 to replace roofs on three buildings at the Stewart Complex, ten buildings at the Ely State Prison, as well as emergency repairs.

In response to questions Assemblywoman Giunchigliani asked regarding the agencies located at the Stewart Complex, Mr. Nunez advised that the following State agencies were located at the Stewart Complex:

- Nevada Commission on Peace Officers' Standards & Training
- Nevada Department of Corrections
- Fire Marshal
- Office of Traffic Safety

In response to additional questions Ms. Giunchigliani asked, Mr. Nunez provided the following information:

- Only the Stewart Complex buildings that were occupied or would be occupied would undergo roof replacement.
- The State had a 15-year warranty on all roofs.
- Most state buildings had a single-ply, flat roof construction with a life expectancy of 20 to 25 years and a warranty of 15 years.

- Single-ply flat roof construction was preferred over “built-up” roofs with respect to economy, fire code, performance, and longevity.
- The code for fire-rated buildings, applicable to all state buildings, did not permit the use of wood in joining roofing material to the building.

In response to questions Ms. Giunchigliani asked concerning life expectancy comparisons, Mr. Nunez advised that most state buildings were constructed with a 50-year life expectancy. A wood frame building with stucco exterior and mechanical units on the roof were more likely to have a 25-year life expectancy.

In response to Ms. Giunchigliani’s questions concerning school roof construction, Mr. Nunez advised that the Public Works Board performed plan checking for the schools and the use of wood was not permitted for school roof construction.

Ms. Giunchigliani requested cost comparisons for flat roof and built-up roof construction, including life cycle and warranty comparisons.

Mr. Nunez indicated the State’s preventative maintenance agreement with the manufacturer would favorably compare with warranties for private industry.

Chairman Arberry closed the hearing on CIP 05-S01 and opened the hearing on CIP 05-S02.

Statewide Programs - Statewide ADA Program (CIP 05-S02).

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$3,298,984 to bring state buildings into compliance with the requirements of the federal Americans with Disabilities Act (ADA). A construction cost breakdown was provided for the following nine projects and a tenth for emergency funding that might be required during the biennium.

Building 1306 at DRC, Las Vegas	\$195,980
Nevada State Museum and Textile Center, Carson City	\$242,664
Carson City Railroad Museum, Carson City	\$250,880
Building 1300 at DRC, Las Vegas	\$303,900
Buildings 1, 2, 2a, 5, 8 at NNAMHS	\$258,250
Ely Railroad Museum Freight Barn and Depot	\$260,265
NNCC accessible route, Carson City	\$377,400
NHP Headquarters, Reno	\$38,300
Purchasing Warehouse	\$40,000
Emergency Funding	\$60,000

Chairman Arberry asked if the Public Works Board (PWB) had identified ADA projects that had not been previously funded.

Before the end of the next biennium, Mr. Nunez said a review of all state facilities and ADA requirements would be identified through the PWB Facilities Condition Analysis Program. However, Mr. Nunez indicated that as programs and buildings changed, ADA requirements might also change.

Statewide Programs – Statewide Fire and Life Safety Program (CIP 05-S03)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$5,196,013 for the installation of fire alarms and fire suppression systems and upgrades to existing systems.

The projects were listed in groups of Priority 1 and Priority 2 and were to be completed within the biennium.

Statewide Programs – Statewide Advance Planning (CIP 05-S04)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$591,299 for advance planning of the 2007 CIP; preparation of a master plan for state-owned facilities in the Reno/Sparks area; miscellaneous planning and study projects as necessary during the 2005-07 biennium.

Mr. Nunez explained that the 2005 Advance Planning Program differed from past programs in that it included the cost of staff time to develop the scope and cost estimates for approximately 400 projects worth about \$700 million for development of the subsequent biennium's CIP rather than allocating the costs to all recommended CIP projects as in previous biennia. Specifically, all staff time per project was tracked and included in the statewide program as a separate line item. Funding would also be provided for miscellaneous planning efforts during the biennium, improved estimates, property appraisals, and master plan development for the Reno-Sparks area.

Assemblyman Marvel asked Mr. Nunez to comment on the Stewart Complex development.

Although lacking specific information on the number of square feet developed thus far, Mr. Nunez indicated the availability of additional land at the Stewart Complex. The Department of Public Safety, with agencies located throughout Carson City, wanted to consolidate their agencies to one campus, and the Stewart Complex Master Plan included planning for their future home at the Stewart facility.

Mr. Marvel asked for information regarding the number of buildings at the Stewart Complex that could be rehabilitated.

Although he did not have the exact number at hand, Mr. Nunez indicated the State was committed to preserving the historical buildings at the Stewart Complex. While it was difficult to find users for some of the smaller buildings, Mr. Nunez said that many of the large buildings had been remodeled and were currently occupied.

Chairman Arberry closed the hearing on CIP 05-S04 and opened the hearing on CIP 05-S05.

Statewide Programs – Statewide Paving Program (CIP 05-S05)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$4,138,908 to provide new asphalt paving or overlay;

recondition existing asphalt; repair surface draining in state-owned parking lots and access roads. Mr. Nunez indicated the "cash flow" would allow the statewide paving project to be completed within the 2005-2007 biennium.

Chairman Arberry asked for information on questions asked at the March 10, 2005, hearing on paving projects at the Southern Nevada Adult Mental Health Services' campus.

In response to questions regarding paving projects along food delivery routes at the Southern Nevada Adult Mental Health Services' campus, Mr. Nunez referenced a map ([Exhibit F](#)) that had been distributed to the Subcommittee. The routes, marked by arrows, were scheduled for rehabilitation and new construction in areas adjacent to the new psychiatric hospital. Additionally, Mr. Nunez said a street would be constructed from the new psychiatric hospital to the existing driveway by the Desert Regional Center (DRC).

Senator Coffin pointed out that the area near the Desert Willow Treatment Center that required paving was not in close proximity to the new psychiatric hospital. Although the Capital Improvement Program budget included the cost for road construction adjacent to the new psychiatric hospital, Senator Coffin questioned why it appeared the costs were not included to pave the areas not close to the new hospital.

Pointing to the map ([Exhibit F](#)), Senator Coffin indicated that the asphalt road adjacent to the Desert Willow Treatment Center was in poor condition and in need of repair. Proceeding to the west toward College Parkway, Senator Coffin pointed out that a route used for food delivery and for parking automobiles was also in need of repair. Senator Coffin questioned whether those repairs could be made with funding in the proposed budget.

Mr. Nunez advised that if the agency requested paving for areas lacking an asphalt surface, the Public Works Board would provide it. Mr. Nunez reiterated that the arrows marking the food delivery routes were all scheduled for rehabilitation under the Statewide Paving Program.

Senator Coffin asked that information be provided on paving projects planned for the area adjacent to the Desert Willow Treatment Center and indicated that perhaps the request required communication from agency staff. Senator Coffin also questioned whether the paving project for Desert Willow Treatment Center would affect the Division of Mental Health and Developmental Services' budget or the Division of Child and Family Services' budget.

Mr. Nunez explained that maintenance projects for Division of Mental Health and Developmental Services and the Division of Child and Family Services were provided through one facilities group while maintenance for the Desert Regional Center was provided through a separate facilities group.

Mr. Nunez advised that he would confer with agency staff and provide the information requested by Senator Coffin.

Chairman Arberry closed the hearing on CIP 05-S05 and opened the hearing on CIP 05-S06.

Statewide Programs – Statewide Asbestos, Lead Paint, IAQ, Mold (CIP 05-S06)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), referenced the revised project cost estimate ([Exhibit C](#)) distributed earlier in the hearing. Mr. Nunez advised that the original Capital Improvement Program (CIP) budget recommended \$1,105,074 to address indoor air quality (IAQ), asbestos, lead paint, and mold environmental issues as they arose in buildings housing state employees. The revised project cost estimate reduced the original budget recommendation from \$1,105,074 to \$400,000. Mr. Nunez explained that the estimate was reduced after it was learned a misunderstanding had occurred and remaining funding from the 2003 Statewide Program would be carried over to the 2005 Program. Mr. Nunez advised that the Division of Risk Management would provide \$200,000 to the Statewide Asbestos, Lead Paint, IAQ, Mold Program.

The state program addressed United States Environmental Protection Agency (EPA) Occupational Health and Safety Administration and county health departments' requirements that all known or suspected health concerns, or environmental issues for state-owned and state-leased buildings throughout the state, be immediately addressed.

Mr. Nunez indicated the projects typically had a low overall cost, averaging less than \$10,000, but required a rapid response and documentation to Risk Management and outside Health and Safety agencies.

Currently, Mr. Nunez said the PWB Environmental Manager prepared the design portion of bid packages in-house rather than outsourcing, which reduced the cost. The revised projections ([Exhibit C](#)) were based on the current in-house design, which Mr. Nunez indicated would cover the anticipated shortfall that would occur once the existing funds rolled over for the 2003 program.

In response to a question from Assemblyman Marvel, Mr. Nunez advised that remediation costs for buildings leased by the state would be the responsibility of the building owners.

Statewide Programs – Statewide Underground Storage Tank Removal (CIP 05-S07)

Gustavo Nunez, Deputy Manager, Professional Services, Public Works Board (PWB), advised that the Capital Improvement Program (CIP) budget recommended \$232,531 to conduct site inspections of state-owned underground and above-ground tanks. Mr. Nunez said the funding would provide for the site inspection and emergency repair of all underground storage tanks and above-ground storage tanks to meet United States Environmental Protection Agency regulations.

Chairman Arberry asked the PWB representatives to comment on the projected funding that would be reverted at the end of fiscal year 2005 from the 2001 Statewide Underground Storage Tank Removal Program.

In response to Chairman Arberry's question, Mr. Nunez reported that all projects under the 1999 program had been completed in scope.

With respect to projects under the 2001 program, Mr. Nunez advised that removal of one underground tank at the Nevada State Prison had been held at

the agency's request, but was recently requested to be removed. Although underground tank removal was ongoing at the Stewart Complex, Mr. Nunez indicated the PWB was not aware that any additional work was required. A new monitoring well for the sewer ponds at the Ely State Prison, and groundwater remediation for the Boys and Girls Club was ongoing.

Mr. Nunez advised that the 2003 Statewide Underground Tank Removal Program was not funded, and the PWB had been working with funding from the 2001 program. Mr. Nunez further advised the members of the Subcommittee that after the 2005-07 biennium, no additional funding would be requested for the Underground Storage Tank Removal Program.

There were no questions from the Subcommittee.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, advised the members of the Subcommittee the Joint Subcommittees on Human Resources K/12 and General Government would meet in Committee Rooms 3137 and 2134 respectively.

Chairman Arberry adjourned the meeting 10:08 a.m.

RESPECTFULLY SUBMITTED:

Connie Davis
Committee Attaché

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE: _____

Senator William J. Raggio, Chairman

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on Higher Education and Capital Improvements</u>			
Date: <u>March 24, 2005</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B	Gustavo Nunez	CIP 05-M43 Adjusted Project Cost Estimate, State Library and Archives Security Upgrade
	C	Gustavo Nunez	CIP 05-S06, Adjusted Project Cost Estimate Statewide Asbestos, Lead Paint, Indoor Air Quality, Mold
	D	Scott Sisco	State of Nevada Department of Cultural Affairs, Capital Improvement Program Requests Included in Executive Budget
	E	Gustavo Nunez	Map of the NDOT Proposed Highway Interchange
	F	Gustavo Nunez	Map of the Southern Nevada Adult Mental Health Services' campus