



DEPARTMENT OF ECOLOGY

2025 Supplemental Capital Budget

Washington State Department of Ecology
Olympia, Washington

September 24, 2024

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Department of Ecology's Regional Offices

Map of Counties Served



Southwest Region 360-407-6300	Northwest Region 206-594-0000	Central Region 509-575-2490	Eastern Region 509-329-3400
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Region	Counties served	Mailing Address	Phone
Southwest	Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Mason, Lewis, Pacific, Pierce, Skamania, Thurston, Wahkiakum	P.O. Box 47775 Olympia, WA 98504	360-407-6300
Northwest	Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom	P.O. Box 330316 Shoreline, WA 98133	206-594-0000
Central	Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima	1250 West Alder Street Union Gap, WA 98903	509-575-2490
Eastern	Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman	4601 North Monroe Spokane, WA 99205	509-329-3400
Headquarters	Statewide	P.O. Box 46700 Olympia, WA 98504	360-407-6000

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STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600, Olympia, WA 98504-7600 • 360-407-6000

September 24, 2024

TO: Pat Sullivan, Director
Office of Financial Management (OFM)

FROM: Laura Watson, Director 

SUBJECT: Ecology's 2025 Supplemental Budget Requests

As the state's lead environmental agency, Ecology's mission is to protect and preserve the environment for current and future generations, while valuing and supporting Washington's economic success. We're tackling challenges that are unique to our times and require us to take a broad and holistic approach to our work that focuses on not only *what* we do, but also *how* we do it.

Ecology's strategic goals are to:

- Support and engage our communities, customers, and employees.
- Reduce and prepare for climate change impacts.
- Prevent and reduce waste, toxic threats, and pollution.
- Protect and manage our state's waters.

Our agency's deep commitment to environmental justice is tied to each of our strategic goals and guides the way we work to accomplish those goals.

Ecology's 2025 supplemental operating budget request reflects a zero-sum maintenance level fund shift between General Fund-Federal and the Radioactive Mixed Waste Account to support the transition of workload related to permitting and oversight of mixed waste management activities at the Hanford site. Please note: Ecology submitted a companion 2025-27 decision package (*ML ED-Hanford Workload Adjustment*), which requests this same fund shift on an ongoing basis beginning in fiscal year 2026.

Ecology's 2025 supplemental capital budget request of \$1,618,000 is for design and construction costs associated with the relocation of the Washington State Parks and Recreation Commission into Ecology's Headquarters Building in Lacey, WA. As part of this relocation, Ecology vacated approximately 33,000 sq. ft. of space in the building, including the moving of its Southwest Regional Office, over 200 cubicles, numerous offices, conference rooms, and storage/support spaces. The requested funding will support the completion of this required work in fiscal year 2025.

Thank you for considering Ecology's 2025 supplemental budget requests. We will work with our assigned OFM operating budget analysts as they review this request in detail. Please let us know if you have questions.

Attachment

Distribution to:

Myra Baldini, Capital Budget Advisor to the Governor, OFM
Lisa Borkowski, Budget Advisor to the Governor, OFM
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Jim Cahill, Senior Budget Advisor to the Governor, OFM
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**Department of Ecology
2025 Supplemental Capital Budget**

Table of Contents

Ten-Year Capital Program Summary.....	9
Capital Project Requests	6
1. 40000718 State Parks Relocation to Ecology Headquarters Building	11

*** END OF TABLE OF CONTENTS ***

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**461 - Department of Ecology
Ten Year Capital Plan by Project Priority**
2023-25 Biennium *

Version: S2 2025 Supplemental

Report Number: CBS001
Date Run: 9/9/2024 12:32PM

Project by Agency Priority

Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2023-25	New Approp 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33
1	40000718 State Parks Relocation to Ecology Headquarters Building 057-1 State Bldg Constr-State	1,618,000				1,618,000				

Total Account Summary

Account-Expenditure Authority Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2023-25	New Approp 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33
057-1 State Bldg Constr-State	1,618,000				1,618,000				

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461 - Department of Ecology
Capital Project Request

2023-25 Biennium

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Version: S2 2025 Supplemental

Report Number: CBS002

Date Run: 9/1/2024 1:08PM

Project Number: 40000718

Project Title: State Parks Relocation to Ecology Headquarters Building

Description

Starting Fiscal Year: 2025

Project Class: Program

Agency Priority: 1

Project Summary

In order to meet legislative direction to reduce space leased by Washington State agencies and to reduce overall facility costs statewide, the Office of Financial Management directed Washington State Parks to relocate their headquarters into Ecology's Headquarters Building in Lacey. As part of the relocation, Ecology was required to vacate approximately 33,000 sq. ft. of space in the building, including over 200 cubicles and numerous offices, conference rooms, and storage/support spaces. This request is for funding to relocate Ecology staff, complete the construction in the Lacey Headquarters Building lobby to accommodate the Southwest Region Office, as well as other minor construction and moving costs. These costs are necessary to maintain Ecology's operability within the building. (State Building Construction Account)

Project Description

What is the proposed project?

Ecology is requesting \$1.618 million for the design and construction costs associated with Ecology vacating space at its Lacey Building to move Washington State Parks (Parks) Headquarters into the building.

In June of 2023, the Office of Financial Management (OFM) directed Parks and Ecology to move Parks headquarters into Ecology's Lacey Building. Parks required approximately 33,000 sq. ft. of space for their headquarters. Parks received appropriations for their moving costs and tenant improvements, but it did not include the funding Ecology needed to vacate the space or the construction required elsewhere in the building to maintain Ecology's operability.

Currently, Parks is located in a leased facility in Tumwater, WA. Moving Parks into Ecology's Lacey Building is an excellent use of state resources and will meet legislative direction for state agencies to reduce leased space. It will also reduce statewide facility costs by locating multiple agencies in a state-owned asset.

Parks will be relocating approximately 200 staff to Ecology's Lacey Building. To accommodate Parks staff and keep Ecology's functional programs and Ecology's Southwest Regional Office (SWRO) together, Ecology must restack much of the building, impacting more than half of the estimated 1,000 cubicles in the building. In addition, Ecology will be converting underutilized space within the building's lobby into office space for the SWRO.

This request would provide funding for Ecology staff to be relocated from Parks' future headquarters, which is located on the first floor, to other locations within the building. Additionally, it will cover the costs of other construction, including dividing conference rooms into several dedicated offices, building walls to distinguish between Ecology and Parks spaces, and adjusting the IT infrastructure, all of which are required for the SWRO to be located adjacently on the first floor.

Cost Breakdown:

Consultant Services (Escalated): \$200,247

Construction:

- SWRO Lobby Conversion: \$666,126
- General Construction – Includes converting conference rooms into offices, building walls to separate Ecology and Parks spaces, and changes to IT infrastructure: \$291,500
- Moving and Reconfiguring cubicles: \$103,602
- Owner Construction Contingency: \$106,123
- Sales Tax: \$113,233
- Construction Sub-Total: \$1,280,584

461 - Department of Ecology Capital Project Request

2023-25 Biennium

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Version: S2 2025 Supplemental

Report Number: CBS002

Date Run: 9/1/2024 1:08PM

Project Number: 40000718

Project Title: State Parks Relocation to Ecology Headquarters Building

Description

- Construction Total (Escalated): \$1,288,524

Agency Project Administration (Escalated): \$129,564

Total Cost (Escalated): \$1,618,335

Total Cost (Escalated) (Rounded): \$1,618,000

What opportunity or problem is driving this request?

In June of 2023, OFM directed Parks and Ecology to relocate Parks Headquarters from their location in Tumwater, WA, into Ecology's Lacey building. In order to vacate the space required by Parks, Ecology must relocate staff, move the footprint of Ecology's SWRO, and complete minor construction in locations throughout the building, such as the splitting of conference rooms into multiple dedicated offices, the development of walls to differentiate between Ecology and Parks spaces, and changes to IT infrastructure.

Relocating Parks into Ecology's Lacey building will reduce statewide facility costs, but in order for Parks and Ecology to maintain operability within Ecology's Lacey building, adjustments to the facility must be completed.

The largest part of the construction costs are associated with redeveloping part of Ecology's lobby into office space. Which is required to maintain the SWRO's operations.

Ecology has 4 regional offices, which are critical to Ecology's field work throughout the state. The SWRO is located at Ecology's Lacey building and includes 155 staff. The regional offices are the hub of Ecology's field work, and though the SWRO is located within the same building as Ecology's Headquarters, it has functionally separate duties and requirements and could not be broken up throughout the building. There are 250 estimated staff assigned to SWRO.

In order to accommodate Parks on the first floor, which was the most advantageous location for their headquarters, Ecology was required to convert the underutilized space within its lobby into office space for use by the SWRO.

What are the specific benefits of this project?

This request will reduce statewide facility costs by eliminating Parks current lease, maximize the use of Ecology's Lacey building, a state-owned asset, and maintain both Ecology and Parks operability.

What are the effects of non-funding?

Ecology is required to provide the space for the Parks headquarters. If Ecology does not receive funding for this construction and renovation project, core environmental and public health work would have to be reduced to absorb these costs.

Why is this the best option or alternative?

This work will allow Parks to relocate into Ecology's Lacey Building and allow Ecology to maintain its operability within the Lacey Building.

How will clients be affected and services change if this project is funded?

In 2019, 947 Ecology staff had their duty station at the Lacey Building. In July 2024, that number has risen to 1,211 staff. In addition, the Lacey Building houses the Washington State Conservation Commission and an office of the Environmental

461 - Department of Ecology
 Capital Project Request

2023-25 Biennium

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Version: S2 2025 Supplemental

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Date Run: 9/1/2024 1:08PM

Project Number: 40000718

Project Title: State Parks Relocation to Ecology Headquarters Building

Description

Protection Agency. With the addition of Parks, Ecology's Lacey Building will have more than 1,500 individuals using it as their duty station, a growth of more than 36% in five years.

This funding will allow Ecology to house a new tenant, maintain its current operability, and meet its current business requirements.

What is the agency's proposed funding strategy for the project?

Consistent with how other state building construction projects are funded, Ecology is requesting funding from the State Building Construction Account (SBCA).

Are FTEs required to support this project?

None

How does the project support the agency and statewide results?

This request is essential to achieving the Governor's Results Washington Goal 5: Efficient, Effective, and Accountable Government and Ecology's Goal 1: Support and engage our communities, customers, and employees because it will reduce statewide facility costs and maximize the use of state assets.

Location

City: Lacey

County: Thurston

Legislative District: 022

Project Type

Program (Minor Works)

Growth Management impacts

N/A

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reapprops	New Approps
057-1	State Bldg Constr-State	1,618,000				1,618,000
	Total	1,618,000	0	0	0	1,618,000
Future Fiscal Periods						
		<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	<u>2031-33</u>	
057-1	State Bldg Constr-State					
	Total	0	0	0	0	

Operating Impacts

**461 - Department of Ecology
Capital Project Request**

2023-25 Biennium

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Version: S2 2025 Supplemental

Report Number: CBS002

Date Run: 9/1/2024 1:08PM

Project Number: 40000718

Project Title: State Parks Relocation to Ecology Headquarters Building

Operating Impacts

No Operating Impact

STATE OF WASHINGTON
AGENCY / INSTITUTION PROJECT COST SUMMARY

Updated June 2024

Agency	Dept. of Ecology	
Project Name	Parks Relocation	
OFM Project Number		

Contact Information

Name	James Pendowski	
Phone Number	360-250-0471	
Email	jpen461@ecy.wa.gov	

Statistics

Gross Square Feet	0	MACC per Gross Square Foot	
Usable Square Feet	NA	Escalated MACC per Gross Square Foot	
Alt Gross Unit of Measure	NA		
Space Efficiency		A/E Fee Class	B
Construction Type	Office buildings	A/E Fee Percentage	15.43%
Remodel	Yes	Projected Life of Asset (Years)	25

Additional Project Details

Procurement Approach	GCCM	Art Requirement Applies	No
Inflation Rate	3.33%	Higher Ed Institution	No
Sales Tax Rate %	9.70%	Location Used for Tax Rate	Lacey
Contingency Rate	10%		
Base Month (Estimate Date)	September-24	OFM UFI# (from FPMT, if available)	05064, A09775, A00285
Project Administered By	Agency		

Schedule

Predesign Start	January-24	Predesign End	May-24
Design Start	June-24	Design End	August-25
Construction Start	September-24	Construction End	December-24
Construction Duration	3 Months		

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Project Cost Summary

Total Project	\$1,607,484	Total Project Escalated	\$1,618,335
		Rounded Escalated Total	\$1,618,000
Amount funded in Prior Biennia			\$0
Amount in current Biennium			\$0
Next Biennium			\$0
Out Years			\$1,618,000

Acquisition			
Acquisition Subtotal	\$0	Acquisition Subtotal Escalated	\$0

Consultant Services			
Pre-design Services	\$0		
Design Phase Services	\$124,284		
Extra Services	\$0		
Other Services	\$55,838		
Design Services Contingency	\$18,012		
Consultant Services Subtotal	\$198,134	Consultant Services Subtotal Escalated	\$200,247

Construction			
Maximum Allowable Construction Cost (MACC)	\$1,061,228	Maximum Allowable Construction Cost (MACC) Escalated	\$1,067,808
GCCM Risk Contingencies	\$0		\$0
GCCM Management	\$0		\$0
Owner Construction Contingency	\$106,123		\$106,781
Non-Taxable Items	\$0		\$0
Sales Tax	\$113,233	Sales Tax Escalated	\$113,935
Construction Subtotal	\$1,280,584	Construction Subtotal Escalated	\$1,288,524

Equipment			
Equipment	\$0		
Sales Tax	\$0		
Non-Taxable Items	\$0		
Equipment Subtotal	\$0	Equipment Subtotal Escalated	\$0

Artwork			
Artwork Subtotal	\$0	Artwork Subtotal Escalated	\$0

Agency Project Administration			
Agency Project Administration Subtotal	\$128,765		
DES Additional Services Subtotal	\$0		
Other Project Admin Costs	\$0		
Project Administration Subtotal	\$128,765	Project Administration Subtotal Escalated	\$129,564

Other Costs			
Other Costs Subtotal	\$0	Other Costs Subtotal Escalated	\$0

Project Cost Estimate			
Total Project	\$1,607,484	Total Project Escalated	\$1,618,335
		Rounded Escalated Total	\$1,618,000