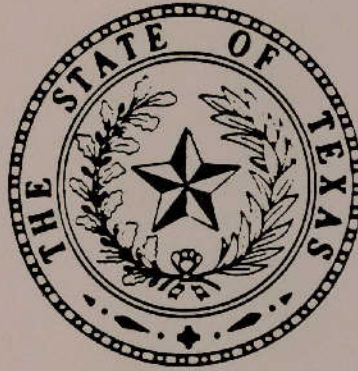


P4050.8  
M393tr



## MASTER FACILITIES PLAN

### State Government Space and Facility Needs In Travis County

A Report Pursuant to Sec. 5.35, Art. 601b, T.C.S

Government Publications  
Texas State Documents

to

The Governor's Office of Budget and Planning  
and  
The Legislative Budget Board

JUL 01 1991

rl

Depository  
Dallas Public Library

For the 72nd Texas Legislature

Prepared by

Facilities Construction and Space Management Division

### STATE PURCHASING AND GENERAL SERVICES COMMISSION

Phillip A. Aronoff, *Chairman*  
Robert E. Davis, *Member*  
Kenneth R. Epley, *Member*  
Lias B. "Bubba" Steen, *Executive Director*

1990



# TABLE OF CONTENTS

---

	Page No.
<b>EXECUTIVE SUMMARY</b> . . . . .	1
<b>INTRODUCTION</b> . . . . .	3
Purpose . . . . .	3
Authority . . . . .	3
Data . . . . .	3
Organization of the Report . . . . .	5
<b>ISSUES</b> . . . . .	7
Deferred Maintenance . . . . .	7
Asset Management . . . . .	7
Indoor Air Quality . . . . .	8
Changing Work Technology . . . . .	9
Energy Management . . . . .	9
Program Support . . . . .	10
Code Compliance . . . . .	10
<b>SPACE REQUIREMENTS</b> . . . . .	11
Staff and Space Projections by Agency . . . . .	11
Summary . . . . .	20
<b>INVENTORY</b> . . . . .	21
Historical Growth of Lease and Owned . . . . .	21
Space	
State-Owned Buildings on Commission . . . . .	24
Inventory	
Shortfall of Owned Space Relative . . . . .	26
to Projected Needs	
<b>COST EXPERIENCE</b> . . . . .	29
Costs in State-Owned Buildings . . . . .	29
Lease Costs . . . . .	31
Recent Bids . . . . .	31
Market Observations . . . . .	35
<b>REQUESTED PROJECTS</b> . . . . .	37
Listing of Requests . . . . .	37
Summary . . . . .	42

**TABLE OF CONTENTS (cont.)**

---

	Page No.
<b>RECOMMENDATIONS</b> . . . . .	45
Bring Existing Buildings and Maintenance Up To Date . . . . .	45
Increase Efficiency, Flexibility and Security of Existing Inventory . . . . .	45
Reduce Long Term Costs of Space Through Increased Ownership . . . . .	47
Contain Costs Through More Efficient Space Utilization . . . . .	47
Summary . . . . .	48

## EXECUTIVE SUMMARY

The 71st Texas Legislature, in Regular Session, passed S.B. 870 amending the State Purchasing and General Services Act (Art. 601b, T.C.S.) to require this commission to prepare and report a long range plan regarding the needs of state agencies in Travis County which obtain or occupy all or any portion of their space under provisions of that Act. The Commission has initiated the six-year capital planning cycle required by S.B. 870.

The total number of office employees reported by participating state agencies grows from approximately 22,257 FTEs in September of 1990 to 27,476 FTEs by September of 1995, a 23.6% increase.

From a 1990 base of approximately 6 million usable square feet, of which 5.1 million is office space, the projected 1995 need for Travis County space of all types is approximately 6.8 million square feet, of which approximately 5.7 million square feet is office space, an 11.7% increase. The shortfall between owned office inventory and projected need at 1995 is approximately 2.3 million square feet. If leased, this would cost at least \$28.3 million in FY '95.

This projection assumes a significant improvement in efficiency of office space utilization. Without actions to bring the average utilization closer to our planning standard of 200 usable square feet per person, the total office space need could range as high as 6.3 million square feet.

The focus of this long range planning effort is to support decisions about whether and at what levels to fund capital projects (construction, expansion or major repairs and rehabilitation) affecting space and facilities of state government. The Requested Projects section of this report lists all capital projects requested through the Facilities Construction & Space Management Division of the Commission. Seven issues have been identified which should be weighed in policy level consideration of these project requests:

- . Deferred Maintenance
- . Asset Management
- . Indoor Air Quality
- . Changing Work Technology
- . Energy Management
- . Program Support
- . Code Compliance

This report recommends the following policy actions relative to project requests and future needs:

1. **Bring existing buildings and maintenance up to date.**  
(Requires legislative action.)
2. **Increase efficiency, flexibility and security of existing inventory.** (Requires legislative and SPGSC action.)
  - a. Improve serviceability of commission-inventoried facilities.
  - b. Dispose of uneconomical facilities.
  - c. Implement Energy Master Plan prepared by the Governor's Energy Management Center.
3. **Reduce long term costs of space through increased ownership.** (Requires legislative action.)
4. **Contain costs through more efficient space utilization.**  
(Requires action by all agencies.)

# **INTRODUCTION**

---

## **PURPOSE**

The purpose of this document is threefold:

- a) to comply with the long range planning and reporting requirements of S.B. 870, Acts of the 71st Texas Legislature, Regular Session, 1989;
- b) to establish a context for decisions on continuously providing space for the functions of state government in Travis County; and
- c) to provide a data base for continued support to budget offices in development of capital budget estimates.

## **AUTHORITY**

The 71st Legislature, in Regular Session, passed S.B. 870 amending the State Purchasing and General Services Act (Art. 601b, T.C.S.), to require this commission to prepare a long range plan regarding the needs of state agencies in Travis County which obtain or occupy all or any portion of their space under provisions of that Act.

The State Purchasing and General Services Commission (the Commission) has initiated the 6-year capital planning cycle required by S.B. 870 and has received the cooperation of many agencies in compiling the information required. This "master facilities plan" is the first in a series of biennial reports to the State's budget offices. It is viewed as an interactive plan to be shaped by ongoing, cooperative analysis and decisions by the budget offices, the Commission, the using agencies and, ultimately, the Legislature.

Two types of data, in particular, are most likely to vary with ongoing discussion, or to foster "what if" types of questions. These are the "Staff and Space Projections" and the "Capital Projects Requested". In anticipation of this interactive process, these data sets have been created in computer data bases that may be readily updated and queried. Indeed, a major update has been completed for 1995 staff projections to reflect the most recent data. Requests for particular queries or alternative reports to support budget office and legislative deliberations are invited.

## **DATA**

The Commission conducted a mail survey in November, 1989 of all agencies in Travis County who were either assigned space

in state facilities on the commission inventory or who were leasing space through the Commission as of 8/31/89. The survey requested long range planning data, including current use of space, present staffing and projected staffing for September '91, September '93 and September '95, as well as information on state-paid expenses in leased space and early requests for capital projects. It was apparent from the responses that the initial timetable, aimed at a July 1, 1990 publication, had caught some agencies with little time to prepare long-range responses. Reports of inventory and of state-paid operating expenses were verified or corrected, and utilized, but staff and space projections proved to be constantly changing.

A survey of statewide office needs conducted in June 1990 generated substantially different data for Travis County and indicated a more rapid expansion of lease space overall than had been reported earlier. This later survey provided data for September 1990 and September 1995 and its results are the basis for the 1995 projected space needs included in this report.

Other data were compiled from various existing records of the Commission's Building & Property Services Division or Facilities Construction & Space Management Division or, in the case of most project analyses, were prepared by outside architects/engineers. Owing to the unusually large number of individual items that were subjected to project analysis for this budget cycle, the project analyses were not completed until October, 1990.

The planning process envisioned by S.B. 870 seems to anticipate an emphasis on new space needs and new facilities. The surprise of this initial plan is the extent to which the continuous employment of these capital assets must be part of the long range plan. Most requested projects represent a timely and necessary "reinvestment" in existing facilities.

This first master plan attempts to clarify current issues and provide some historical perspective relative to the State's space and facility requirements. Future editions will include more specific guidelines for physical development within each of the state complexes.



## ORGANIZATION OF THE REPORT

This report is organized into six sections, as follows:

An **ISSUES** section describes broad themes within which capital project requests may be more readily viewed as elements of policy or strategy.

A **SPACE REQUIREMENTS** section briefly describes the long range planning surveys conducted by SPGSC and summarizes the resulting staff and space projection for 1995.

An **INVENTORY** section describes the historical use of space by state agencies in Travis County; provides a "snap-shot" of the present inventory of leased or owned space managed by SPGSC; and discusses the projected shortfall of owned space at 1995.

A **COST EXPERIENCE** section presents compiled data required to be reported under specific provisions of Art. 601b, T.C.S. and a brief analysis of market conditions relevant to lease/build/buy decisions.

In **REQUESTED PROJECTS**, all requests for capital construction are presented in a summary listing by issue.

A final **RECOMMENDATIONS** section proposes an outline of policy and implementation actions that should be considered to obtain maximum long term benefit from capital construction expenditures and to contain total operating and capital costs.

A separate **Appendix** volume includes more detailed data compiled for various portions of the report.



# ISSUES

---

## DEFERRED MAINTENANCE

The SPGSC inventory of state-owned facilities includes a substantial number of aging buildings in need of equipment replacement or major repairs. In essence, a nearly continuous demand for minor building modifications to accommodate using agencies has been met by diverting personnel from preventive maintenance functions. This fact, coupled with relatively little emphasis or success in appropriation requests for planned component replacements at the end of designed service life, has resulted in aged equipment requiring high maintenance and delivering low reliability.

A recent study published by the Building Research Board of the National Research Council (Committing to the Cost of Ownership: Maintenance and Repair of Public Buildings, 1990) found underfunding of maintenance and repair to be a persistent and widespread problem at all levels of government. Two recommendations in that report are of particular note. First is that after catching up deferred maintenance, an appropriate budget allocation for routine maintenance and repair will typically be in the range of 2 to 4 percent of the aggregate current replacement value of facilities. A second recommendation (which SPGSC has anticipated in its own reorganization of internal functions) is to clearly identify minor alterations and improvements and not let them divert resources from actual maintenance and repair functions.

The number of projects requested by the Commission (110) is an indication of the increasing risk associated with continued deferral of routine component replacement and the true cost of postponing preventive maintenance. These projects have been broken down into relatively detailed portions in order both to clarify the scope of work and to ensure that the budget offices, the Governor and the Legislature have the widest possible latitude in determining policy relative to each project. In sum, the Commission believes that a substantial reinvestment is timely and necessary to protect the existing investment in building assets.

## ASSET MANAGEMENT

The Commission's responsibilities with respect to managing its building assets are related to, but distinct from, the revenue-producing aspects of asset management that fall under the charge of the General Land Office. The underlying

concept is the same, however: real property is a productive resource and requires active management to increase its contribution. The contribution in this case is measured by:

- how effectively the properties support state employees and equipment in accomplishing specific functions and missions;
- how completely the resource is employed (in particular, how efficiently space is utilized);
- how exposure to risks is limited (in particular, how property is protected and potential hazards eliminated); and
- how responsively and cost-effectively changing missions and government services can be accommodated.

A broad range of assessments and actions are essential to effective management. They include identifying and correcting potential hazards, foreseeing and forestalling potential operating problems, providing coordination of projects to improve serviceability of space and protecting personnel and property.

Some discussion will also be introduced in this report to foster support for an appropriate "portfolio" mix of owned and leased space in the Commission's inventory. A balance between location, life cycle costs, and project delivery costs must then be sought whenever a long-term requirement suggests ownership -- and buy vs. build choices must be made.

#### **INDOOR AIR QUALITY**

In recent years, there has been a rapid increase in published material about indoor air quality, citing examples of health effects such as headaches, fatigue, eye irritation, nasal stuffiness, sore throats, etc... The Commission and the Health Department have each received an increasing number of employee complaints or requests for investigation of air quality which indicates a growing public awareness of the potential problems. Recent studies have suggested that 80% of the problems are of a common sense nature, not requiring extensive air sampling or expensive solutions. There are, however, some problems resulting from use of volatile organic compounds in small industrial occupancies within office buildings (e.g., print shops) and from public consciousness of health issues (e.g., smoking and airborne contaminants) that require mechanical solutions. Solutions include exhaust of contaminated air and introduction of larger quantities of fresh air to building air supply than was typical in the

original mechanical systems for office buildings designed before 1989.

#### **CHANGING WORK TECHNOLOGY**

Expectations for productivity and service have been changing in step with improvements in information technology. Routines can be automated to keep personnel expenses down. Judgment can be enhanced with more and better information. This potential has led to two work concepts that most state buildings were not built to support.

The first is networked, automated support for each individual. Whether this means a personal computer (p.c.) or a mainframe terminal or printer, the number of devices now requiring electrification and communication was unimagined even five years ago. With this increased use of information technology also goes increased business risk associated with unreliable distribution of power or communications.

The second concept is project-oriented management organizations to deliver services. Many new functions or service improvements mandated by the Legislature may require responsiveness and flexibility in personnel assignment and start-up reporting that older office buildings were not designed to support. This concerns budget as much as construction, as a requirement to reuse existing traditional furniture can impose "hardwall" construction solutions which are less flexible (requiring additional future construction expense) and less space-efficient (especially, less able to accommodate computer equipment) than modular furniture and demountable wall solutions.

#### **ENERGY MANAGEMENT**

In recent years, the critical evaluation of individual project analyses has sometimes led to the conclusion that stand-alone mechanical or electrical equipment was more economical than tying back to, or expanding, central plant facilities. Central plants, on the other hand can create substantial operating and maintenance savings as well as energy savings.

The Governor's Energy Management Center has recommended an Energy Management Plan for the Capitol Complex. Generally, it would ensure central plant facilities are operated as efficiently as possible, and afford the highest possible assurance of reliability within the system. Other energy conservation measures which are cost-justified, but which do not pay back quickly enough to qualify for the Governor's Loan Star Program, are requested as capital construction.

## **PROGRAM SUPPORT**

A small number of projects are being requested for direct support of agency programs. Texas Department of Public Safety has three requests: for area office buildings (one north, one south) and for expansion of the DPS Academy.

## **CODE COMPLIANCE**

The State has a special responsibility with respect to its example in complying with codes that either protect life and public property, or that effect public policy, as in the elimination of architectural barriers to the handicapped and protection of natural resources.

The Commission has adopted NFPA 101, The Life Safety Code as its basic standard for occupancy of buildings. In practice, the Commission also employs referenced NFPA codes and standards (e.g., the National Electric Code). The Commission is also required to comply with federal and state regulations concerning safe and healthful workplaces and environmental protection. Beyond this, it is commission policy to conform to local building codes. In Austin, this is the Uniform Building Code.

In some cases, where the letter of a code permits the Commission to apply relaxed standards to existing buildings, the Commission has chosen the spirit of maximum protection of life and public property that can reasonably be accommodated within current building technology and current standards.

## **SPACE REQUIREMENTS**

---

S.B. 870 mandates the Commission to include in its master facilities plan a projection of the amount of space that state agencies will need. The information reported in this section has been compiled from several sources: agency responses to a long range planning survey conducted in November of 1989; agency responses to a survey of office space needs in counties where the State leases more than 50,000 s.f. of space conducted in June of 1990; SPGSC lease contract records; and SPGSC space utilization records as of 8/31/90.

### **STAFF AND SPACE PROJECTIONS BY AGENCY**

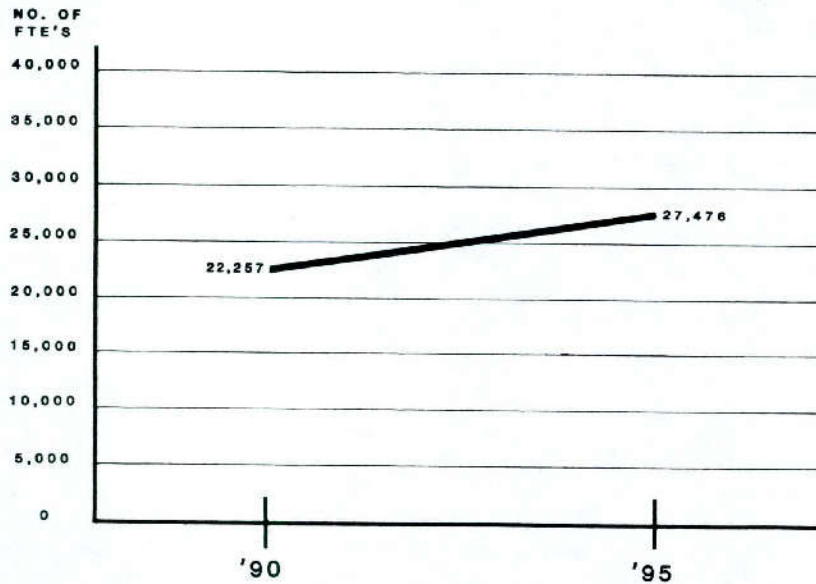
In the Office Staff and Space Summary table, which makes up the heart of this section, each agency's space needs are summarized as of 8/31/90 ("present" staff and area columns) and as of 9/1/95. Projections are based on agency reports of probable staffing. The area projections are typically based on a standard planning allowance of 200 usable square feet per person. Exceptions were made in light of the obvious public ceremonial requirements of the Legislature, the Governor, and the Courts and the extraordinary functional requirements of the State Archives, the State Law Library and the Legislative Reference Library. Leased and owned locations are included in this summary. Agency data by location are included in an Appendix.

The column labeled "Average sf/person" provides a comparison of the relative efficiency of space utilization in office space, including both leased and owned locations. Excepting the ceremonial and library functions noted earlier, these may be compared to the standard planning allowance. These figures are based on "usable" area; i.e., they do not include unassigned spaces for mechanical spaces, elevators, stairs, restrooms or public exitways. Nor do they include shared conference facilities administered by SPGSC. The planning allowance of 200 usable square feet per person is our target overall average. The present overall average, including both leased and owned space is 229 usable square feet per person.

The column labeled "5 year % change in growth" indicates relative rates of change anticipated by the reporting agencies. The driving force in this model of space growth is the number of full time equivalents (FTEs) projected by each agency. Agency projections represent informed estimates, though they obviously cannot include new missions or new agencies created by the Legislature.

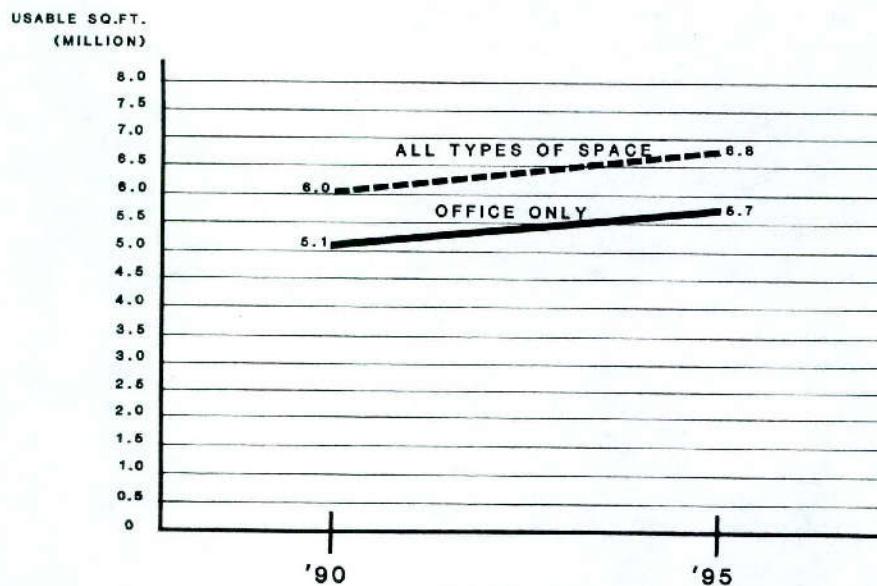
Agency-reported growth indicates a total 5-year increase of

23%, or an annual compound growth rate of 4.3%. This may be compared to the Texas Employment Commission's 1985 to 1995 projection of State Government Employment for Travis County which equates to a 2.78% annual compound growth rate. The total growth in office staff, as well as the total projected growth in space needs are illustrated in the graphs below.



### STAFF PROJECTION OFFICE EMPLOYEES

Data Source: Agency Responses to SPGSC Surveys



### SPACE PROJECTION

Data Source: Agency Responses to SPGSC Surveys



Table:  
Office Staff and Space Summary for Travis County,  
1990 - 1995, By Agency

Name of Agency	Present Staff*	Present Area**	Average sf/person	1995 Staff*	5 Year % Change In Staff	1995 Area***
State Senate	362	101,271	279.75	530	46 %	125,852
House of Representatives	604	146,639	246.09	1,051	74 %	215,184
Texas Legislative Council	281	49,766	177.10	301	7 %	60,200
Legislative Budget Board	57	13,788	241.89	94	65 %	18,800
Legislative Reference Library	11	6,913	628.45	13	18 %	12,450
Sunset Advisory Commission	23	7,350	319.57	27	17 %	5,400
Supreme Court	61	25,672	420.85	70	15 %	39,454
Board of Law Examiners	17	5,063	297.82	19	12 %	3,800
Court Reporters Certification Board	3	1,102	367.33	5	67 %	1,000
Court of Criminal Appeals	58	19,864	342.48	69	19 %	29,585
Office of Court Administration	23	3,260	141.74	32	39 %	6,400
State Prosecuting Attorney	6	946	157.67	11	83 %	2,200
3rd Court of Appeals	28	9,042	322.93	32	14 %	21,870
State Commission on Judicial Conduct	10	3,499	349.90	13	30 %	2,600
State Law Library	8	11,708	1,463.50	11	38 %	32,346
Executive Office of the Governor	180	63,045	350.25	232	29 %	60,057
Attorney General's Office	1,323	313,192	236.73	1,707	29 %	341,400

Table:  
Office Staff and Space Summary for Travis County,  
1990 - 1995, By Agency

Name of Agency	Present Staff*	Present Area**	Average sf/person	1995 Staff*	5 Year % Change In Staff	1995 Area***
State Purchasing and General Services Commission	419	84,064	200.63	561	34 %	91,600
Comptroller of Public Accounts	1,819	264,175	145.23	1,833	1 %	366,600
General Land Office	517	71,630	138.55	580	12 %	116,000
Library and Archives Commission	135	83,961	621.93	234	73 %	83,898
Secretary of State	270	71,049	263.14	298	10 %	84,679
State Auditor's Office	260	39,810	153.12	260	0 %	52,000
Texas Treasury Department	260	52,253	200.97	280	8 %	56,750
State Securities Board	63	15,888	252.19	81	29 %	16,200
Department of Information Resources	94	25,634	272.70	110	17 %	23,700
Texas Commission for the Blind	141	33,423	237.04	141	0 %	28,200
Texas Department of Human Services	2,024	500,078	247.07	2,484	23 %	498,000
Fire Fighters' Pension Commission	5	1,300	260.00	7	40 %	1,400
Real Estate Commission	89	32,927	369.97	103	16 %	20,600
Texas Rehabilitation Commission	1,204	254,897	211.71	1,220	1 %	244,000
Texas Department of Community Affairs	65	16,359	251.68	67	3 %	13,400
Office of State-Federal Relations	3	648	216.00	3	0 %	600
Texas Commission for the Deaf	11	5,310	482.73	22	100 %	4,400

Table:  
Office Staff and Space Summary for Travis County,  
1990 - 1995, By Agency

Name of Agency	Present Staff*	Present Area**	Average sf/person	1995 Staff*	5 Year % Change In Staff	1995 Area***
State Property Tax Board	121	27,205	224.84	165	36 %	33,000
Board of Professional Tax Examiners	3	1,000	333.33	3	0 %	600
State Pension Review Board	5	1,438	287.60	7	40 %	1,400
Dept. on Aging	52	14,504	278.92	68	31 %	13,600
State Aircraft Pooling Board	43	15,147	352.26	60	40 %	12,000
Commission on Human Rights	27	5,590	207.04	34	26 %	6,800
Texas Public Finance Authority	5	1,319	263.80	5	0 %	1,000
Texas Bond Review	6	1,340	223.33	10	67 %	2,000
Texas Incentive and Productivity Commission	3	585	195.00	3	0 %	600
Texas Veterans Commission	18	4,406	244.78	18	0 %	3,600
Texas Commission on Law Enforcement Officer Standards & Ed	56	18,714	334.18	76	36 %	15,200
Commission on Fire Protection	7	1,950	278.57	11	57 %	2,200
Commission on Jail Standards	10	2,000	200.00	15	50 %	3,000
Criminal Justice Policy Council	10	3,525	352.50	10	0 %	2,000
Texas Department of Banking	40	4,875	121.88	45	13 %	9,000
Department of Licensing & Regulation	114	29,761	252.29	140	23 %	28,000
Texas Workers' Compensation Commission	316	95,333	304.85	661	109 %	141,200

Table:  
Office Staff and Space Summary for Travis County,  
1990 - 1995, By Agency

Name of Agency	Present Staff*	Present Area**	Average sf/person	1995 Staff*	5 Year % Change In Staff	1995 Area***
State Board of Insurance	1,455	326,171	224.17	1,934	33 %	386,600
Railroad Commission	647	200,760	310.29	647	0 %	129,400
Texas State Board of Plumbing Examiners	17	15,477	910.41	23	35 %	12,950
Board of Public Accountancy	40	17,815	445.38	66	65 %	13,200
Texas Alcoholic Beverage Commission	191	53,904	282.22	221	16 %	48,000
Board of Architectural Examiners	10	3,708	370.80	11	10 %	2,200
Department of Aviation	31	11,885	383.39	45	45 %	9,000
State Board of Irrigators	3	760	253.33	4	33 %	800
Board of Land Surveying	4	2,732	683.00	4	0 %	800
Texas Department of Commerce	437	116,524	266.65	457	5 %	91,400
Texas Board of Private Investigators and Private Security	36	9,132	253.67	49	36 %	9,800
Texas Motor Vehicle Commission	21	7,212	343.43	24	14 %	4,800
Structural Pest Control Board	22	3,760	170.91	25	14 %	5,000
Public Utility Commission of Texas	200	68,332	341.66	250	25 %	50,000
Public Utility Counsel	20	6,690	334.50	23	15 %	4,600
Texas Racing Commission	23	7,151	310.91	40	74 %	8,000
Advisory Commission on State Emergency Communications	10	2,920	292.00	15	50 %	3,000

Table:  
Office Staff and Space Summary for Travis County,  
1990 - 1995, By Agency

Name of Agency	Present Staff*	Present Area**	Average sf/person	1995 Staff*	5 Year % Change In Staff	1995 Area***
Texas Department of Health	2,197	378,392	172.23	2,610	19 %	523,800
Board of Barber Examiners	18	2,355	130.83	18	0 %	3,600
Board of Medical Examiners	70	13,342	190.60	112	60 %	22,400
Board of Dental Examiners	17	5,900	347.06	25	47 %	5,000
Cosmetology Commission	32	7,430	232.19	32	0 %	6,400
Board of Nurse Examiners	42	8,303	197.69	55	31 %	11,000
Texas Board of Chiropractic Examiners	3	1,500	500.00	4	33 %	800
Board of Examiners Hearing Aids	2	537	268.50	3	50 %	600
Board of Vocational Nurse Examiners	18	6,040	335.56	34	89 %	6,800
Texas State Board of Podiatry Examiners	2	450	225.00	3	50 %	600
Texas Funeral Service Commission	8	1,200	150.00	11	38 %	2,200
Texas Optometry Board	4	1,485	371.25	4	0 %	800
State Board of Pharmacy	34	8,075	237.50	38	12 %	7,600
Texas Commission on Alcohol and Drug Abuse	183	53,023	289.74	264	44 %	52,800
Texas Air Control Board	284	75,973	267.51	501	76 %	115,600
Board of Examiners/Psychologists	7	2,520	360.00	10	43 %	2,250
Texas State Board of Physical Therapy Examiners	6	1,994	332.33	9	50 %	1,800

Table:  
Office Staff and Space Summary for Travis County,  
1990 - 1995, By Agency

Name of Agency	Present Staff*	Present Area**	Average sf/person	1995 Staff*	5 Year % Change In Staff	1995 Area***
Board of Licensure Nursing Home Admin.	7	1,790	255.71	7	0 %	1,400
Texas Low-Level Radioactive Waste Disposal Authority	13	4,715	362.69	13	0 %	2,600
Texas Cancer Council	7	1,688	241.14	12	71 %	2,400
Department of Agriculture	315	52,577	166.91	335	6 %	67,000
Texas Animal Health Commission	49	12,575	256.63	50	2 %	10,000
Board of Veterinary Medical Examiners	8	2,582	322.75	11	38 %	3,200
Texas Water Development Board	242	44,655	184.52	307	27 %	61,400
Texas Water Commission	843	163,303	193.72	963	14 %	192,600
Dept. of Highways & Public Transportation	560	133,152	237.77	840	50 %	168,000
Texas Health and Human Services Coord. Council	17	4,290	252.35	22	29 %	4,400
Texas Department of Mental Health- Retardation	600	131,677	219.46	890	48 %	178,000
Texas Juvenile Probation Commission	22	7,600	345.45	22	0 %	5,300
Texas Youth Commission	145	59,569	410.82	180	24 %	36,000
Dept. of Criminal Justice - Institutional Division	10	6,232	623.20	15	50 %	3,000
Dept. of Criminal Justice - Pardons & Paroles Division	467	93,388	199.97	596	28 %	122,250
Department of Criminal Justice - Community Justice Assist	99	25,250	255.05	100	1 %	22,500
Texas Education Agency	1,107	230,940	208.62	1,248	13 %	249,600

Table:  
Office Staff and Space Summary for Travis County,  
1990 - 1995, By Agency

Name of Agency	Present Staff*	Present Area**	Average sf/person	1995 Staff*	5 Year % Change In Staff	1995 Area***
Texas State University Board of Regents	7	1,711	244.43	8	14 %	1,600
Texas Higher Education Coordinating Board	250	102,183	408.73	300	20 %	60,000
Texas Parks and Wildlife Department	19	2,800	147.37	19	0 %	3,800
Texas Historical Commission	68	15,970	234.85	90	32 %	18,000
Texas State Preservation Board	18	3,504	194.67	25	39 %	5,000
Texas Commission on the Arts	20	4,321	216.05	20	0 %	4,000
<b>GRAND TOTALS</b>	<b>22,257</b>	<b>5,096,143</b>	<b>228.97</b>	<b>27,476</b>	<b>23 %</b>	<b>5,721,675</b>

\* Data is from the SPGSC Space Utilization data as of 8/31/90; SPGSC Long Range Planning Survey; SPGSC State Wide Office Space Needs Survey; the State Preservations Board's Capitol Restoration & Extension Plan and the Courts' Project Program.

\*\* Space Utilization data as of 8/31/90 and the SPGSC Lease Contract data as of 9/1/90.

\*\*\* Generally based on 200 s.f. per person and additional space needs such as Libraries, computer rooms & hearing rooms. Exceptions are needs identified for the Governor, Legislature & Secretary of State, and Legislative Reference Library in the State Preservation Board's Capitol Restoration & Extension Plan and needs identified for courts and State Law Library in the Court's Project Program.

## SUMMARY

The total number of office employees represented in our survey grows from approximately 22,257 FTEs in September of 1990 to 27,476 FTEs by September of 1995.

From a 1990 base of approximately 6 million square feet, of which 5.1 million is office space, the projected 1995 need for Travis County space of all types is approximately 6.8 million square feet, of which approximately 5.7 million square feet is office space.

It must be noted that this assumes a significant improvement in efficiency of office space utilization. If we assume instead, the present average of 229 square feet per person, the office space total at 1995 could be as much as 6.3 million square feet, based on the same employee projection. The difference, almost 600,000 square feet of additional space needs, would roughly translate to two additional new office buildings, if state-owned, or more than 6.7 million dollars per year in additional lease costs. A large proportion of this additional "need" appears to be avoidable through more efficient space utilization.



# INVENTORY

---

This section provides information about the total inventory of leased and owned space; the extent to which the State satisfies its need for space by leasing building space; and an overview of the state-owned building assets on the inventory of the Commission.

## HISTORICAL GROWTH

In 1959, state agencies in Travis County\* occupied slightly more than 600,000 usable square feet of building area, including all types of space. It was almost all (96%) office space.

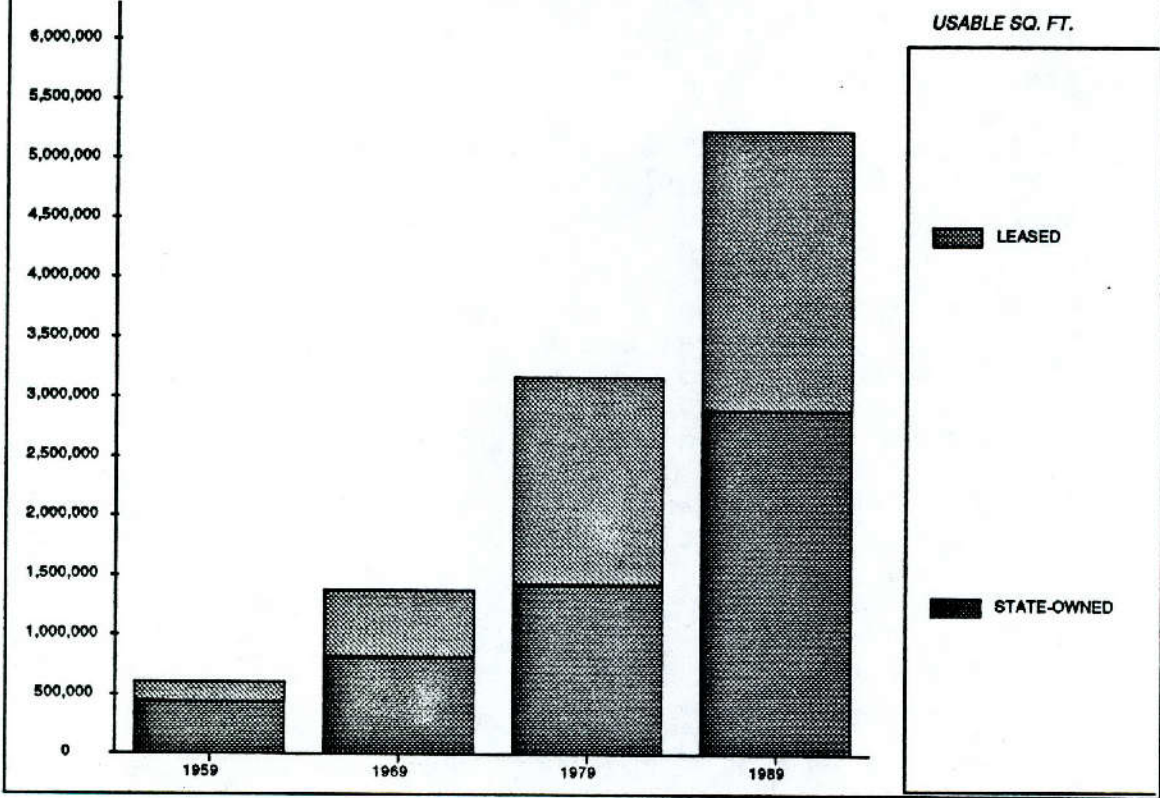
By 1989, agencies who obtained space through the State Purchasing and General Services Commission occupied over 5.2 million usable square feet of space in Travis County. Of the total square footage, approximately 4.5 million square feet (85%) was office space. This lower proportion of office space to total space indicates an increase in general support facilities, (e.g., warehouses), as well as the introduction of some special use facilities, (e.g., laboratories) related to the increasing sophistication of some missions. Still, it is the office portion which accounts for the greatest proportion of costs for space (92% of all lease costs), and offers the greatest opportunities for improved efficiencies.

The bar charts on the following pages illustrate the growth of state government's inventory of space in Travis County from 1959 through 1989. The first two charts show, respectively, the growth of all types of space and of office space only, in ten-year increments. In 1959 the State owned approximately 70% of the office space it occupied; in 1969, 62%; in 1979, 48%; and in 1989, 57% (approximately 2,522,000 square feet owned; 1,952,000 square feet leased). It appears that this varying proportion of owned versus leased space reflects the relative rate of growth of state government, rather than any particular portfolio strategies.

By contrast, the federal General Services Administration, which nationally controls almost 230 million square feet of space, has reached the conclusion that the most economical mixture of occupied space would be 80% owned and 20% leased (Building Purchases, United States General Accounting Office, Report to Congressional Requesters, October 1989). This mixture is believed to be a prudent target for state space needs as well.

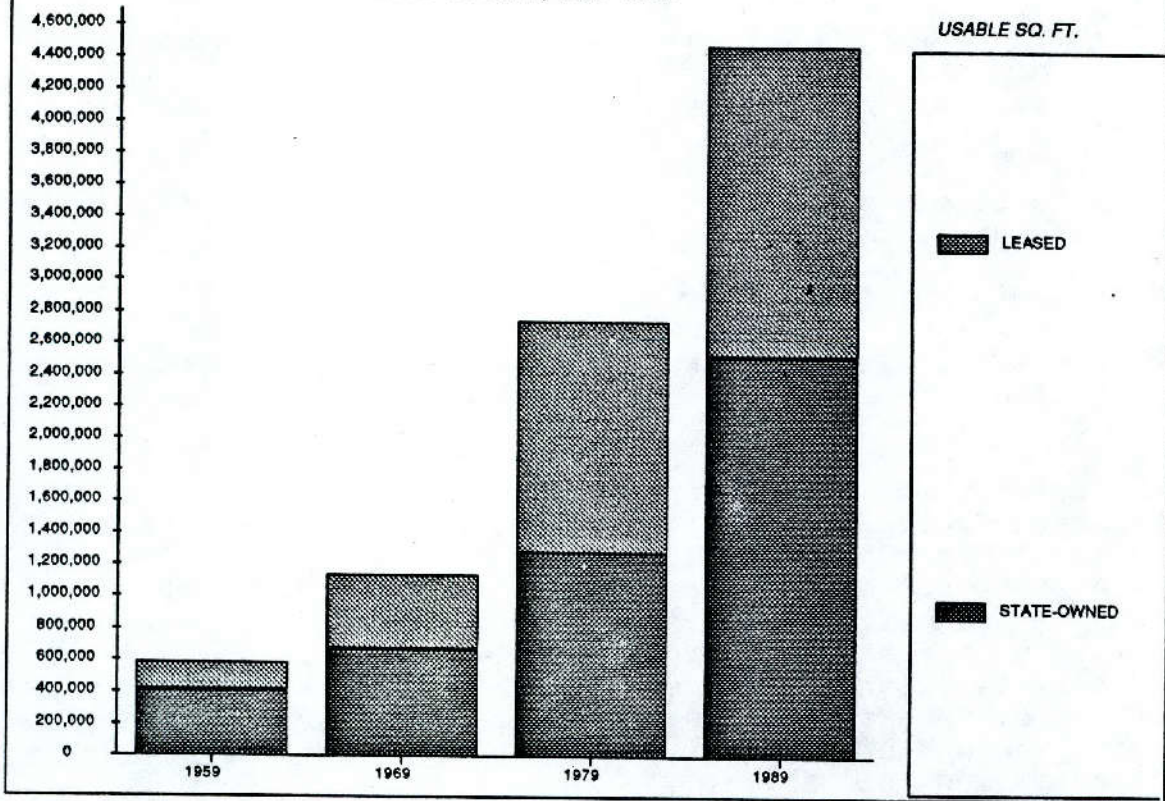
\* Obtaining space through predecessor agencies of the State Purchasing and General Services Commission.

**GROWTH IN SPACE INVENTORY, ALL TYPES OF USE  
TRAVIS COUNTY, 1959 - 1989**



# GROWTH IN OFFICE SPACE INVENTORY

TRAVIS COUNTY, 1959 - 1989



The bar chart on page 25 illustrates recent changes in the space inventory from 1980 to 1990. Immediately following is a tabular and narrative description of the current owned inventory. The leased portion of the State's inventory is summarized, by agency, in an Appendix.

The total inventory reported in this plan consists of space leased through the Commission and state-owned space including properties held by the Commission or reported, as required by S.B. 870, by the property-holding agency (MHMR, Health, Historical Commission). The remainder of this section, however, refers only to state-owned property for which SPGSC is responsible.

#### **STATE-OWNED BUILDINGS ON COMMISSION INVENTORY**

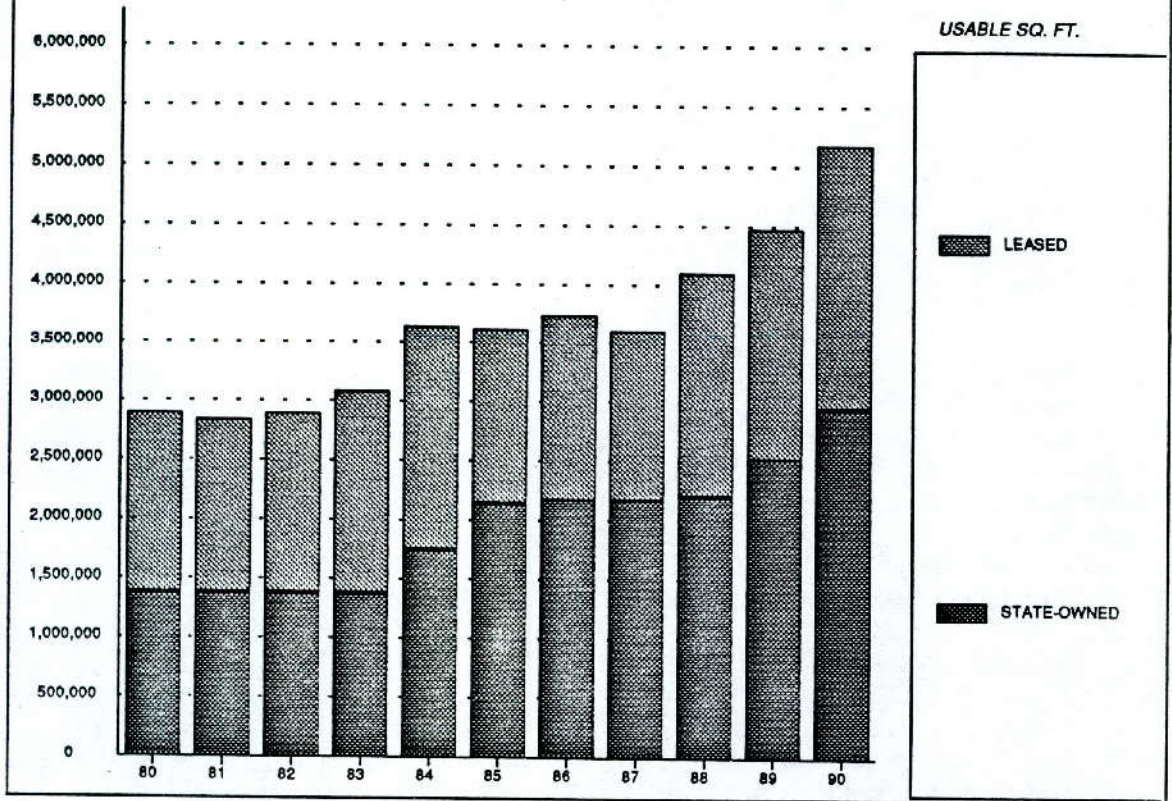
The Commission operates two major complexes in Travis County: the Capitol Complex and the Health and Human Services Complex.

The **Capitol Complex** consists of 12 major buildings, including the State Capitol, and various minor or ancillary buildings (30 total) on approximately 143 acres immediately adjacent to the Austin Central Business District and the University of Texas campus. The Commission operates approximately 1.8 million usable square feet of space within this complex. The Capitol itself and the Museum (Old Land Office) are under the control of the State Preservation Board and are the subject of an independent restoration master plan aimed at preserving and enhancing the Capitol.

Most of the major buildings in the Capitol Complex were built between 1959 and 1973. (Exceptions are the Central Services Building and the William B. Travis Building.) The older buildings generally have components and systems which are nearing or have exceeded their expected useful life. A substantial reinvestment in these assets is necessary to prevent damage or further deterioration, catch up deferred maintenance, and upgrade or convert systems to present standards of safety, reliability, efficiency and comfort.

Several of the minor buildings purchased to obtain future building sites within the Capitol Complex provide sub-standard space and are at or past the end of their economic life. Further investment in these buildings is not justified by their functional obsolescence, and current maintenance costs are disproportionately high. Demolition is recommended at the earliest date at which relief space can be made available.

### GROWTH IN OFFICE SPACE INVENTORY TRAVIS COUNTY, 1980-1990



The **Health and Human Services Complex** was authorized by H.B. 2278 in the 67th Legislature, 1981, and consists of approximately 80 acres designated for meeting the needs of health and human service agencies. Four new office buildings and a parking structure have been completed from 1984 to the present. The Commission operates approximately 700,000 usable square feet of space within this complex.

Excepting design and construction flaws at the John H. Winters Building (which are the subject of a major correction project request and of litigation), and water damage at the Brown-Heatly Building (which is presently being repaired) these new buildings are generally in good condition. They are included, however, in a major preventive maintenance project involving periodic tear-down of mechanical equipment.

The table "SPGSC Building Inventory" lists building assets for which the Commission is responsible and their dates of construction or acquisition. In the Appendix, a related table identifies, for each building, estimates of remaining economic life for the primary component systems which are subject to failure or obsolescence.

#### **SHORTFALL OF OWNED SPACE RELATIVE TO PROJECTED NEEDS**

The last bar chart in this section illustrates projected needs from 1990 to 1995. The projections for 1991 to 1995 are based on long-range planning data submitted by using agencies, and a standard planning allowance of 200 s.f. per person except as noted. This chart indicates graphically that even after the recent purchase of the One Capitol Square office building and the proposed purchase of Republic Plaza (under the existing legislative authorization for a new State Board of Insurance Headquarters) **there is a shortfall at 1995 between inventory and need of approximately 2,349,000 square feet.** Again, this assumes substantial improvements in efficiency of space utilization.

**TABLE:  
SPGSC BUILDING INVENTORY**

YEAR BUILT OR ACQUIRED	BUILDING	CONSTRUCTION AREA	GROSS AREA	USABLE (SQ. FT.)	OFFICE ONLY	APPROXIMATE VALUE **
1850	STATE CAPITOL	369,445	282,499	188,084	188,084	*
1856	GOVERNOR'S MANSION	13,347	11,945	11,945		3,213,559
1857	MUSEUM	11,532	8,778	7,988		*
1891	CARRIAGE HOUSE - GOVERNOR'S MANSION	2,445	1,983	1,629		132,343
1917	JAMES EARL RUDDER BUILDING	86,394	77,524	56,717	56,717	11,960,537
1935	CEMETERY BUILDING (UNIT D)	1,125	1,125	1,125		37,563
1939	ERNEST O. THOMPSON BUILDING	73,272	68,118	38,979	38,979	6,973,470
1959	SAM HOUSTON BUILDING	182,961	165,595	110,733	110,733	16,128,677
1960	COURTS (UNIT A)	82,957	67,675	47,757	47,757	11,024,878
1960	COURTS (UNIT B)	75,670	68,010	43,052	43,052	
1961	CEMETERY BUILDING (UNIT A)	3,208	3,051	3,051		170,018
1961	CEMETERY BUILDING (UNIT B)	3,137	3,007	3,007		
1961	LORENZO DE ZAVALA	120,055	109,853	85,280		8,084,468
1962	INSURANCE BUILDING	102,636	86,036	69,411	69,411	6,291,421
1963	JOHN H. REAGAN BUILDING	169,756	158,280	120,108	120,108	9,983,862
1964	CEMETERY BUILDING (UNIT C)	3,037	1,248	1,248		24,797
1964	MAINTENANCE SHOP	8,373	8,007	7,190		255,859
1966	AMERICAN LEGION BUILDING	11,887	11,295	8,118	8,118	130,000***
1967	ELROSE APARTMENTS	8,737	8,180	7,350	7,350	35,000***
1968	WAREHOUSE A	18,644	17,640	17,640		928,752
1968	WAREHOUSE B	2,400	2,334	2,334		90,151
1968	WAREHOUSE C	1,400	1,351	1,351		62,326
1970	LYNDON B. JOHNSON BUILDING	308,081	298,119	229,813	229,813	17,122,384
1973	STEPHEN F. AUSTIN BUILDING	470,000	422,252	289,512	289,512	22,210,371
1974	PARKING GARAGE A	307,292	307,292	2,087		3,566,791
1974	PARKING GARAGE B	276,037	276,037	0		3,566,791
1975	SAN JACINTO WHSE (TELECOMMUNICATIONS)	2,885	2,636	2,379	2,379	45,000***
1976	COSMETOLOGY BUILDING	9,217	8,524	7,430	7,430	564,204
1976	INSURANCE ANNEX BUILDING	61,734	54,339	38,817	38,817	3,779,852
1976	ANSON JONES BUILDING (1922-1945)	51,306	48,210	30,687	30,687	1,300,000***
1976	ANSON JONES BUILDING (ANNEX A)	2,604	2,316	0		
1976	ANSON JONES BUILDING (ANNEX B)	1,286	1,149	810		
1976	ANSON JONES BUILDING (ANNEX C)	567	500	0		
1976	PARKING GARAGE C	17,100	17,100	0		1,106,293
1979	SERVICE STATION	1,345	1,225	1,145		13,562
1980	JAMES HARPER STARR BUILDING (1946-1953)	206,424	194,442	66,185	66,185	5,010,420
1980	CENTRAL SERVICES BUILDING	107,163	95,493	77,550	77,550	5,300,000***
1984	JOHN H. WINTERS COMPLEX 1	142,857	139,387	113,560	113,560	22,000,000***
1984	JOHN H. WINTERS COMPLEX 2	2,207	1,682	0		
1984	JOHN H. WINTERS COMPLEX 3	358,098	344,237	256,140	256,140	
1985	WILLIAM B. TRAVIS BUILDING	491,118	467,955	375,441	375,441	35,000,000***
1985	PARKING GARAGE E	491,276	491,276	11,958		5,500,000***
1985	SENATE PRINT SHOP	17,754	15,230	11,752	11,752	250,000***
1986	TX COMM FOR THE BLIND ADMIN BLDG	52,011	46,809	35,192	35,192	4,200,000***
1987	PARKING GARAGE F	148,557	146,873	2,809		2,000,000***
1987	PARKING GARAGE G	98,475	96,367	351		1,300,000***
1988	HUMAN SERVICES WAREHOUSE	132,296	111,242	111,138		4,400,000***
1989	HANCOCK HOUSE	5,193	5,193	4,000		80,000***
1989	BROWN-HEATLY BUILDING	276,237	276,237	186,731	186,731	24,000,000***
1989	PARKING GARAGE H	333,305	333,305	4,159		4,000,000***
1989	AIRCRAFT POOLING BOARD BUILDING	46,980	44,172	38,806		5,000,000***
1989	STATE SUPPORT CENTER	26,112	25,510	24,567		1,000,000***
1989	BOLM ROAD WAREHOUSE	51,350	51,350	49,530		1,900,000***
1989	MORETON BUILDING	136,517	136,517	110,000	110,000	8,000,000***
1990	ONE CAPITOL SQUARE	500,000(Est.)	461,611	382,810	382,810	30,000,000***
1990	ONE CAPITOL SQUARE PARKING GARAGE	269,886(Est.)	269,886			****
TOTAL OF ALL STATE OWNED SPACE		6,755,688	6,358,007	3,299,456	2,904,308	\$287,743,346

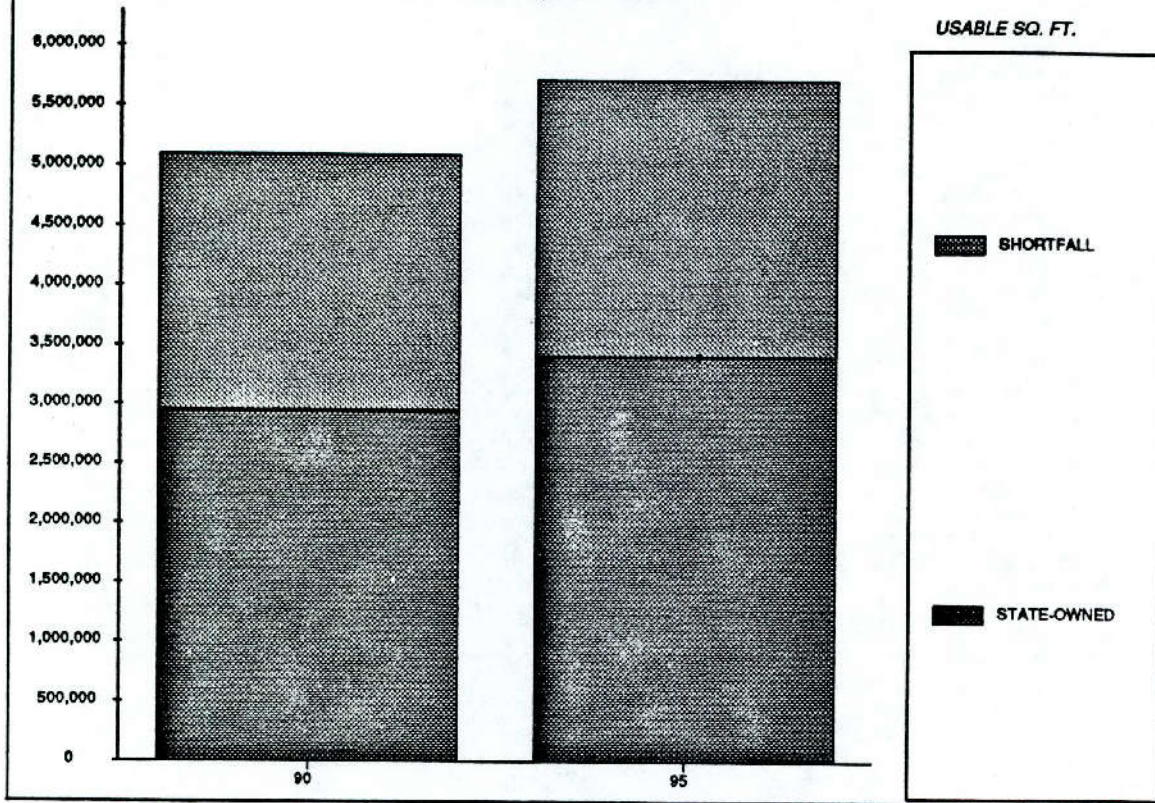
\* On State Preservation Board inventory, but maintenance and operations budgeted by Commission.

\*\* Building and Improvement Value only, figures are from General Land Office, Real Property Inventory Data Base. General Land Office is currently in the process of reappraising the State Purchasing and General Services Commission inventory.

\*\*\* Estimated Replacement Value by FCSM staff. Current figures were not available from the General Land Office.

\*\*\*\* Included in above Building Value.

**PROJECTED OFFICE SPACE NEEDS  
TRAVIS COUNTY, 1990 - 1995**





## COST EXPERIENCE

---

This section examines state-paid operation and maintenance costs for existing buildings owned or leased by the State and discusses recent economic and market conditions affecting costs in the Commission's building ownership or leasing activities.

### **COSTS IN STATE BUILDINGS**

Through its Building & Property Services Division, the Commission operates and maintains 40 state-owned office buildings in Travis County. The Commission is also responsible for planning and overseeing building modifications or improvements necessary to accommodate the functions which agencies perform within this space. Increasingly, it has become apparent that building modifications required to accommodate new mandates, new organizations, new work technology, etc., are in continuous demand. In terms of labor, these modifications have competed for the same resources that were budgeted and scheduled for routine building operations and preventive maintenance. For this reason, available cost records do not adequately reflect the extent of deferred maintenance, and therefore the full cost of operating and maintaining state-owned space.

With that understanding, the following table illustrates the relative costs of utilities, operations and maintenance and of building modifications in the Commission's inventory as of 8/31/89. The average cost per usable\* square foot of office space in Travis County is \$3.22 for utilities; \$1.36 for operations and maintenance; and \$0.19 for building modification and improvements.

\* "Usable" square footage has been taken as the basis for unit cost reporting in order to facilitate comparison between state-owned and state-leased space. This will result in slightly higher unit costs than may appear in other industry publications based on "rentable" square feet.

TABLE:  
 COST EXPERIENCE FOR FY89  
 SPGSC - INVENTORIED BUILDINGS (EXCLUDING PARKING)

FACILITY	CONSTRUCTION SQUARE FEET	USABLE SQ. FT.	MAINTENANCE COSTS	OPERATING COSTS	SUBTOTAL O & M COSTS	UTILITY COSTS	MODIFICATIONS/ IMPROVEMENTS	O & M COST PER SQ. FT.	UTILITY COST PER SQ. FT.	MOD. COST PER SQ. FT.
CAPITOL COMPLEX										
Archives Building	120,055	85,280	\$31,852.41	\$83,660.43	\$115,512.84	\$289,952.00	\$1,837.42	\$1.35	\$3.40	\$0.02
Capitol*	369,445	188,084	182,237.78	227,161.28	409,399.06	639,485.60	24,531.75	2.18	3.40	0.13
Central Power Plant (SHE)		0	0.00	383,135.58	383,135.58	1,643,839.07	0.00	0.00	0.00	0.00
Central Services Building	107,163	77,550	26,920.77	67,818.55	94,739.32	121,397.67	12,174.67	1.22	1.57	0.16
Elrose Apartments	8,737	7,350	7,084.74	7,179.43	14,264.17	9,026.57	0.00	1.94	1.23	0.00
Insurance Building	102,636	69,411	46,140.72	73,541.69	119,682.41	128,519.77	19,432.74	1.72	1.85	0.28
Insurance Annex	61,734	38,817	25,922.12	65,756.59	91,678.71	77,041.31	1,806.34	2.36	1.98	0.05
James Earl Rudder Building	86,394	56,717	19,107.56	86,507.89	105,615.45	210,515.02	24,998.45	1.66	3.71	0.44
John H. Reagan Building	169,756	102,051	35,918.50	88,106.65	124,025.15	286,753.86	6,116.92	1.22	2.81	0.06
Lyndon B. Johnson Building	308,081	229,813	71,665.64	218,792.56	290,458.20	816,458.99	21,022.39	1.26	3.55	0.09
Governor's Mansion	13,347	11,945	28,126.36	600.00	28,726.36	42,461.58	2,820.67	2.40	3.55	0.24
Maintenance Shop	8,373	7,190	3,587.85	5,826.46	9,414.31	12,550.84	299.61	1.31	1.75	0.04
Museum*	11,532	7,988	613.34	1,388.78	2,002.12	27,152.20	742.16	0.25**	3.40	0.09
Old American Legion Building	11,887	8,364	6,144.84	5,580.28	11,725.12	16,125.15	0.00	1.40	1.93	0.00
Supreme Court Building	158,627	90,809	34,636.29	93,441.66	128,077.95	308,750.60	2,832.00	1.41	3.40	0.03
Stephen F. Austin Building	470,000	289,573	87,097.32	306,897.59	393,994.91	1,252,979.84	34,584.13	1.36	4.33	0.12
Sam Houston Building	182,961	110,640	95,507.40	125,015.54	220,522.94	376,179.00	217,272.13	1.99	3.40	1.96
Senate Print Shop	17,754	11,752	4,106.92	15,966.18	20,073.10	19,531.76	3,353.19	1.71	1.66	0.29
E. O. Thompson Building	73,272	38,979	34,816.70	66,416.55	101,233.25	117,566.94	78,789.03	2.60	3.02	2.02
William B. Travis Building	491,118	375,441	93,359.08	316,117.25	409,476.33	421,571.12	30,836.74	1.09	1.12	0.08
San Jacinto Warehouse	2,885	2,379	1,556.42	5,055.42	6,611.84	4,549.08	0.00	2.78	1.91	0.00
Service Station	1,345	1,145	7,260.99	6,074.54	13,335.53	2,028.60	0.00	11.65	1.77	0.00
WINTERS COMPLEX										
Brown Heatly Building	276,237	186,731	15,311.13	42,585.51	57,896.64	234,840.64	6,267.91	0.31**	1.26	0.03
Comm. for Blind Admin. Bldg.	52,011	35,192	15,815.14	53,251.09	69,066.23	64,115.61	2,336.41	1.96	1.82	0.07
Health & Human Serv. Warehouse	132,296	114,503	17,638.78	40,291.70	57,930.48	79,176.05	14,281.79	0.51	0.69	0.12
Moreton Building***										
John H. Winters Building	503,162	369,700	156,697.67	3,229.58	159,927.25	1,124,562.48	8,070.77	0.43	3.04	0.02
OFF COMPLEX										
Aircraft Pooling Board	73,223	38,806	8,422.99	14,599.43	23,022.42	31,943.76	930.01	0.59	0.82	0.02
Anson Jones	51,306	30,687	21,960.82	56,337.00	78,297.82	56,865.84	1,357.05	2.95	1.85	0.04
Cemetery Buildings	10,507	8,431	747.41	0.00	747.41	22,160.66	0.00	0.09	2.63	0.00
Cosmetology Building	9,217	7,430	4,916.16	10,682.12	15,598.28	16,216.60	1,782.26	2.10	2.18	0.24
James H. Starr Building	206,424	66,185	26,238.53	60,690.64	86,929.17	212,368.75	6,250.73	1.31	3.21	0.09
State Support Center	26,112	24,567	7,972.09	2,788.28	10,760.37	16,670.46	395.80	0.44	0.68	0.02
TRAVIS COUNTY TOTAL	4,117,597	2,693,510	\$1,119,384.47	\$2,534,496.25	\$3,653,880.72	\$8,683,357.42	\$525,123.07	\$1.36	\$3.22	\$0.19

\*On inventory of State Preservation Board

\*\*Not occupied for full year.

\*\*\*Property responsibility delegated to the Texas Dept. of Health. 136,517 s.f. construction area, and 110,000 s.f. usable area.

Data from Building & Property Services Division Work Order records and Utility records 9/1/88 through 8/31/89.  
 Costs per square foot are calculated on the basis of usable square feet.

rb code 2980(WF2993)

## LEASE COSTS

Agencies in leased space were asked to report all state-paid expenses for space in addition to the base rent. The categories in which additional expenses were most frequently incurred were utilities, janitorial service and leasehold improvements.

In fiscal year 1989 the State had 162 leases for space in Travis County, of which 115 (71%) were for office space. Of these, 38 (34% of office leases) included some provision for state-paid services. These leases contained approximately 60% of the total office space leased (approximately 1.2 million square feet). The average total cost per square foot for these leases was \$10.06 per square foot, compared to the Travis County (all office leases) average of \$9.36 per square foot and the average for full-service leases of \$8.32 per square foot.

The following table shows a breakdown of the state-paid expenses for each office lease. Although 14 of these "net" leases (37%) had total costs below the average cost of full service leases, state control of utilities or building operations costs in leased space does not always appear to be advantageous in Travis County. It may be that lessors and financial institutions in the present unhealthy market are simply unable to assume any of the normal risks of future increases in utility costs or of interim financing for leasehold improvements. These risks and costs are being passed on to the State.

In fiscal year 1989, the total office space leased, was approximately 2 million square feet. The total rent was approximately \$18,152,160. (The total lease costs, including the expenses reported above, were approximately \$19,529,359.) The trends in rent are shown in graphs of total and average state-occupied office rents for Travis County from 1959 through 1989.

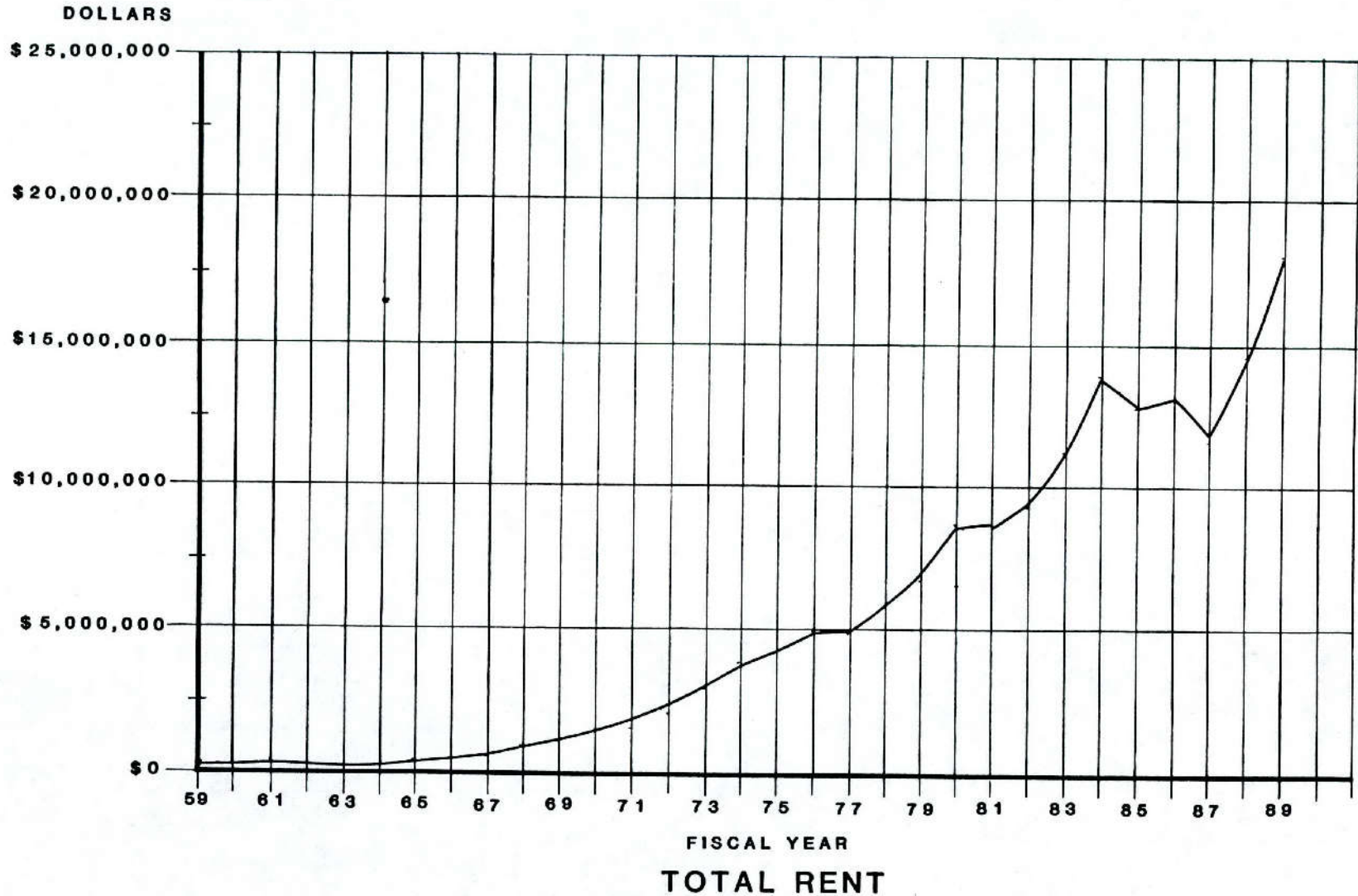
## RECENT BIDS

This past fiscal year (FY '90), the Commission advertised 25 requests for bids for full service office space totaling 681,800 square feet in the city of Austin. The average full service recommended bid rate was \$9.04, up approximately 9% from our 1989 cost for the same type of space. This average rate was greatly influenced by the six requests for space greater than 50,000 square feet which represented 84% of the total office space and had an average recommended bid rate of \$11.50 per square foot.

TABLE  
LEASE COST EXPERIENCE  
FOR OFFICE SPACE IN AUSTIN WITH STATE-PAID EXPENSES  
FISCAL YEAR 1989

AGENCY NO.	LEASE NO.	UTILITIES	JANITORIAL	LEASEHOLD IMPROVEMENTS	SECURITY	OTHER	MONTHS INCLUDED IN REPORT	TOTAL OPERATING COSTS	TOTAL RENT	TOTAL ANNUAL COST	TOTAL AREA SQ. FT.	TOTAL ANNUAL COST PER SQ. FT.
ATTORNEY GENERAL	5052	132,918.70					12	132,918.70	199,260.72	332,179.42	15,234	\$21.81
ATTORNEY GENERAL	3073	13,835.04					12	13,835.04	52,164.96	66,000.00	7,771	8.49
TREASURY DEPARTMENT	5701-E			3,182.33			12	3,182.33	101,838.06	105,020.39	11,144	9.42
DEPT HUMAN SERVICES	3635		5,400.00				11	5,400.00	76,237.92	81,637.92	13,815	5.91
DEPT HUMAN SERVICES	4277	28,768.36	17,432.40				12	46,200.76	184,489.56	230,690.32	25,190	9.16
DEPT HUMAN SERVICES	4278	39,783.59	11,184.76				12	50,968.35	247,929.03	298,897.38	61,522	4.86
DEPT HUMAN SERVICES	5028		11,184.76				12	11,184.76	63,051.48	74,236.24	6,462	11.49
DEPT HUMAN SERVICES	4687-E	2,814.00	4,083.00				6	6,897.00	22,056.00	28,953.00	4,988	5.80
DEPT HUMAN SERVICES	5681-E		9,390.66	4,500.00		18,088.00	12	31,978.66	38,000.04	69,978.70	13,000	5.38
DEPT HUMAN SERVICES	6336	4,903.36	11,814.76				5	16,718.12	22,585.00	39,303.12	9,034	4.35
REAL ESTATE COMM	RBC-3073-E	40,125.94	14,386.53				12	55,652.15	177,974.52	233,626.67	26,900	8.69
REHABILITATION COMM	3360-E	194,154.81					12	194,154.81	1,195,588.54	1,389,743.35	172,162	8.07
REHABILITATION COMM	3952-E	10,961.00	3,885.00				12	14,846.00	34,635.00	49,481.00	5,150	9.61
REHABILITATION COMM	4897-E	8,275.00	3,627.00				12	11,902.00	39,491.64	51,393.64	4,275	12.02
COMMUNITY AFFAIRS	4687-E	23,490.00	11,532.00		3,930.00		12	38,952.00	550,529.88	589,481.88	63,045	9.35
PROPERTY TAX BOARD	7796-E	32,589.00	11,191.00				9	43,780.00	102,657.35	146,437.35	22,727	6.44
PROPERTY TAX BOARD	5999-E			5,793.00			3	5,793.00	50,257.20	56,050.20	26,850	2.09
DEPT ON AGING	4796			4,199.00			12	4,199.00	127,925.28	132,124.28	14,504	9.11
BOARD OF INSURANCE	6178-E	871.51	839.65				3	1,711.16	3,600.00	5,311.16	2,000	2.66
BOARD OF INSURANCE	5774-E			82,691.02			12	82,691.02	3,530,240.77	3,612,931.79	216,000	16.73
RAILROAD COMM	#6033	2,795.16	200.00				5	2,995.16	9,000.00	11,995.16	2,980	4.03
PLUMBING EXAMINERS	PE-7925-E	19,758.00	5,400.00				12	25,158.00	105,629.52	130,787.52	15,477	8.45
PUBLIC ACCOUNTANCY	CPA-3999-E			8,067.00			12	8,067.00	157,393.74	165,460.74	16,511	10.02
ALCOHOLIC BEVERAGE	ABC-034	31,133.00					12	31,133.00	438,523.80	469,656.80	38,066	12.34
DEPT OF COMMERCE	4687-E	47,620.80	32,024.40		8,730.48		12	88,375.68	550,529.88	638,905.56	63,045	10.13
PRIVATE INVESTIGATORS	BPD-4255-E			3,434.84			12	3,434.84	79,007.92	82,442.76	9,132	9.03
DEPT OF HEALTH	3282		17,457.48				12	17,457.48	244,008.12	261,465.60	27,715	9.43
BD OF MEDICAL EXMRS	3073	17,489.74	6,274.62		785.05		12	24,549.41	76,713.12	101,262.53	11,598	8.73
VOC NURSE EXAMINERS	6019-E			1,057.14			12	1,057.14	41,349.26	42,406.40	6,040	7.02
BOARD OF PHARMACY	TBP-5087-E					572.75	12	572.75	89,780.10	90,352.85	8,075	11.19
ALCOHOLIC/DRUG ABUSE	CA 4254-E	26,512.15	6,300.00	915.00		11,954.00	12	45,681.15	153,033.66	198,714.81	14,921	13.32
AIR CONTROL BOARD	7167-E	138,859.95	36,352.00				12	175,211.95	429,963.96	605,175.91	75,973	7.97
DEPT OF AGRICULTURE	5229	3,356.48					12	3,356.48	33,253.20	36,609.68	8,300	4.41
ANIMAL HEALTH COMM	ABC-4-1		750.00	10,195.78			12	10,945.78	128,888.72	139,834.50	12,575	11.12
HWYS/TRANSPORTATION	HW-7488-E		44,549.00		3,003.00	2,640.00	12	50,192.00	324,528.84	374,720.84	51,210	7.32
HWYS/TRANSPORTATION	HW-5178-E	76,325.00	23,532.00		625.00	2,400.00	12	102,882.00	299,519.15	402,401.15	35,000	11.50
MENTAL HEALTH/RETARD	5959-E			5,623.95			12	5,623.95	84,608.20	90,232.15	9,850	9.16
HIGHER ED COORD BD	BC-7645-E			7,540.05			12	7,540.05	554,281.68	561,821.73	63,807	8.81
<b>TOTALS</b>		<b>\$897,340.59</b>	<b>\$288,791.02</b>	<b>\$137,984.16</b>	<b>\$16,288.48</b>	<b>\$36,794.43</b>		<b>\$1,377,198.68</b>	<b>\$10,620,525.82</b>	<b>\$11,997,724.50</b>	<b>1,192,048</b>	<b>\$10.06</b>

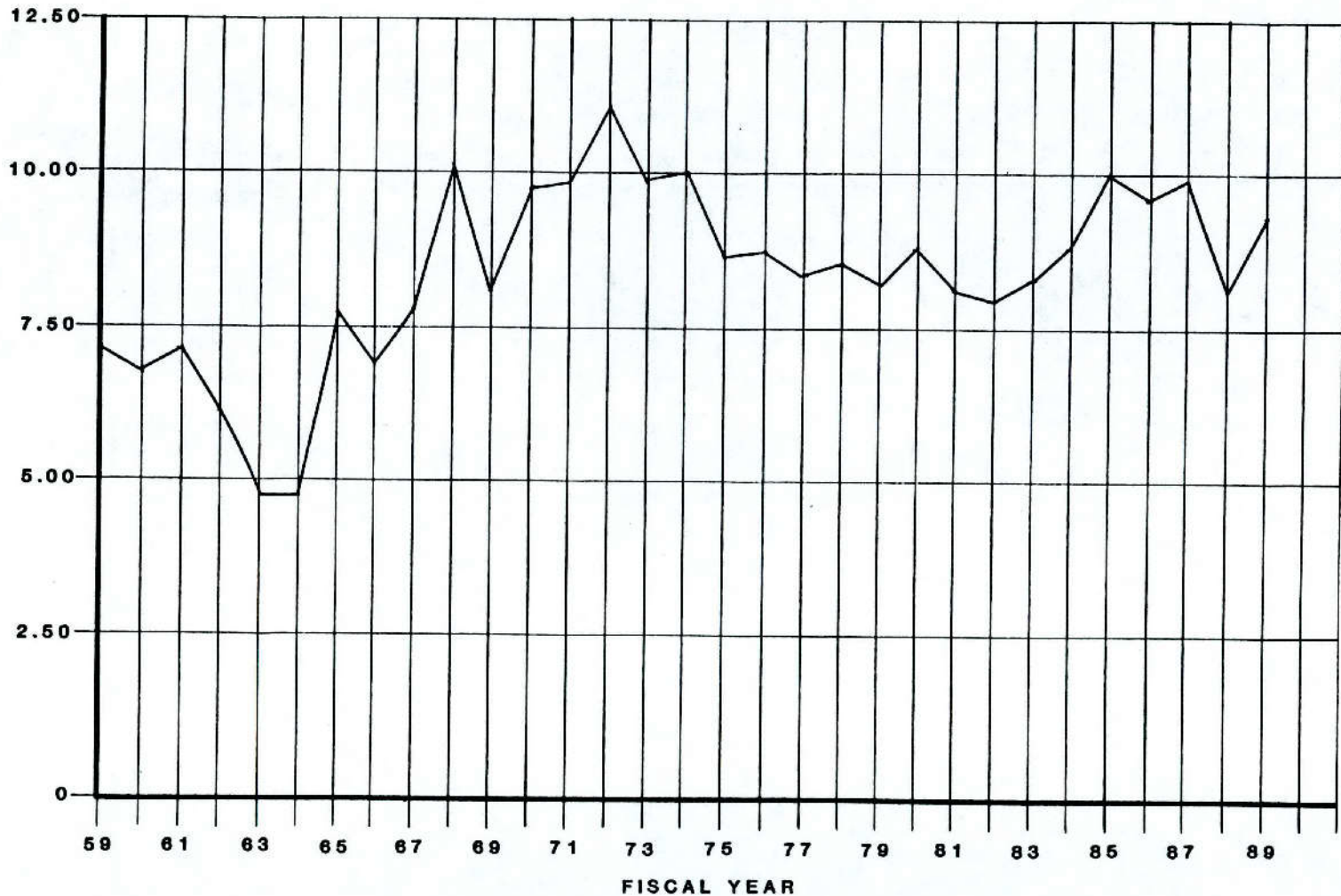
Data is from Agency Survey Form and 8/31/89 SPGSC Lease Report



**TOTAL RENT**  
**FOR LEASED OFFICE SPACE IN TRAVIS COUNTY**

Data Source: SPGSC Lease Contract Records and Annual Reports to the Governor.

1989 DOLLARS  
PER SQ.FT.



-34-

### AVERAGE ANNUAL RENT FOR LEASED OFFICE SPACE IN TRAVIS COUNTY

Data Source: SPGSC Lease Contract Records and Annual Reports to the Governor. Dollar amounts expressed in 1989 dollars, adjusted by Consumer Price Index for all items as published in Economic Report of the President, February 1990.

The most competitive lease size was less than 3,000 square feet which had an average of 5 bidders (compared to the 3 bidders for greater than 50,000 square feet) and a recommended bid rate of \$6.84 per square foot.

#### MARKET OBSERVATIONS

Recent bidding experience indicates that a shift may be occurring in the Austin real estate market. At present, Travis County, as all of the Southwest region, is near the bottom of a normal real estate cycle exacerbated by "abnormal" factors.

During the 1970s the City of Austin began an urban and regional planning effort aimed at directing growth into its faltering Central Business District and a growth corridor roughly paralleling the interregional highway (IH35) and away from environmentally sensitive areas to the west. Austin's long range plan was frustrated by the "marketability" (high ratio of value to cost) of the areas scheduled for protection and the failure of local governments to implement transportation strategies or investments in concert with land use policy. Commercial development downtown did not occur as quickly as regional demand for business space was growing. By 1980, occupancies county-wide were high and rental rates were increasing.

In the first half of the 1980s, the apparent demand for space was magnified by two additional factors:

- 1) National growth publicity (IBM expansion, MCC selection of Austin, Lockheed's selection of Austin, Austin's 'strength' publicized by the book Megatrends and similar publications, etc.);
- 2) Changes in federal lending regulations allowing Savings & Loans to not only make commercial real estate loans, but to participate in the development and ownership of such projects.

The national publicity of Austin's livability and positive attributes for sustained economic growth fueled enthusiastic speculation in local real estate. A great many new investors and developers independently entered the Austin market. The deregulation of savings and loan institutions encouraged these speculations through fierce competition among inexperienced lenders for loans and equity participation in Austin's "boom". The normal tendency of markets to over-supply when pent-up demand allows high prices/rents was grossly exaggerated. Published vacancy rates were approximately 40% by mid-'87.

By 3rd quarter of 1990, vacancy rates are back down to around 24 to 26%. The average rental rate for the city appears stable around \$9.40, almost unchanged from January 1990. Downtown occupancy rates and lease rates are somewhat higher and increasing. Other areas are experiencing relatively stable occupancy and an occasional slight decrease in rents. Despite the aggregate oversupply, large blocks of contiguous space (over 10,000 square feet) are increasingly difficult to fit around the existing tenant base. Competition is therefore limited for these leases and higher rates may be expected. Competition for the largest leases (over 50,000 square feet) is extremely limited and substantial rate increases have already appeared in state bids.

After many foreclosures and failures of financial institutions, ownership has stabilized to some extent. Remaining lenders are able to hold assets performing considerably below what was necessary to service the original debt. On the other hand, there is very little loan capability to advance construction funds for build-out of tenant improvements or to fund relocation concessions. For large leases, in fact, the lease contract may collateralize/amortize the entire cost of ownership.

It is probable that in 1991, higher fuel costs and other inflation will begin to be reflected in the average rents. During the '92-'93 biennium, further market stability should allow rents to at least keep pace with inflation. Downtown locations and large space requirements, however, will pay an increasing premium. By 1995, regional market demand should be driving rents up faster than the general rate of inflation. If we assume, however, that rents simply keep pace with the inflation projected by the Comptroller of Public Accounts' Texas Economic Outlook, (Spring 1990 forecast) then the cost of leasing our office space shortfall in 1995 (approximately 2.3 million square feet) will cost at least \$28.3 million for FY '95.

There is still some opportunity for purchase of buildings below replacement cost. Because of the combination of weak rents and low prospect of construction demands, land is also priced well below its value in use.



# REQUESTED PROJECTS

This section presents the complete list of capital construction projects requested in Travis County and analyzed pursuant to Sec 5.16, Art. 601b, T.C.S..

## **LISTING OF REQUESTS**

In the following table, all requested projects are listed under the policy issues identified earlier in this report. Within each issue, they are sorted by Legislative Budget Board "Categories". Further detail on each project is available in the individual project analyses submitted under separate cover. The codes used in the table have the following meanings:

### Issues

AQ	=	Air Quality
CODE	=	Code Compliance
DM	=	Deferred Maintenance
ENERGY	=	Energy Conservation
MGT	=	Asset Management
PROGRAM	=	Program Support
TECH	=	Changing Work Technology

### L.B.B. Categories

1	=	Hazard
2	=	Project Completion
3	=	Major Repair - Cost Savings
4	=	Major Repair - Upgrade
5	=	New Construction - Overcrowding and Growth
6	=	New Construction - New or Expanded Programs
7	=	Eliminate Architectural Barriers
8	=	Other Construction

### Project Location

CSB	=	Central Services Building
LBJ	=	Lyndon B. Johnson Building
SFA	=	Stephen F. Austin Building
SHB	=	Sam Houston Building
EOT	=	Ernest O. Thompson Building
BHB	=	Brown-Heatly Building
JER	=	James Earl Rudder Building
JHW	=	John H. Winters Building
OAL	=	Old American Legion Building
INX	=	Insurance Annex

Table:

Capital Projects Requested, By Issue Type

Travis County

Sorted by Issue Type, L.B.B. Category & Location

Issue	Agency Code	ID. No.	L.B.B. Cat.	Project Name/Description	Project Location	Project Type	Estimated Cost
AQ	303	104	1	DUCT CLEANING (4 BLDGS.)	CAP COMPLEX	MECHANICAL	490,000
AQ	303	51	1	MAKEUP AIR ON 1ST & 2ND	CSB	MECHANICAL	21,500
AQ	303	53	2	UPGRADE HVAC SYSTEM FOR DATA PROCESSING AREA	CSB	MECHANICAL	31,550
AQ	303	13	3	PROVIDE MAKEUP AIR & EXHAUST FOR PRINT SHOP	ARCHIVES	MECHANICAL	30,950
AQ	303	38	3	HVAC FOR 1ST FLOOR	LBJ	MECHANICAL	89,100
AQ	303	37	3	MAKEUP AIR/EXHAUST FOR PRINTSHOP (SENATE)	REAGAN	MECHANICAL/ELECT.	86,500
AQ	303	63	3	REPLACE/RECONDITION CEILINGS	STARR	RENOVATION	262,400
AQ	303	68	4	MAKEUP AIR/EXHAUST IN SNACK BAR	INSURANCE	MECHANICAL	67,800
AQ	303	8	4	REDESIGN/REPLACE RESTROOM/JANITORIAL EXHAUST	REAGAN	MECHANICAL	104,200
AQ	303	36	4	MAKEUP AIR & EXHAUST SYSTEMS FOR SNACK BAR	REAGAN	MECHANICAL	76,200
AQ	303	10	4	MAKEUP AIR/EXHAUST SYSTEMS FOR PRINT SHOP	RUDDER	MECHANICAL	66,100
AQ	303	57	4	MAKEUP AIR/EXHAUST FOR SNACK BAR	RUDDER	MECHANICAL	35,600
AQ	303	48	4	MAKEUP AIR/EXHAUST FOR SNACK BARS ON 1 & 6	SFA	MECHANICAL	55,000
AQ	303	32	4	MAKEUP AIR/EXHAUST FOR SNACK BAR	SHB	MECHANICAL	64,700
<b>AIR QUALITY SUBTOTAL</b>							<b>\$ 1,481,600</b>
CODE	303	16	1	INSTALL GREASE TRAP IN SNACK BAR	INSURANCE	PLUMBING	21,600
CODE	303	91	1	CORRECT BLDG. GROUNDING SYSTEM	LBJ	ELECTRICAL	45,000
CODE	303	97	1	INSTALL FIRE STOPPING MATERIALS	SPGSC (ALL)	LIFE SAFETY	52,000
CODE	303	79	2	COMP. OF FIRE SUPPRESSION SYST., ADDN'L FUNDS	SPGSC (ALL)	FIRE SUPPRESION	21,345,000
CODE	303	98	4	INSTALL FIRE ALARM SYSTEM	LBJ/SHB/EOT/SFA	LIFE SAFETY	355,000
CODE	303	100	4	RENOVATION TO GASOLINE FUEL FACILITY	SERVICE STATION	SURVEY/RENOVATION	68,700
CODE	303	102	7	ELIM. OF ARCH. BARRIERS	GOV. MANSION	BARRIERS	
<b>CODE COMPLIANCE SUBTOTAL</b>							<b>\$ 21,887,300</b>
DM	303	34	1	REDESIGN/REPLACE CONDENSATE PAN FOR COLD DECK	REAGAN	MECHANICAL	152,400
DM	303	49	1	REPLACE 12" VALVE IN STEAM HEADER	SFA	MECHANICAL	5,600
DM	303	60	3	REPLACE CONTROL AIR SUPPLY	ANSON JONES	MECHANICAL	8,900
DM	303	62	3	REPLACE CHILLER/CONDENSOR	ANSON JONES	MECHANICAL	102,300
DM	303	12	3	REPLACE HOUSE PUMP/MOTOR/CONTACTOR...	ARCHIVES	MECHANICAL	37,350
DM	303	29	3	REPLACE AIR COMPRESSOR/DRIER SYSTEM	ARCHIVES	MECHANICAL	32,040

## Table:

## Capital Projects Requested, By Issue Type

Travis County

Sorted by Issue Type, L.B.B. Category &amp; Location

Issue	Agency Code	ID. No.	L.B.B. Cat.	Project Name/Description	Project Location	Project Type	Estimated Cost
DM	303	59	3	OVERHAUL/REPLACE HVAC PARTS	E O THOMPSON	MECHANICAL	111,400
DM	303	78	3	REPLACE WINDOWS	E O THOMPSON	EXTERIOR	129,200
DM	303	15	3	PERFORM TEARDOWN INSP. ON TRAINS./PARTS	EOT/SHCP/SFA/BH	PREVENTIVE MAINT.	229,000
					B/JER/JHW		
DM	303	55	3	HVAC, INSULATION	GOV. MANSION	MECHANICAL	225,000
DM	303	18	3	REPLACE DOMEST. HOT WATER CONVERTER/TANK/PUMP	INSURANCE	PLUMBING	26,500
DM	303	19	3	REPLACE CONDENSATE TANK/PUMPS	INSURANCE	MECHANICAL	21,600
DM	303	21	3	REPLACE AIR/COMP./DRIER FOR HVAC	INSURANCE	MECHANICAL	32,700
DM	303	71	3	OVERHAUL/REPLACE HOUSE PUMP, MOTOR...	INSURANCE	MECHANICAL	37,500
DM	303	24	3	REPLACE PLUMBING SYSTEM	INSURANCE ANNEX	PLUMBING	823,700
DM	303	25	3	REPLACE REFRIG./PUMP EQMT. OR CONNECT CENTRAL	INSURANCE ANNEX	MECHANICAL	299,700
DM	303	39	3	REPLACE HOT WATER BOILERS OR SFA STEAM W/CONV.	LBJ	MECHANICAL	128,500
DM	303	80	3	REPAIR/REPLACE ROOF	MAINT SHOP/GOV MANS/EOT	ROOF	
DM	303	75	3	ADD'L FUNDS TO COMPLETE REROOFING	OAL, SHB, LBJ	ROOF	775,000
DM	303	73	3	PARKING LOT RESURFACING	PARKING LOT 7	PAVING	105,000
DM	303	89	3	REPAIR SPALLING CONCRETE	PKG GARAGES A & B	STRUCTURAL	750,000
DM	303	6	3	REPLACE SUMP PUMPS	REAGAN	PLUMBING	26,450
DM	303	9	3	REPLACE HOT DECK COILS/CONTROLS/STEAM TRAPS	REAGAN	MECHANICAL	148,800
DM	303	46	3	REPLACE HOT WATER TANK IN 1ST FLR. COFFEE SHOP	SFA	PLUMBING	145,000
DM	303	47	3	REPLACE CHILLED WTR/STEAM COILS ON HANDLERS 1-4	SFA	MECHANICAL	142,800
DM	303	44	3	REPLACE AIR COMPRESSOR/DRIER SYSTEM	SFA CENTR PLANT	MECHANICAL	19,000
DM	303	30	3	REPLACE AIR COMPRESSOR/DRIER	SHB CENTR PLANT	MECHANICAL	95,900
DM	303	93	3	SURVEY ROOFS FOR LONG RANGE PLAN	SPGSC (ALL)	ROOF	250,000
DM	303	95	3	ELEC. SURVEY OF BUILDING SYSTEM	SPGSC (ALL)	ELECTRICAL	415,000
DM	303	81	3	REPAIR OR REMOVE ROOF & METAL OVER GARAGE	STARR	ROOF	
DM	303	82	3	REPLACE WINDOW WALL SYSTEM	STARR	EXTERIOR	333,330
DM	303	42	3	ACCESS TO VAV BOXES 1ST & 2ND	TRAVIS	MECHANICAL	5,000
DM	303	43	3	REPLACE AIR COMPRESSOR & DRIER SYSTEM	TRAVIS	MECHANICAL	16,000
DM	303	26	4	INSTALL NEW VAV SYSTEM	ARCHIVES	MECHANICAL	1,221,500
DM	303	28	4	REPLACE COOL DRINKING WATER SYSTEM	ARCHIVES	PLUMBING	14,800
DM	303	74	4	REPAIR GREENHOUSES/IMPROVEMENTS	CEMETERY	MECHANICAL	51,000
DM	303	88	4	REPAIR FOUNTAIN/COVER DRAINAGE/REPAIR FENCE	CEMETERY	REPAIRS	110,000
DM	303	17	4	REPLACE/REFURBISH COOL DRINKING WATER SYSTEM	INSURANCE	PLUMBING	14,800

Table:

Capital Projects Requested, By Issue Type

Travis County

Sorted by Issue Type, L.B.B. Category & Location

Issue	Agency Code	ID. No.	L.B.B. Cat.	Project Name/Description	Project Location	Project Type	Estimated Cost
DM	303	67	4	REPLACE SUMP PUMPS	INSURANCE	PLUMBING	20,800
DM	303	70	4	INSTALL NEW VAV SYSTEM	INSURANCE	MECHANICAL	653,100
DM	303	22	4	UPGRADE AIR DISTRIBUTION SYSTEM	INSURANCE ANNEX	MECHANICAL	491,800
DM	303	72	4	OVERLAY OF SURFACES 17, 20, 2E, 2W	PKG LOTS	PAVING	165,000
					17/20/2E/2W		
DM	303	7	4	REPLACE VFD W/MAGNETIC DRIVES	REAGAN	MECHANICAL	53,250
DM	303	35	4	REPLACE CONDENSATE TANK/PUMPS	REAGAN	MECHANICAL	27,200
DM	303	50	4	UPGRADE CITY WATERHEATER, METERS & SOFTENERS	SFA CENTR PLANT	PLUMBING	40,000
DM	303	31	4	REPLACE HOT WATER CONVERTER/TANK/PUMP	SHB	PLUMBING	26,450
DM	303	64	4	REPLACE DRINKING WATER CHILLER	STARR	PLUMBING	40,600
<b>DEFERRED MAINTENANCE SUBTOTAL</b>							<b>\$ 8,560,970</b>
ENERGY	303	92	3	E: ENERGY COST CONSERV. PROJ./GOV'S ENERGY MGT.		IMPLEM. ENERGY PLAN	2,754,700
ENERGY	303	66	3	REPLACE VFD W/MAGNETIC VARIABLE SPEED DRIVES	INSURANCE	MECHANICAL	38,900
ENERGY	303	83	3	REPAIR DOORS AT LINK & PROVIDE VESTIBULES	LBJ	EXTERIOR	200,000
ENERGY	303	86	3	RENOVATE BUILDING ENTRANCES	REAGAN	EXTERIOR	52,900
ENERGY	303	92	3	A: IMPLEMENT RESULTS OF GOV'S ENERGY MGT CENTER	REAGAN/TEC	IMPLEM. ENERGY PLAN	4,950,000
ENERGY	303	92	3	B: LOOPED UTILITY TUNNEL	SFA/LBJ	IMPLEM. ENERGY PLAN	885,000
ENERGY	303	33	3	UPGRADE TERMINAL DIST./LIGHTING SYSTEM	SHB	RENOVATION	1,889,000
ENERGY	303	92	4	D: HVAC CONNECTION DUE TO CAPITOL EXPAN. PROJ.	TEC/SHB	IMPLEM. ENERGY PLAN	201,600
<b>ENERGY CONSERVATION SUBTOTAL</b>							<b>\$ 10,972,100</b>
MGT	303	87	1	MODERNIZE ELEVATORS	SHB	ELEVATORS	998,500
MGT	303	90	1	MODERNIZE ELEVATORS	STARR	ELEVATORS	236,800
MGT	303	94	1	REPLACE BUILDING SOFFITS	TRAVIS	EXTERIOR	200,000
MGT	303	106	2	SAFETY AND PHYSICAL IMPROVEMENTS	J.H. WINTERS	RENOVATION	6,606,000
MGT	303	52	3	UPGRADE TO DIRECT DIGITAL CONTROL FROM JOHNSON	CSB	MECHANICAL CONTROLS	38,450
MGT	303	65	3	FREEZE PROTECT. FOR CONDENSER WATER & COOLING	CSB	MECHANICAL	3,000
MGT	303	102	3	INVEST./CORRECT. OF THC ANNUAL REPORT FINDINGS	GOV. MANSION	PRESERVATION	250,000
MGT	303	23	3	UPGRADE HIGH BAY CEILINGS	INSURANCE ANNEX	RENOVATION	43,700
MGT	303	84	3	RENOVATE SERVICE ENTRANCES	REAGAN	DOCK/SERVICE	401,500
MGT	303	77	3	B: ELEC. ACCESS SYSTEM, MISC. BLDGS.	SPGBC (ALL)	SECURITY	469,000

Table:  
 Capital Projects Requested, By Issue Type  
 Travis County  
 Sorted by Issue Type, L.B.B. Category & Location

Issue	Agency Code	ID. No.	L.B.B. Cat.	Project Name/Description	Project Location	Project Type	Estimated Cost
MGT	303	65	3	WINTERIZE CONDENSING WATER CIRCUITS/TOWERS	STARR/EOT/INX	MECHANICAL	66,700
MGT	303	54	3	REPLACE REMAINING WEAR COMPONENTS - HVAC	SUPPORT CENTER	MECHANICAL	132,000
MGT	303	101	4	RENOVATION/RESTORATION	HANCOCK HOUSE	ADAPTIVE REUSE	1,100,000
MGT	303	69	4	UPGRADE CEILING/LIGHTING SYS. TO PARABOLIC	INSURANCE	RENOVATION	1,252,500
MGT	303	11	4	UPGRADE CEILING, AIR DIST. & LIGHTING	REAGAN	RENOVATION	1,031,400
MGT	303	85	4	RENOV. SERVICE ENTRANCE TO PROVIDE LOADING DOCK	SFA	DOCK/SERVICE	15,500
MGT	303	76	4	MISC. RENOVATIONS < \$5,000	SPGSC (ALL)	RENOVATION	250,000
MGT	303	99	4	INSTALL FIRE ALARM MONITOR SYSTEM	SPGSC (ALL)	LIFE SAFETY	147,000
MGT	303	105	6	PARKING LOT LIGHTING 6/8/11/12/14/16/18/19/27	PARKING LOTS	ELECTRICAL	100,000
MGT	303	77	8	A: INSTALL 'BEST' LOCKING SYST. IN ALL FACIL.	SPGSC (ALL)	SECURITY	454,000
<b>ASSET MANAGEMENT SUBTOTAL</b>							<b>\$ 13,796,050</b>
PROGRAM	405	154	5	NORTH AUSTIN AREA OFFICE BUILDING	AUSTIN	NEW CONSTRUCTION	1,192,393
PROGRAM	405	155	5	SOUTH AUSTIN AREA OFFICE BUILDING	AUSTIN	NEW CONSTRUCTION	1,344,481
PROGRAM	405	156	5	DPS ACADEMY EXPANSION	AUSTIN	EXPANSION	3,510,940
<b>PROGRAM SUPPORT SUBTOTAL</b>							<b>\$ 6,047,814</b>
TECH	303	96	1	INSTALL EMERGENCY GENERATOR SYSTEMS	CAP COMPLEX	ELECTRICAL	801,000
TECH	303	103	2	INSTALL EMERGENCY POWER TO AT&T SWITCH ROOM	SHB	ELECTRICAL	490,000
TECH	303	61	3	CONDENSOR IN COMPUTER ROOM	ANSON JONES	MECHANICAL	16,600
TECH	303	40	3	ADDITIONAL COOLING CAPACITY 3RD FLOOR	LBJ	MECHANICAL	58,100
TECH	303	41	3	RELIABLE CHILLED WATER SUPPLY/BACKUP COMP. RM.	LBJ	MECHANICAL	335,000
TECH	303	56	3	PROVIDE RELIABLE CHILLED WATER FOR COMPUTER ROOM	RUDDER	MECHANICAL	147,700
TECH	303	58	4	COMP. RM. UPGRADE, BACKUP COOLING SYSTEM	E O THOMPSON	MECHANICAL	40,200
TECH	303	20	4	RELIABLE CHILLED WATER TO COMP. (NO, INS MOVES)	INSURANCE	MECHANICAL	76,200
TECH	303	14	4	PROVIDE BATTERY BACKUP FOR COMPUTER ROOM	RUDDER	ELECTRICAL	235,600
TECH	303	45	4	CHILLED WATER BACKUP FOR COMPUTER ROOM	SFA	MECHANICAL	275,000
TECH	303	92	5	C: COMPUTER RM EXPANSION & SERVICE BLDG.		NEW CONSTRUCTION	25,000,000
<b>CHANGING WORK TECHNOLOGY SUBTOTAL</b>							<b>\$ 27,475,400</b>
<b>GRAND TOTAL</b>							<b>\$ 90,221,234</b>

## **SUMMARY**

The total amount of capital construction requested in Travis County is \$90,221,234. The amounts requested within each issue are recapped below.

**Deferred Maintenance.** The SPGSC inventory of state-owned facilities includes a substantial number of aging buildings in need of equipment replacement or major repairs. The number of projects requested by the Commission (110) is an indication of the increasing risk associated with continued deferral of routine component replacement and the true cost of postponing preventive maintenance. In sum, the Commission believes that a substantial reinvestment is timely and necessary to protect the existing investment in building assets.

The total amount requested in deferred maintenance projects is \$8,560,970.

**Asset Management.** Real property is a productive resource and requires active management to increase its contribution. Actions essential to effective management include: identifying and correcting potential hazards; foreseeing and forestalling potential operating problems; providing coordination of projects to improve serviceability of space; and providing protection for personnel and property.

The total amount requested in asset management projects is \$13,796,050.

**Indoor Air Quality.** In recent years, there has been a rapid increase in published material about indoor air quality, citing examples of health affects such as headaches, fatigue, eye irritation, nasal stuffiness, sore throats, etc... Some problems resulting from use of volatile organic compounds (e.g., in print shops) and from public consciousness of health issues (e.g., smoking and airborne contaminants) require exhaust of contaminated air and introduction of larger quantities of fresh air to building air supply than was typical in the original mechanical systems for office buildings designed before 1989.

The total amount requested in indoor air quality projects is \$1,481,600.

**Changing Work Technology.** Expectations for productivity and service have been changing in step with improvements in information technology. Routines can be automated to keep down personnel expenses. Judgment can be enhanced with more and better information. This potential has led to new work

concepts that most state buildings were not built to support. Reliability of electrical and air conditioning support for information technology has been compromised by the demand for that very technology.

**The total amount requested in changing work technology projects is \$27,475,400.** This includes \$25 million for new construction of a computer operations facility.

**Energy Management.** Central plants can create substantial operating and maintenance savings as well as conserving energy. Most projects in this category have been recommended by the Governor's Energy Management Center Long Range Utility Service Master Plan.

**The total amount requested in energy management projects is \$10,972,100.**

**Program Support.** A small number of projects are being requested for direct support of agency programs. Texas Department of Public Safety has three requests: for area office buildings (one north, one south) and for expansion of the Department's Academy.

**The total amount requested in program support projects is \$6,047,814.**

**Code Compliance.** The State has a special responsibility with respect to its example in complying with codes that either protect life and public property; or effect public policy, as in the elimination of architectural barriers to the handicapped, and protection of the environment.

**The total amount requested in code compliance projects is \$21,887,300.** This includes \$21,345,000 for completion of fire suppression systems (sprinkling) in high-rise buildings which requires approximately \$11 million of asbestos abatement work and substantial costs for moves and temporary accommodations.





## **RECOMMENDATIONS**

---

This first long range plan in response to S.B. 870 is aimed at assembling a considerable mass of facility-related information and making it comprehensible in the appropriations process -- rather than describing a particular physical master plan. One aspect which has taken on a surprising dimension in this long range perspective is the need for protecting the existing investment in facilities with planned and timely reinvestment. Another aspect is the need to continue to analyze and define the impacts of operating budgets/expenses on capital investments, and vice versa. These themes recur in the following discussion and recommendations.

### **BRING EXISTING BUILDINGS AND MAINTENANCE UP TO DATE.**

Texas state government has expanded rapidly in recent history and the primary emphasis of facilities planning and funding has been on providing space for expanding programs and new government services. There has been too little emphasis in appropriations on protecting the existing investment in state buildings. As a consequence, there is increasing risk of unplanned loss of service due to aged equipment and some loss of productivity due to employee concerns with comfort and/or health.

Capital funding should be provided for projects which catch up deferred maintenance, bring buildings up to compliance with current codes, and address concerns with air quality in state work environments.

Related operating budgets for repair and maintenance of state buildings should be considered in the range of 2-4% of replacement costs. Based on current estimates of the replacement value of commission-inventoried buildings, totaling approximately \$290 million dollars, routine operations and preventive maintenance should be expected to cost between \$5.8 and \$11.5 million annually.

### **INCREASE EFFICIENCY, FLEXIBILITY AND SECURITY OF EXISTING INVENTORY.**

As government grows or changes with increasing speed, the largest sources of long-term costs need to be carefully monitored and maximum benefits sought and supported. As personnel costs make up, by far, the largest proportion of most agencies' budgets, individual productivity is the surest means to long term cost control. Facilities must be able to support work.

Utility costs in turn make up the largest recurring facilities expense. Energy conservation/efficient plant operation is therefore key to significant reductions in total facility costs.

Capital funding should be provided for projects that allow for more responsive asset management, provide long term energy savings, and support agency choices for employment of changing work technologies. This includes safety and security enhancements, as well as providing a commission-administered allowance for unforeseen, using agency modification projects, individually less than \$5,000.

Facilities that do not provide adequate comfort, convenience and security to effectively accommodate work functions or that cannot be efficiently operated and maintained, should be demolished or disposed during the period of this plan.

By the year 1995 the following buildings should be demolished: American Legion, San Jacinto Warehouse, Archaeology Building (Historical Commission property), and Elrose Building. The James Harper Starr Building in the Central Business District should be sold.

American Legion was built in 1953 and purchased by the State in 1966. Since then, little replacement/maintenance has been funded to bring this building up to standard in the following areas: roof, electric, plumbing, HVAC and interior. At present, major renovation costs would exceed the value of the structure. The existing structure at slightly under 12,000 square feet is approximately one-eighth to one-tenth the size of the "highest and best use" facility that could be constructed at this site. Demolition is recommended. Future use of the site would be a six-story office building with approximately 96,000 usable square feet.

The San Jacinto Warehouse is a single story building purchased in 1975, with approximately 2,379 usable square feet presently used as temporary office space for the Telecommunications Division of the Commission. Demolition is recommended.

Elrose Apartments is a two-story frame structure with approximately 7,350 usable square feet that is occupied by various offices of the Historical Commission. Since this apartment building was purchased, very little work has been done to bring it up to standards and codes for office facilities. Demolition is recommended.

The James Harper Starr Building is a six story, office and parking structure at 6th and Colorado in downtown Austin. It

was built, for bank and retail uses, in 1946-53 and purchased by the State in 1980. Its interior systems and spaces are poorly suited to modern office use. It is very well located for private use, however, and within three to five years should be sold, as downtown rent increases justify redevelopment and a more advantageous sale than is possible in the present market.

#### **REDUCE LONG TERM COSTS OF SPACE THROUGH INCREASED OWNERSHIP.**

In the long run, permanent needs can be more cost-effectively met in owned space rather than leased. Equity (general revenue) or debt service payments accumulate a residual asset value, as opposed to lease payments. Market conditions and economies of scale and location then determine where and when -- but not whether -- owned space should be added. For the period of this plan, a working target of 80% owned, 20% leased should be established. This would entail purchase or construction of approximately 1.1 million square feet by 1995.

During the past year, the Commission has urged consolidation of various agency space requirements toward a third state complex. The potential benefits are: improved quality of facilities and shared amenities; cost savings through more flexible and efficient use of space; and cost-effective provision of centralized support services such as utilities, mail and telecommunications. We found only one interested agency (the Texas Water Commission).

We are not encouraged that, absent a legislative mandate, a consensus can be formed to initiate a new multi-agency complex in Travis County during the present market opportunity. Again, however, a third complex of owned-space appears cost-justifiable and land prices are temporarily depressed. A tract of 60 or more acres would be appropriate. The public would probably benefit most from co-location of regulatory-type agencies, and this would also facilitate sharing of support space, such as for hearings, examinations, etc.. A third complex of state-owned space is recommended.

#### **CONTAIN COSTS THROUGH MORE EFFICIENT SPACE UTILIZATION.**

In this report, we have projected that overall utilization of office space at approximately 200 usable square feet per person would result in a shortfall of about 2.3 million square feet at 1995. If leased, this would cost at least \$28.3 million per year (in 1995 dollars). If space utilization is not made more efficient than at present, the shortfall could be as much as 2.8 million square feet and the annual cost more than \$34.3 million. That is to say that

over 20% of the potential annual lease cost at 1995 could be avoided through more efficient space utilization.

It is important to note that improved space utilization should not, and need not, be at the expense of individual productivity. Getting the resources (employees, office technology, and facilities) to work together is the key. The planning process created by S.B. 870 establishes an important direction in planning and coordinating facility-related decisions in step with other budget considerations.

Including information about space needs and costs in the appropriations process through agency participation in long range planning will undoubtedly help agencies to initiate some improvements to space efficiency. Any budget mechanism that increases this awareness will probably result in more efficient space utilization. A rent calculation for owned space, whether actually charged or not, would probably also encourage these improvements.

Some indication in the budget request of the space impacts of capital outlays for furniture would also help focus on potential improvements to efficiency. In particular, it would help agencies and the Legislature to identify cost-effective opportunities for replacing fixed walls and traditional furniture with modular furniture and demountable systems to better accommodate new and changing work technology, and reduce the total space demanded by furniture. Incorporation of a simple analysis of space impacts of capital outlays in the budget estimate forms is recommended.

#### **SUMMARY**

The Commission believes that the planning process created by S.B. 870 will produce significant benefits in meeting long term needs for housing state government in Travis County. During the period of this plan, the State should focus on capital budget as well as operating decisions that: bring existing buildings and maintenance up to date; increase the efficiency, flexibility and security of existing inventory; reduce long term costs of space through increased ownership; and contain costs through more efficient space utilization.

