

OPEN TO THE PUBLIC

DATE: February 8, 2005

TIME: 4:00 pm
PLACE: State Capitol, Suite 200, Library, Archives and Public Records

Call To Order

Introductions

Adoption Of Minutes – August 25, 2004

Director's Report

- Follow-up to August 25, 2004 Board Motions

Action Items

- Design and funding of the Polly Rosenbaum State Archives and History Building

Closing Remarks Library Board members

Adjournment

Order to be Set by Chairman

MEMBERS:

President Ken Bennett, Chair
Jim Weiers, Speaker of the House

Harry Mitchell, Senator
Jack Brown, Representative

President Ken Bennett, Chair

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**BOARD OF LIBRARY, ARCHIVES AND PUBLIC RECORDS
MINUTES OF
FEBRUARY 8, 2005 MEETING**

The Board of Library, Archives and Public Records met at 4:20 pm on February 8, 2005 at the Arizona Library, Archives and Public Records, 1700 West Washington, Phoenix, Arizona 85007

Members

Ken Bennett, President of the Senate, Chair
Arizona State Senate
James Weiers, Speaker of the House
Arizona State House of Representatives
Harry Mitchell, Senator
Arizona State Senate
Jack Brown, Representative
House of Representatives

ASLAPR Staff

GladysAnn Wells, Director
Arizona State Library, Archives and Public Records
Janet Fisher, Division Director
Law and Research Library Division
Melanie Sturgeon, Division Director
History and Archives Division
David Hooper, Division Director
Museum Division
Laurie Sletten, Division Director
Records Management Division
Tom Martin, Division Director
Director's Office – Information Technology
Claire Ferreira, Executive Assistant
Director's Office

Legislative Staff

Michael Braun, General Counsel
Arizona Legislative Council

Guest

Marian McClure, Representative
Arizona House of Representatives
Tom Prezelski, Representative
Arizona House of Representatives
Warren Whitney, Assistant Director
Arizona Department of Administration-General Services
Henry Halikowski
Arizona Department of Administration-Construction Services
Bruce Ringwald, General Manager
Arizona Department of Administration-Construction Services
Susan Shearn
Arizona Department of Administration-Construction Services
Dwight Todd
DWL Architects
Jeremy Jones
DWL Architects
Mike Haake
DWL Architects
John Irwin, Consultant

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Doug Kuppel, Friends of Arizona Archives
Catherine May, Friends of Arizona Archives
Roberta Voss, Arizona Library Association
Mary Johns, Arizona Library Association

CALL TO ORDER

(Chairman, President Bennett) The meeting of the Board of Library, Archives and Public Records is called to order.

INTRODUCTIONS

(Bennett) First item on the agenda says introductions but let's keep it very brief. I'm Senator Bennett.

(Mitchell) Senator Mitchell

(Weiers) Speaker Weiers

(Brown) Representative Brown

(Braun) Mike Braun from Legislative Council

(Wells) And our team at the table, GladysAnn Wells, Director

(Whitney) Warren Whitney, Assistant Director Department of Administration

(Ringwald) Bruce Ringwald, General Manager of Construction Services for the Department of Administration

(Todd) Dwight Todd, DWL Architects

(Haake) Mike Haake, DWL Architects

(Jones) Jeremy Jones, DWL Architects

ADOPTION OF MINUTES

(The Chair, President Bennett) We have minutes for the August 25, 2004, meeting and although I'm not sure we've had an opportunity to read every word.

MOTION: (Chairman, President Bennett) Is there a motion to adopt?

(Brown) - I so move. (Bennett) - There a second? (Weiers) - Second.

(Bennett) - Motion second. Any discussion? All those in favor please say Aye.

(All) - Aye (Bennett) - Any opposed Nay? Ayes have it. Ayes do have it. So ordered.

DIRECTOR'S REPORT

(Chairman Bennett) Director's Report. "The Director says she can do this in two minutes".

(Wells) Thank you Mr. President. All the material is in your packet. The materials in front of you, including the books, [indicates books selected for OneBookAZ] and OneChildrensBookAZ have to do with various and sundry things that we'll be doing the next couple of months. The best news is that our, interim report will show a movement on every single one of the resolutions the Board had us work on. I am very

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grateful to Representative Prezelski, he helped us with the last piece of legislation that we were charged to bring to the Legislature's interest and attention [records recovery]. Also, in my report packet is a copy of the information we will be giving to JLBC to correct and clarify, some of our information was not correct or missing. And with their understanding we were pulled off the consent fiscal/budget calendar by Mr. Huppenthal so that we can correct the record.

(Wells) I would note that Statehood Day is next Monday. I expect all four of you on the podium. I have speaking points for you President Bennett and you Speaker Weiers. The other two folks who'll be joining us on the podium are Representative Mason and Senator Tibshraeny in honor of the Centennial Bill which I believe will be signed into law that day. Thank you. I think that's my two minutes.

(Bennett) Alrighty. The next and real reason for being here today is to discuss the Polly Rosenbaum State Archives and History Building. I'm going to turn it over to the Director to begin that and whoever's going to participate in that. And we will, I think, and if you just introduce why we're having this special meeting based on our discussion of last week or whenever it was.

(Wells) Thank you, Mr. President. I'm going to use the microphone because I'm going to be moving around. Welcome to everyone. As you all know, the State of Arizona ran out of Archive capacity in the sixties. Some of the pictures you've been seeing up here for the last few minutes are the state of Arizona's Governmental records as we speak. I would stress to you these records are not the nice to see, wonderful things I might enjoy reading. They're not Aunt Bessie's diary about the trip west across the prairie. They are the actual governmental and essential legal references to protect personal entitlements and State operations and they are vital to the defense of the State. What DWL has done for us today is actually walk you through the building in an animation. You'll see two views of this. You'll actually see the part where we go through the intake, which is where we receive the material, and then part that the public will come through. These documents [gesture to design specs] represent the investment of almost \$2 million to plan the building which is what you all gave us to do that and this now allows us to get to this point today. And what we intend to do is walk you through the best practices building we'd love to do, and then walk you through the options that you've asked for to arrange for scenarios of some price reduction. And for everyone, general background is this design we believe Arizona needs. President Bennett, understanding the fiscal nature of the needs of the State, I cannot make the decisions about what the building should or should not be. I'd like to present options to the Board and that's what we're here to do. So, Dwight, please.

(Todd) Presentation of the Video animation produced by DWL Architects

(Wells) Thank you, Dwight. Do you have any questions on the animation?

Chairman Bennett question: Any question from the Board? Why don't you proceed to the next thing.

(Wells) As you can see that was clearly a partially furnished building. Though clearly our concern is for the health and safety of the records. And we've also been investigating all kinds of fundraising potentials and I think our best fundraising options would be around a particular building function, like the conservation lab or like the reading room, where someone could be very excited about that particular aspect of the building. Right now, in the Southwest there is not a major facility to treat damaged records. When I came to talk to President Bennett, I suggested that the design of the best building for Arizona was what I was to do with the \$2 million invested then focus on what that you all want me to do. In my professional judgment what we need is a twenty-five year capacity. I understand that is a problem because of the cost [gestures at large building diagrams and then to the chart of cost differences]. But if you take the major components of the building, the triage/receiving, so we can take materials from anywhere in any shape and deal with them properly. The processing that allows us to take State materials into our collection, the storage and the public services, four major groups of building functions. I can walk you through these various options.

(Wells) This is the top option [\$38.5 million]. This is 25 years of capacity for our current collections (all materials) and full public services – including materials that we should by law be taking in right now.

(Wells) The second, [\$36.5 million] because I have been asked by various people who have looked at the plan, takes just the public service component out of the building. Several people have asked: "Why are you planning a meeting room? Why are you planning a reading room?" We are planning those functions because they are essential to using these records. Let's not just preserve them and not allow use of them. To eliminate public services is a very minimal cost savings; it's less than \$2 million off the total.

(Wells) The next is the whole building [\$35.7 million], for it's the bricks and mortar we cannot seem to fundraise for and only provide half the shelves. The shelves for this building are about \$5 million, so that is a significant cost savings but also halves the time line for capacity, but we still have the storage space and would simply require requesting for funding for shelves in 10 or 12 years.

(Wells) The next option only storage was questioned by several members, and that's just the box. No triage, no intake, no processing, nothing for public services, just storage [\$33.4 million]. And I still believe that's an insufficient option, and again, does not save a great deal of money. Potentially, we then get into perhaps some viable options one is to build $\frac{3}{4}$ of the building, because as you can see on this diagram and the ones in front of you, this is build the public service and processing room mechanical, this is the storage. So our first choice would be to not the entire storage capacity. What we're talking about now is chewing off parts of the building to work our way toward a reasonable price quote. It's a problem for us because as you know construction costs have just gone up and up and up. We could have built this same building for about 25% less even three years ago. Three-quarters of the building fully shelved - 15 to 18 years of capacity and growth, in full functionality [\$31.5 million]. Three-quarters of the building again, basically the same timeline, but only half of the shelving, again, the shelving is expensive, giving 7 to 9 years of growth [\$29.4 million]. Then finally, to build simply half of the building, half of what I believe we need, and fully shelve it, would be 10 to 12 years of capacity, [\$24.5 million] and then we would be looking the same arguments all over again for a new building. So, in my estimation, and President Bennett did ask me to tell you what my preference was, I think my preference would be the bricks and mortar, either this option, or worse case, this option. I'd rather come back to face you folks in 3, 5, 10 years asking for shelves than for bricks and mortar. It also might be possible to fund raise for shelves; it's not possible for us to fund raise for bricks and mortar. At least we have not been successful and we have tried 250 times between us and the Friends of Arizona Archives. So, at this moment I would turn it back over to Mr. Whitney to do a quick summary of the cost options, the funding options, and then I'll answer questions. [Summary chart attachment A]

(Chairman Bennett) Ok

(Whitney) Thank you Mr. President, Board members. We have looked at this from the \$35 million project perspective and come up with basically four different ways that the project could be financed. The first would be to just in FY06 fund \$35 million for construction, and then moving in the spring of '07 begin funding the operation and maintenance of about \$1.5 million a year beginning FY '07 and beyond. The second option would be because of the calendar an ability to split the construction costs over two fiscal years, with FY 06 being about a \$23 million appropriation and then FY '07 funding the balance of the construction costs and the first year of operation. So that would be roughly \$14 million in FY '07. Both of those, the two year total would be \$36.5 million. The third and fourth options are more creative financing, the traditional certificates of participation basically going out into the private financial markets, selling certificates could raise all of the necessary funds initially during FY '06 would be the year of construction with no appropriation necessary, the proceeds of the certificates would fund the construction. And then in FY '07, when Library & Archives takes occupancy or takes possession of the facility, begin repaying those certificates, \$2.6 million in FY '07, in addition to the operations and maintenance would be just over \$4.1 million for FY '07. The option that we would recommend is the privatized leased own model which we've used in the three of the last four DOA managed construction projects on the Capital Mall. The DEQ Building, the DOA building, the new DHS Administration Building, which we occupied last year. Very successful, kind of public/private partnership model. We have a private developer construct and manage the facility, and we make one payment. It's a 25 year lease/purchase option, or lease/purchase financing arrangement with the private developer. And in that situation, for, and this is kind of a projection or an estimate, that we have been able to pull together with one of the developers that we work with now. It would require no appropriation in '06, and FY '07 again, moving in the spring, would be about \$3.8 million.

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It would be a single payment in our first year and that would cover the first year lease/purchase costs. It includes the building operation and maintenance and private developer manages the building, the facility, the climate controls, that sort of thing. They wouldn't manage the program. But, they're a facility manager for us. And we've had a great deal of success in the three projects that we've done already. And over the long term, the building is managed better, the facility, maintenance is done on professional basis by the private sector. And then after the 25 years lease is run, we take full ownership back of the facility and just continue with the operation. So, I'd be happy to answer any question. [Summary chart, attachment B]

(Chairman Bennett) Any questions from the board?

(Brown) So what would be the yearly costs after the first \$3. some million? Would it stay that same?

(Whitney) Mr. President, Representative Brown, its \$3.8 million estimated in the first year, and then over the 25 year lease/purchase agreement there's and inflation factor built in. I don't know exactly what that is, maybe along 3-4%. And then after the 25 lease/purchase has concluded, that will be cut probably, the annual payment will be cut about in half. And the State's responsibility would just be the ongoing maintenance of the facility.

Chairman Bennett question: Any questions? Okay

(Wells) I would like to thank two people in the audience, Henry Halikowski and Susan Shearn from DOA, and our own John Irwin. John would you just wave your hand? John's been our consultant.

(Wells) We conclude that the building as we walked through the animation with all the documents in, all the shelving, with the capacity, which is in my estimation what we need for 25 years is \$38.5 million almost \$39 million. This one comes closest to what we have hoped \$35.7 and maintains all functionality and the capacity of the building for 25 years, although we would have to get new shelving, additional shelving, at about 10 to 14 years. This next is the cost of just the box. A loading dock and a box. No capacity for triage, no capacity for anything else. This is the cost for ¾ building, functionally shelved, which would give us an 18 year capacity. And that \$31.5 million is also probably a better option in a way because you have the capacity. The \$29.4million you began taking in the difference in the shelving. Half the shelving for ¾ of the building, which drops it down to 10 years of capacity. But at least we'd have the bricks and mortar, we'd need to come back and work for the shelving. The most reasonable option that we were able to get for you at this time in construction costs.

Chairman Bennett question: Any questions from members of the Board? Your * means?

(Wells) If you even give me that much, [\$31.5 million] I'd be very happy. It's the most capacity for the lowest price. I think either one of the options that just reduce the cost of shelving are other good options because that is something you could do incrementally and it's something you could do through fund raising. But the bricks and mortar you need State funding for.

(Chairman Bennett) Special?

Representative Brown question: What are we supposed to do?

Wells response: Mr. President, if I could just add one more thing.

Chairman Bennett response: Use the microphone right there, appreciate it. Thanks

(Wells) I'd like to add just one thing. We did work out all the cost of not doing anything. If you take as our mission to protect these records and to protect personal entitlements and State business, the only collection that we have that's big enough to make even a dent in the need [for space] would our Federal collection. That's Federal property. It would cost us approximately \$5 million and two years to box it up, de-accession it and ship it back to the Federal Government. And that would be Arizona's cost. It would

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also be a tremendous loss for the research capacity of the State. It's a retrospective collection; it goes back 100 years and is not available on-line. The other options we would have to do is retrofit a server room in the Braille & Talking Book Library, build an addition to the Records Center, refit the Capital shelving. Total price would be around \$17 million to meet our mandate any other way.

(Chairman Bennett) Let me have the questions of the Director or the staff that's here. To answer Representative Brown's, "What we're supposed to do," we're supposed to decide which option we want to pursue. And, I think there's a motion on the green sheet here that has two blanks one I guess for the cost figure and one for the funding mechanism.

(Chairman Bennett) When the Director came to me as the current Chair of the Board I didn't think I could delay her until next year when the Speaker would then be the Chair. So I thought we had to get the entire Board together and make a decision because I don't feel it appropriate for one of the Board members to say we want to go this direction and not another. I guess one question I would have is on any of the reduced space options. What does that do to the cost per square foot? Are there significant variations in the cost per square foot? If we build $\frac{3}{4}$ or down to the $\frac{1}{2}$ do we go sky high on the per square foot cost?

(Ringwald) Mr. President, we would anticipate that as we reduce the overall size that it would increase the square foot cost. However, it is still a pretty substantial project so we feel we could still make it pretty reasonable.

(Chairman Bennett) Speaker Weiers?

Speaker Weiers question: You looking for information?

Chairman Bennett response: No, I thought you had a question.

Speaker Weiers question: I'm looking for a motion.

Chairman Bennett question: Looking for a motion? Would you like to make one?

Speaker Weiers response: No I wouldn't.

Chairman Bennett question: Okay. What is the cost per square foot on the building as planned at \$38.5 million?

Wells response: \$218/\$220

(Wells) I would note that the most important aspect of this building is storage capacity and not appearance the records must be kept in a reasonable climate environment for protection in terms of longevity. You're not doing anyone any favors unless we preserve the records which is very important.

(Chairman Bennett) I would simply remind us I guess, or point out that all we're doing is looking for a recommendation from the Board that will be passed on to the full Legislature. A private conversation I just had with the Speaker reminded us both that from one perspective I think it could be stated that we don't have any money, per se, as far as the cash, but I think we need to make a decision as to which of these options is the best approach to take right now.

(Speaker Weiers) What if you're entertaining a motion that this will get us out of here. As long as we're making a recommendation I would simply go with the person who knows more about this than anybody and take the \$31.5 million, as to the asterisk.

MOTION: (Chairman Bennett) That would be my motion. (Representative Brown) I second it.

Representative Brown question: What does that asterisk mean? I forgot.

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Wells response: That was my choice. I think I felt that would give us the maximum capacity without going back to the Legislature for more building costs for 18, 20 years, I thought that would be best bet to keep all the functionality of the building and it is under the \$35 million, although, construction costs keep going up.

Chairman Bennett question: Any questions on that proposal?

(Representative Brown) For the extra years, I really think it's cheaper to go with that \$35.7. Just jump up two notches. For the long haul, I think it'd be the better buy for the State. I just had a discussion this afternoon on the crowded conditions over in the House of Representatives and I'm reminded that it was built back with a fourth floor designed, we didn't ever get that done for a few years, thought we'd always go back and do it. We got so much stuff on top of it and we found out to go and redo the plans and everything it'd cost more than to go back and build a new building. So we gave that up. But it would have cost \$200,000 - \$300,000 back when the buildings were built on the Senate and the House both, to put that other floor on there, think what it would do for us today. I'm just thinking, over the long haul, the cheaper one is that \$35.7. That's my recommendation because I think business-wise you're not having to put much more down now this year. Over the years you're going to have to pay for it. But, it just looks to me that's the one we should go with.

MOTION: (Speaker Weiers) I would like to ask to remove my motion. (Representative Brown) – I remove the second (Chairman Bennett) So removed.

Chairman Bennett question: Want to make a new motion?

Representative Brown response: Yes, I'd move that we go with the \$35.7, recommend that to the Legislature to be funded. (Chairman Bennett) Is there a second to that motion? (Senator Mitchell) I'll second it. (Chairman Bennett) Any discussion? (Chairman Bennett) – All those in favor say Aye. (All) Aye (Chairman Bennett) Any opposed say nay. Ayes appear to have it. Do have it. So ordered.

CLOSING REMARKS

(Chairman Bennett) We're adjourned

Attachments: [reduced in size]

Drawings of 1st & second floor of proposed building

Chart used in discussion

List of funding choices

Text from animation (video of walk through proposed building)

**Arizona State Library, Archives and Public Records
Polly Rosenbaum Archives and History Building**

Cost	Functions	Shelving	Storage Capacity	Storage Growth
\$38.5	Triage / Receiving Processing Storage Public Services	Fully shelved	25 years	--
\$36.5	Triage / Receiving Processing Storage	Fully shelved	25 years	--
\$35.7	Triage / Receiving Processing Storage Public Services	½ shelved	10/12 years	More shelves = 25 years
\$33.4	Storage	Fully shelved	25 years	--
\$31.5	Triage / Receiving Processing Storage (3/4) Public Services	Fully shelved	15/18 years	
\$29.4	Triage / Receiving Processing Storage (3/4) Public Services	½ shelved	7/9 years	More shelves = 15/18 years
\$24.5	Triage / Receiving Processing Storage (1/2) Public Services	Fully shelved	10/12 years	--

Polly Rosenbaum History and Archives Building
 First 2 years outlay

February 9, 2005

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	FY 2006	FY 2007	Total	
Option 1 Full funding FY 2006	35,000,000	1,535,051	36,535,051	With one year O & M Start construction in July 2005
Option 2 Two year Appropriation FY 2006 and FY 2007	22,800,000	13,735,051	36,535,051	With one year O & M Spread Funding 2 years Start construction in October 2005
*Option 3 Privatized Lease to Own (PLATO) 25 year full service lease purchase	0	3,791,166	3,791,166	Start construction in January 2006
Option 4 Certificate of Participation (20 year)	0	4,135,051	4,135,051	With one year O & M Start construction in November 2005

*ADOA recommended method of financing and operation

The proposed new Polly Rosenbaum Archives and History Building is sited on a vacant property two blocks from our State Capitol. The facility is designed for the safekeeping of more than 180,000 cubic feet of records in a cool, dry environment that will greatly extend the lifespan of this irreplaceable paper and film. The insulated precast concrete sandwich panel skin is designed to be both durable and functional. The standing seam metal roof, covering the collections areas, has been designed without any internal roof drains to eliminate this troublesome source of leaks. The service portion of the facility is located within a secure yard at the end opposite the public entrance and includes a loading dock, staff entrance, trash collection, electrical service areas and cooling towers for the mechanical cooling systems. Arranged in a spine along the north side are spaces dedicated to the intake, treatment, processing and preservation of the records. Areas accessible to the public are arranged tightly around the public entrance.

The majority of materials arriving at the facility will be coming from conditions that allowed exposure to dirt, sunlight, and fluctuating temperature and humidity, or even direct moisture, which will have led to varying degrees of chemical deterioration. Dirty, yellowed, torn, some in boxes, some not, often infested with insects and contaminated with debris, these items must be immediately diagnosed and treated even before they can be processed and catalogued. The level of treatment can be as simple as a thorough vacuuming but may also include freezing, washing, or humidification to relax the paper just to be able to open a document without it crumbling. Materials in advanced stages of deterioration will be directed to the Conservator for more advanced restoration techniques.

Once processed, where they are organized and indexed in acid free folders and numbered acid free boxes, the boxes are moved into the storage area and placed on their appropriately numbered shelf where they can be efficiently recalled when needed.

A citizen seeking to do historical research will enter through an access controlled vestibule into a modest Lobby that serves as a circulation hub for a stair, elevator, restrooms, a Conservation Lab, Secure Reading Room and a Meeting Room that can seat up to 140 persons in chairs. This is the extent of spaces that will normally be accessed by the public. Designed as a multi-purpose space that can serve a variety of gathering functions, the Meeting Room is located immediate to the entrance because it will consistently draw the largest groups of people. Taking either the elevator or the stairs, a visitor can proceed to the Second Floor and the Secure Reading Room, the place where the public and the documents meet in a controlled setting. A typical researcher may be an ordinary citizen searching for documentation of long held rights that are at risk. They may even consider the state archives to be their last hope. A skilled Archivist will know where to look and will arrange for some of those numbered boxes to be brought from storage to the Secure Reading Room. A comprehensive state

archive facility can often provide this sort of life-altering evidence, but without proper care the evidence will simply fade away.

A primary mission of Library and Archives is to catalog and safeguard records that are important to the current and future residents of our state. The limits of the current archives facility were reached more than 40 years ago. In the interim the records of our history have been kept in a variety of conditions that will guarantee accelerated deterioration, physical mishandling, and even theft. Additionally, records that should be under the auspices of the Archives Division have been turned away due to lack of space. The Polly Rosenbaum Archives and History Building is a concept that Arizonans can, and should, be proud of.